

LEASE TERMS AND CONDITIONS

Landlord:	The City of Edmonton ("City")
Tenant:	Applied Pharmaceutical Innovation ("API")
Form of Agreement:	Lease for biotechnology purposes, per the program approved by City Council on October 14, 1997.
Term: Commencement Date: Expiry Date:	Up to 10 Years Thirtieth day following the waiver of the conditions precedent. December 31, 2033
Extension Term:	10 years, provided API was not in default of the lease and had completed its facility.
Purchase Option:	API has the option to purchase the lands at any time during the lease term (including the extension term) for the negotiated current market value. (In-Private Attachment 3).
Premises:	Land in the Edmonton Research Park (Attachment 2). PLAN 1721092 BLOCK 2 LOT 6A, and PLAN 1721092 BLOCK 2 LOT 6B
Capital and Operating Costs:	API would construct a facility at its sole cost, and be fully responsible for all its capital and operations costs.
Basic Rent (Land only):	\$1 per year for the initial term and fair market value rent for the extension term. If at any time during the initial term, the use ceased to be biotechnology, the rent would escalate to the market rate.
Additional Rent:	Not applicable. API would construct a facility and be fully responsible for it. API would be directly responsible for all property taxes and other fees related to the operation of the facility.
Use:	For constructing the facility. For life sciences research and biotechnology research, innovation, commerce, and manufacturing. Operations would adhere to the Edmonton Research Park Development Standards and Design Guidelines, Research Requirement Areas, Basic Research Area. A minimum of 15 per cent of the total square feet of the facility would be allocated to biotechnology research and development activity during every calendar year.
Conditions Precedent:	The lease would be conditional upon the completion of the

Attachment 1

	<p>following items prior to commencing construction:</p> <ul style="list-style-type: none"> • API providing a deposit equal to 10 per cent of the proposed building value declared on the building permit for the facility. • API obtaining a development permit and final building permit from The City of Edmonton for the facility. • API and the City mutually approving the plans for the facility, and those plans complying with the Development Standards and Design Guidelines of the Edmonton Research and Development Park. • API completing a Phase II Environmental Site Assessment and the results being satisfactory to both the API and the City for development on the site. • API providing evidence of its ability to construct and pay for the facility.
<p>Anticipated Facility Completion Date:</p>	<p>Two years from the commencement date. (Two years from the waiver of all conditions precedent).</p>
<p>Sustainability:</p>	<p>The construction of the facility would follow sustainable building practices.</p> <p>API would obtain the LEED certification for the facility.</p> <p>API would maintain the LEED Certification for the facility at all times during the term.</p> <p>API would register and participate in the City's Building Energy Benchmarking Program at all times during the lease term (and any renewals thereof).</p>

The Lease Agreement and any ancillary agreements resulting from the lease of the Premises shall be in a form acceptable to Employee and Legal Services, and in content acceptable to the Branch Manager of Real Estate (the "Branch Manager"). The approval of the Lease Agreement shall include the approval of such corrective, conformance and incidental amendments to the terms and conditions of the Lease Agreement and the approval of any ancillary agreements that are reasonably required or desirable to give effect to or implement the lease of the Premises, as may be subsequently approved by the Branch Manager.