10/09/2019

**{contact\_person\_name}**

**{contact\_person\_pos}**

**{address}**

Dear Sirs,

We are pleased to present the following proposal to lease for your kind consideration:

This proposal ("**Proposal**") summarises the main terms and conditions relating to the leasing of Office Premises in King Abdullah Financial District (**"KAFD"**), Riyadh, Kingdom of Saudi Arabia (the **"Premises"**);

# PARTICULARS

|  |  |  |
| --- | --- | --- |
|  | **Lessor** | The King Abdullah Financial District Development and Management Company, with its registered address at 6469 Northern Ring Rd, Al Aqeeq District, Riyadh 13519 - 3212, Kingdom of Saudi Arabia.  Contact Name:  Phone Number: |
|  | **Lessee** | Company: {company\_name}  Contact Name: {contact\_person\_name}  Phone Number: {contact\_person\_phone} |
|  | **The Building** | {#proposal\_unit\_data}  Building no. {building} located in King Abdullah Financial District.  {/proposal\_unit\_data} |
|  | **The Premises** | {#proposal\_unit\_data}  Office unit {unit\_name} on the {floor} Floor of office building {building}, having a leasable area which the Parties agree pursuant to the terms of this Lease Agreement to be {unit\_area} square meters.  {/proposal\_unit\_data} |
|  | **Car Parking Spaces** | The Lessor shall provide the Lessee with as close as possible to one car parking space per 40 square metres of GLA of the leased Premises; on an unreserved basis on a pro rata basis. |

# Pre-Occupation Terms

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| --- | --- | --- |
|  | **Measurement** | The GLA of the Premises stated in item 1.4 above has been determined by the Lessor and has been measured in accordance with the Building Owners and Managers Association (BOMA) measurement standards.  The GLA of the Premises shall be used by the Lessor to determine the amount of the Security Deposit, the Base Rent, the Building Service Charge and the Master Community Service Charge, payable by the Lessee under the Lease.  Prior to execution of the Lease, the Lessee may measure the Premises to satisfy itself that the Lessor’s measured floor area accurately reflects that proposed to be demised under the lease. |
|  | **Delivery Condition** | Premises delivered to shell and core condition for the Lessee to fit-out. Fit-out works subject to Lessor approval and compliance with the Lessor's Fit Out Manual. |

# Lease Key Terms

|  |  |  |
| --- | --- | --- |
|  | **Term** | The Premises are to be let for 5 Gregorian years starting from the commencement date ("**Term**"). |
|  | **Commencement Date** | Is the date that is mutually agreed between the two parties and will be included in the Lease Agreement. |
|  | **Rent Payment** | The initial rent instalment shall be paid on the lease commencement date and shall be adjusted to reflect any rent free per clause 3.4 below. |
|  | **Rent Free Period** | The Lessee shall receive the benefit of a {rent\_free\_period}-month rent free period at the commencement of the lease on the rental component. |
|  | **Base Rent** | The rent for the Premises (the "**Base Rent**") (i.e. for the period of one Gregorian year starting from the commencement date) shall be SAR {base\_rent} + VAT per sqm per annum. |
|  | **Security Deposit** | The Lessee shall be required to pay a security deposit to the Lessor in an amount of SAR {security\_deposit} which is equal to ten per cent [10%] of the annual Total Rent payable by the Lessee on or before 10 days from the Commencement Date. |
|  | **Building Service Charge** | The Lessee shall be required to pay a building service charge of SAR {annual\_building\_service\_charges} + VAT per square meter per annum which relates to the provision of services to the common property of the Building and any Utilities not separately levied; and |
|  | **Master Community Service Charge** | The Lessee shall be required to pay a Master Community Service Charge of SAR {annual\_community\_service\_charges} + VAT per square meter per annum which relates to the upkeep of the Common Use facilities of the Master Community as defined by the Master Developer from time to time;  Both the above Service Charges are subject to a {annual\_increment\_on\_service\_charges} % increase annually. |
|  | **Utilities and other Charges** | The Lessee shall pay for all Utilities throughout the Term and as they fall due (including consumption, demand, connection, meter and line charges etc.) relating to the Premises levied directly by the Utility Companies and/or as applicable the Master Developers agent/s and which are subject to VAT. |
|  | **Lessee’s Insurance** | Public liability and third-party risk insurance effected and maintained by the Lessee to a value of SAR (15,000,000.00) or such other sum as the Lessor may from time to time reasonably require naming the Lessor as an additional insured on a primary and non-contributory basis. |
|  | **Design Review Fee** | The Lessee shall be required to pay a design review fee to the Lessor in an amount of SAR {design\_review\_fee} +VAT for the space currently agreed on in this lease; in order to cover the costs for a professional design review of your proposed office design inclusive of Architectural and Mechanical Electrical and Plumbing (MEP). This amount covers one (1) initial concept design review, and up to two (2) detailed design reviews. It should be noted that additional services will incur a further cost at the Lessor’s discretion and that the fees are subject to VAT. |
|  | **Fit-Out Deposit** | The Lessee shall be required to pay a fit-out deposit to the Lessor in an amount of (10%) of the total estimated cost of the fit-out work. |
|  | **Permitted Use** | High grade offices with ancillary uses. The Tenant shall not be permitted to use any part of the Premises for retail purposes. |
|  | **Reinstatement** | The Lessee shall reinstate the Premises to its original condition on expiry or earlier determination of the Lease. |

