

November 9, 2017

Plaza Concordia, LLC
c/o Colliers International
Attn.: Patric Davis
3825 Hopyard Rd, Ste 195
Pleasanton, CA 94588
VIA EMAIL: patric.davis@colliers.com

RE: Proposal to Lease – 1800 Monument Blvd, Suite M, Concord, CA 94520

Dear Ms. Davis,

On behalf of Mt. Diablo Unified School District (the “Lessee”), Transwestern has been authorized to present the following proposal outlining the terms and conditions under which the Lessee would be willing to lease the below defined Premises from Lessor:

LESSOR: **PLAZA CONCORDIA, LLC, a California Limited Liability Company**

LESSEE: **Mt. Diablo Unified School District**

BUILDING: 1800 Monument Blvd, Concord, CA 9452

PREMISES: Suite M consisting of approximately 1,356 rentable square feet, further identified in Exhibit A.

LEASE FORM: Lessor’s Standard Lease Form, please provide.

COMMENCEMENT DATE: December 1, 2017

EARLY ACCESS: Lessee shall have Early Access, commencing upon a mutually executed Lease for the purposes of performing Tenant Improvements and installing its furniture, fixtures, and Equipment.

INITIAL TERM: The Initial Term of the Lease shall be for thirty-six (36) months from the Commencement Date, as defined above.

BASE RENT: Rent shall be in accordance with the following schedule:

<u>Months</u>	
01 – 02	Rent Abatement
03 – 12	\$0.99 per SF per month, NNN
13 – 24	\$1.02 per SF per month, NNN
25 – 36	\$1.05 per SF per month, NNN

OPTIONS TO RENEW: Lessee shall have two (2), three (3) year Options to Renew.

OPTION RENT: Option Rent shall be in accordance with the following schedule:

Option 1:	\$1.08 per SF per month, NNN (3% annual increases)
Option 2:	\$1.18 per SF per month, NNN (3% annual increases)

- OPERATING EXPENSES:** Lessee shall pay their pro-rate share of the operating expenses, or NNN expenses, estimated at \$0.66 per SF per month.
- TENANT IMPROVEMENTS:** Lessee shall pay for and provide their own Tenant Improvements.
- SECURITY DEPOSIT:** Lessee shall provide Lessor with a security deposit equal to the last month's rent, payable along with first month's rent, due upon execution of lease.
- USE:** Employment Program / Agency run by the Mt. Diablo School District.
- SIGNAGE:** Lessor shall provide Lessee, at the Lessor's cost monument signage. Lessee at its own cost shall be permitted to install building/window signage including "brow signage" that complies with City Ordinance.
- PARKING:** Lessee shall have use of 5 parking stalls, free of charge, on a first come, first served, unreserved basis.
- CONFIDENTIALITY:** All information divulged in this proposal is to remain confidential information and is not to be disclosed to any other party without written consent. Confidential information may be released to the parties' employees, partners, consultants and lenders who have a reasonable need for such confidential information, provided that such individuals agree to maintain the confidential nature of the information.
- COMMISSION:** It is understood that Transwestern is the sole agent representing the Lessee in this transaction and shall be paid a fee equal to five percent (5%) of the entire base rent paid over the entirety of the lease term. Fee to be paid by Lessor.
- ADA HAZARDOUS MATERIALS DISCLOSURE DOCUMENT:** Attached to this proposal is a Disclosure and Acknowledgement document for the proposed referenced property. Transwestern requires this document to be presented for signature to both parties as part of any commercial real estate transaction.
- EXPIRATION DATE:** This Lease Proposal shall expire if not accepted in writing and returned to Lessee or Lessee's agent before 5:00 p.m. on Friday, November 17, 2017.

It is expressly understood by both parties that this Proposal to Lease is not a binding contract between the parties, but is intended only to outline the terms and conditions under which both parties would consider entering into a Lease of the Premises. Prior to delivery of a definitive lease agreement executed by both parties, and without any liability whatsoever to the other party, Lessee may continue to negotiate with other parties.

The Lease of the Premises between the parties shall incorporate the general provisions contained herein, and such other provisions as may be agreed to by the parties. The parties agree that there shall be no binding lease agreement until such time as a separate Lease Agreement between the parties is entered into.

Sincerely,

Matthew P. Hatfield
CA Lic # 01937755

Acknowledged and Agreed:

LESSOR: PLAZA CONCORDIA, LLC

LESSEE: Mt Diablo Unified School District

Signed: _____

Signed: _____

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

AMERICANS WITH DISABILITIES ACT, HAZARDOUS MATERIALS AND TAX DISCLOSURE

The Americans With Disabilities Act is intended to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real property may be required. State and local laws also may mandate changes. The real estate brokers in this transaction are not qualified to advise you as to what, if any, changes may be required now, or in the future. Owners and tenants should consult the attorneys and qualified design professionals of their choice for information regarding these matters. Real estate brokers cannot determine which attorneys or design professionals have the appropriate expertise in this area.

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and may need to be specifically treated/handled or removed. For example, some transformers and other electrical components contain PCBs, and asbestos has been used in components such as fire-proofing, heating and cooling systems, air duct insulation, spray-on and tile acoustical materials, linoleum, floor tiles, roofing, dry wall and plaster. Due to prior or current uses of the Property or in the area, the Property may have hazardous or undesirable metals (including lead-based paint), minerals, chemicals, hydrocarbons, or biological hazards (including, but not limited to, mold) or radioactive items (including electrical and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Real estate agents have no expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/or operators. It is the responsibility of the Seller/Lessor and Buyer/Tenant to retain qualified experts to detect and correct such matters and to consult with legal counsel of their choice to determine what provisions, if any, they may include in transaction documents regarding the Property. Real estate brokers are not qualified to give legal or tax advice or to determine whether any other person is properly qualified to provide legal or tax advice.

Sellers/Lessors are required under California Health and Safety Code Section 25915 et seq. to disclose reports and surveys regarding asbestos to certain persons, including their employees, contractors, co-owners, purchasers and tenants. Buyers/Tenants have similar disclosure obligations. Sellers/Lessors and Buyers/Tenants have additional hazardous materials disclosure responsibilities to each other under California Health and Safety Code Section 25359.7 and other California laws. Consult your attorney regarding this matter, and make proper disclosures. Transwestern is not qualified to assist you in this matter or provide you with other legal or tax advice.

Sale, lease and other transactions can have local, state and federal tax consequences for the seller/lessor and/or buyer/tenant. In the event of a sale, Internal Revenue Code Section 1445 requires that all buyers of an interest in any real property located in the United States must withhold and pay over to the Internal Revenue Service (IRS) an amount equal to ten percent (10%) of the gross sales price within ten (10) days of the date of the sale unless the buyer can adequately establish that the seller was not a foreigner, generally by having the seller sign a Non-Foreign Seller Certificate. Note that depending upon the structure of the transaction, the tax withholding liability could exceed the net cash proceeds to be paid to the seller at closing. California poses an additional withholding requirement equal to three and one-third percent (3-1/3%) of the gross sales price on all individuals (California residents and non-residents alike) and on entities with a last known street address outside of the State of California if the sale price exceeds \$100,000. Consult your tax and legal advisor. Real estate brokers are not qualified to give legal or tax advice or to determine whether any other person is properly qualified to provide legal or tax advice.

ACKNOWLEDGED:

LESSOR: PLAZA CONCORDIA, LLC

LESSEE: Mt Diablo Unified School District

Signed: _____

Signed: _____

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