# Due Diligence

The Lessor will provide the Lessee with a request for information that the Lessor will need to receive and approve before it signs the Lease. This request shall be provided once the Lessee has confirmed the identity of the entity that will be entering into the Lease.

# Confidentiality and Indemnity

## The Lessee agrees and undertakes to keep all the information and documents provided by the Lessor in connection with the Proposed Transaction and the Premises under negotiation (the "**Information**"), in strict confidence, and shall not disclose, other than with the Lessor's prior written consent, any part of the Information to anybody other than to its directors, employees and banks necessary for the purposes of negotiating, approving and obtaining finance for the Proposed Transaction, its legal counsel and other professional advisors who have a need to know the Information solely for the purposes of the proposed Lease, or as may be required by the laws or regulations applicable in the Kingdom of Saudi Arabia. The Lessee shall procure that any person to which it discloses Information in accordance with this Clause 6.1 agrees to bound with an obligation to keep the Information confidential in accordance with the terms of this Proposal. This undertaking shall be of indefinite duration.

## The Lessee acknowledges that, once the parties have each signed this Proposal, the Lessor is authorised to disclose to any third party, including by way of press release, the fact that the Lessee has signed these heads of terms and agreed to lease space in the Building for the term of years set out above. The Lessor will not disclose, other than with the Lessee's consent, the financial details of the Proposed Transaction, or any other financial information the Lessee provides it with, to anyone other than to the Lessor's directors, employees and banks necessary for the purposes of negotiating, approving and obtaining finance for the Proposed Transaction, its legal counsel and other professional advisors who have a need to know the Information, or as may be required by the laws or regulations applicable in the Kingdom of Saudi Arabia.

# Non-Binding

None of the terms of this Proposal, save for clause 6 (*Confidentiality and Indemnity*), shall be legally binding and nothing herein shall constitute a binding Lease. The leasing of the Premises shall be governed exclusively by the Lease.

**This proposal is valid for 14 days commencing on the date of this document.**

We look forward to hearing from you and thank you for your interest in King Abdullah Financial District.

Yours faithfully,

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Signed for and on behalf of King Abdullah Financial District

Name: THOMAS DAVIS JR., AIA

Position: CHIEF EXECUTIVE OFFICER

**Acknowledgement and Acceptance**

We, the below mentioned hereby confirm our agreement and acceptance of the terms of this letter.

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Signed for and on behalf of

Company:

Name:

Position:

Date: