April 14th, 2015

Frank Palestini

**Cresa**

275 Battery Street, Suite 1050

San Francisco, CA 94111

# Re: Proposal to Lease Space at 1330 Broadway, Suite 300, Oakland, California

Dear Frank,

Pursuant to your letter on behalf of your client, Citizen Engagement Laboratory, dated March 26th, 2015, 1330 Broadway is pleased to offer this proposal:

1. **Lessee:** Citizen Engagement Laboratory
2. **Lessor:** 1330 Broadway
3. **Premises:** ±12,523 rentable square feet (RSF), known as Suite 300, located on the 3rd floor of 1330 Broadway, Oakland, California.
4. **Use:** General administrative office.
5. **Lease Commencement:** August 1st, 2015.
6. **Rent Commencement:** December 1st, 2015.
7. **Term:** Sixty (65) months.
8. **Base Rent** **Schedule:** Free rent for four (4) months. Thereafter, $2.69 per rentable square foot, fully serviced (net of PG&E), subject to annual increases of three percent (3%).
9. **Lease Type:** Full Service (net of PG& E) Lighting, switches, and all electrical receptacles shall be monitored by a sub-meter. HVAC usage shall be pro-rated based on electrical and gas consumption by the building’s common HVAC system. {Subject to further review by Landlord’s engineer}
10. **Operating Expenses:** Tenant shall be responsible for its pro-rata share of all operating expenses over the base year 2015,
11. **Building Hours/Access/HVAC:** Tenant may have access to the Premises 24 hours a day, 7 days a week, 365 days per year, subject to governmental mandate or events of emergency. After-hours access to the Building is monitored by a Biometric access system. Building standard HVAC shall be provided, at Tenant’s cost, 8:00 a.m. to 5:00 p.m. Monday through Friday (excluding holidays), subject to final specs of HVAC system installed in the Premises. After-hours HVAC may be provided, subject to a rate to be determined.
12. **Storage:** Limited availability of storage cages in the lower level of building, starting from $100/month.
13. **Security:** Security is currently provided by a 24 hour security guard service, and a monitored biometric access and camera surveillance system.
14. **Parking:** Unreserved monthly spaces shall be made available to Tenant in the adjacent parking garage subject to the prevailing rates being charged. The current monthly cost is approximately $166.00 per stall. Tenant shall contract directly with the parking lot operator.
15. **Building Signage:** Landlord shall, at Tenant’s expense, provide and install building standard signage on the suite door and the building directories. Tenant, at its sole cost and expense, shall be allowed to brand the 3rd floor lobby, subject to Landlord’s approval of plans and specifications.
16. **Sublease and Assignment:** Tenant shall have the right to assign or sublease the Premises, subject to Landlord's prior written approval, which shall not to be unreasonably withheld. Permitted transfer to be addressed in lease document..
17. **Tenant Improvements:** Landlordshall perform (or cause to be performed) building standard turn-key improvements, including paint, carpet, and electrical outlet distribution work. Said building standard work shall include construction as per the layout provided by tenant, subject to Landlord’s approval of final space plan, construction plans and specifications, and all costs.
18. **Renewal Option:** Tenant shall have the right to extend the initial term for one consecutive period of Sixty (60) months, provided Tenant notifies Landlord in writing not less than nine (9) months prior to the expiration of the initial term. The base monthly rental rate at the commencement of the option period shall be one hundred three (103%) percent of the then monthly rental rate; the base monthly rental during the option period shall be subject to annual increases of three (3%) percent.
19. **Security Deposit:** Tenant shall pay a security deposit equal to one (1) month’s rental.
20. **Brokerage Fee:** Based on the terms of this proposal, in the event of all of the following: (a) a lease is fully executed between Landlord and Tenant; (b) Landlord has received good funds from Tenant in the amount of advanced monies as may be required under the terms of the lease; and (c) upon occupancy and acceptance of the Premises by Tenant, as evidenced by Tenant’s execution of an Acknowledgement of Commencement, then a total one-time real estate commission shall be earned and due and payable to **Cresa** (Broker) by Landlord in an amount equal to One Dollar and Fifty Cents ($1.50) per square foot of the first five years of the initial term of the lease.

Tenant shall indemnify Landlord against all claims (including costs and expenses incurred by Landlord in connection thereto) made for any brokerage fee, finders fee, or similar compensation by any person or entity other than Broker.

1. **Financials:** Tenant shall submit financial and credit information under separate cover for Landlord’s review and approval.
2. **Multiple Parties:** Lessor is currently in negotiations with multiple parties and shall be able to continue negotiations with all parties until a formal lease is fully executed and delivered to the parties.
3. **Brokers:** See attached Agency Confirmation.
4. **General Disclaimer:** See attached DTZ Standard Disclaimers.
5. Nonbinding Proposal: This Proposal shall not be binding upon the parties. A binding agreement shall not exist between the parties until a lease has been fully executed and delivered to both parties. The parties acknowledge that this nonbinding Proposal does not address all essential terms of the lease contemplated by this Proposal and that such essential terms will be the subject of further negotiation, including Landlord’s final approval, in its sole discretion, of tenant improvement work and all costs. This Proposal shall be subject to withdrawal or modification at any time by either party. Neither party may claim any legal rights against the other by reason of any actions taken in reliance upon this nonbinding Proposal, including, without limitation, any partial performance of the transactions contemplated herein.
6. **Expiration:** Unless accepted prior to **5:00 p.m., April 16th, 2015**, this offer is subject to change and/or modification, and shall become null and void.

If the aforementioned terms and conditions are acceptable to your client, please secure the appropriate signature and return this letter to our office. Upon receipt, we will prepare lease documents for your client’s review and approval.

Thank you for your consideration.

Sincerely,

**DTZ**



John Dolby Dane Hooks

Senior Vice President Associate Vice President

+1 510.267.6027 +1 510.267.6025

DRE Lic. #00870630 DRE Lic. #01900402

**AGREED & ACCEPTED:**

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| Citizen Engagement Laboratory |  |  |
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| Title |  |  |
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| Date |  |  |

**AGENCY CONFIRMATION**

**(per California Civil Code Section 2079.17)**

**Property Address:** 1330 Broadway, Suite 300, Oakland, California

**The following agency relationship(s) is/are hereby confirmed for this transaction:**

(Name of Listing Agent) DTZ is the agent of (check one):

the seller / lessor exclusively; or

both the buyer / lessee and the seller / lessor.

(Name of Selling Agent if not the same as the Listing Agent) Cresa is the agent of (check one):

the buyer / lessee exclusively; or

the seller / lessor exclusively; or

both the buyer / lessee and seller / lessor.

**Acknowledged:**

**Seller/Lessor:** Date

**Buyer/Lessee:** Date

**Seller/Lessor Agent** DTZ BRE Lic. No. 00825241

(Brokerage Firm)

By: BRE Lic. No. 00870630

John Dolby (Associate Licensee) Date

**Buyer/Lessee Agent** Cresa BRE Lic. No.

(Brokerage Firm)

By: BRE Lic. No.

Date

**Real Property Disclosures**

DTZ (**“Broker**”) provides this Notice in reference to a proposed transaction by and between **1330 Broadway** (“**Lessor**”) and **Citizen Engagement Lab** (“**Lessee”**) regarding real property identified as: **1330 Broadway, Suite 300**, in the City of **Oakland**, California (the “**Property**”). This Notice applies to any transaction involving any type of real property, whether improved or unimproved. **As used herein, “Seller” includes, where applicable, a seller, landlord, lessor, or sublessor, and “Buyer” includes, where applicable, a buyer, tenant, lessee, or subtenant.**

# Hazardous Materials and Underground Storage Tanks

Comprehensive federal and state laws and regulations (“Laws”) control the use, storage, handling, removal and disposal of hazardous substances (“Hazardous Materials”). The term “Hazardous Materials” includes, but is not limited to, products containing petroleum, paint, solvents, lead, cyanide, DDT, inks, acids, pesticides, ammonium, asbestos, heavy metals, PCBs and a wide variety of other products. Hazardous Materials may be present at the Property due to current or prior use, or the use of adjacent properties. Some Laws impose liability upon owners, tenants, and users for clean-up costs and damages, regardless of such party’s lack of fault or involvement in the presence of such Hazardous Materials. Other Laws establish certain duties of disclosure which may apply to this transaction. For instance, a seller who has reason to believe that Hazardous Materials are present is required to disclose such knowledge to a buyer; the seller of any Property which contains any residential unit must disclose whether lead-based paint is present; and a seller or landlord must disclose reports and other information regarding the presence of asbestos in the Property to a buyer or tenant, and to contractors, employees, and others who may occupy the Property. A party who fails to make required disclosures may face substantial liability.

The Laws regulating Hazardous Materials are extensive and complex, and it is not practical to list all such Laws in this Notice; nor is Broker qualified to advise you regarding your rights, obligations or liability that may arise in connection with Hazardous Materials. Broker recommends that you consult with your advisors with respect to these issues, and investigate prior and surrounding uses which may have caused Hazardous Materials to be present at the Property.

**Americans with Disabilities Act (ADA)**

The Americans with Disabilities Act (42 USC §12101 et seq.) requires, among other things, that owners of “public accommodations” remove barriers to access by disabled persons, and provide auxiliary aids and services for hearing, vision or speech impaired persons. Any change of use or alterations of the Premises may trigger such requirements, even if existing use is in compliance with the ADA. Broker recommends that you consult with your advisors regarding the ADA and related Laws, to determine whether and how the ADA might affect you.

# Broker Disclaimer

Broker has made no independent investigation regarding the present or future use or zoning of the Property; ADA-related issues, matters relating to Hazardous Materials, or the compliance of the Property with the Occupational Safety and Health Act or any other federal, state, county or municipal Law. Broker has not investigated, and is not qualified to provide any opinion about the structural, mechanical, or soils conditions of the Property. Broker has not independently verified the size, measurements, or boundaries of the Property, and any representation thereof is made solely based upon information provided to Broker, which Broker deems reliable but does not warrant to be accurate. You should consult your advisors on these matters. Buyer agrees to make its own investigation and determination regarding all matters affecting the value, condition, utility, size, compliance with Laws, and all aspects of the Property’s suitability for Buyer’s intended use.

# Broker Representation

Broker has a wide variety of clients, and may represent another buyer interested in the same property as Buyer, or may represent sellers with property similar to Seller’s which may be competing with Seller’s. Broker may on occasion represent both the buyer and the seller in a transaction. Broker will not disclose the confidential information of one client to another client.

# Natural Hazards (Sale Only)

Various state Laws require the seller and its broker to disclose the existence of certain Natural Hazards to a buyer, including whether the Property is located in an Earthquake Fault Zone, a Seismic Hazard Zone, a Special Flood Hazard Area, Area of Potential Flooding, a Fire Hazard Severity Zone, or a Wildland Fire Area. If Broker represents the Seller, Broker shall provide Buyer with a report prepared by an independent third party regarding such Natural Hazards during the due diligence period under the purchase contract.

In addition, some lenders require as a condition of obtaining financing on a property located in certain flood zones that flood insurance be carried. The National Flood Insurance Program provides such insurance at a reasonable cost. Cities or counties participating in the National Flood Insurance Program may have adopted building or zoning restrictions, or other measures affecting the Property, as part of their participation in the program. Broker has not made any independent investigation of these matters and recommends that you consult with the local governmental authorities and your advisors regarding the requirement for, availability, and cost of such insurance.

# Taxes – Sale Only

Any real estate transaction may have federal, state and local tax consequences. Internal Revenue Code §1446 (FIRPTA) requires a buyer to withhold and pay to the IRS 10% of the gross sales price within 10 days after closing, unless the buyer can establish that the seller is a “nonforeign person.” The amount of tax required to be withheld may, depending on the structure of the transaction, exceed the seller’s net proceeds, for which the buyer may be liable. The title company will require that seller deliver a “Non-Foreign Seller Affidavit” prior to closing, or in the alternative will withhold such proceeds and may require the buyer to pay any additional sums necessary to satisfy this requirement. In addition, California Revenue & Taxation Code §18662 requires a buyer to withhold and pay to the California Franchise Tax Board 3-1/3% of the gross sales price, subject to certain exceptions.

Broker is not qualified to provide tax or accounting advice, and has made no independent investigation as to the possible tax withholding liabilities in this transaction. Broker recommends that you consult with your advisors regarding these issues.

# Commercial Property Owner’s Guide to Earthquake Safety – Sale Only

California Government Code §§8875.6 and 8893 et seq. require that the Seller (or its agent) of a precast concrete or reinforced or unreinforced masonry building with wood frame floors or roof which was built before January 1, 1975 must deliver to the Buyer a copy of “The Commercial Property Owner’s Guide to Earthquake Safety” published by the California Seismic Safety Commission. .Buyer acknowledges that Seller and/or Broker has disclosed whether such requirement applies to this Property, and if so, that Broker has delivered to Buyer a copy of that Guide.

# Water Heater Bracing Disclosure and Certification – Sale Only

Seller hereby certifies that all water heaters in or on the Property are braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motions as required by state and applicable local codes.

# General Disclaimer

This proposal is merely a statement of the terms upon which the parties may be interested in pursuing further negotiations concerning the property, and is not intended to be a complete or binding agreement. No binding agreements shall be created between the parties until a full and final written agreement, containing these and all other terms of the transaction, is prepared, reviewed and approved by the parties’ respective counsel, if any, and mutually executed and delivered.

Each party acknowledges that it has incurred, and will incur, costs and expenses in connection with the transaction contemplated hereby, including but not limited to the costs of investigation and assessment of the economic and other merits of the proposal, as well as legal expenses in connection with the preparation of a final and binding agreement, all of which costs are incurred at such party’s sole cost and risk, and not in reliance upon any act or representations of the other party or its agent. Either party may terminate the negotiations at any time for any reason, or for no reason, without liability or obligation whatsoever.

The parties acknowledge that Broker has made no independent determination or investigation regarding the present or future use or zoning of the property, its compliance with state, local, or federal laws, availability of governmental permits or approvals, measurements of land and/or buildings, or the condition of the property, including, but not limited to its environmental, structural, mechanical and soils conditions. Broker recommends the parties consult with their own advisors with experience in these matters. Buyer/Lessee agrees to make its own investigation and determination regarding such items.

Any agreement reached pursuant to these negotiations shall be subject to all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or subject matter of this proposal, including but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Realty Property Tax Act, the Comprehensive Response Compensation and Liability Act, and Americans with Disabilities Act.

**A real estate broker is qualified to advise on real estate matters, but is not authorized to give legal or tax advice. No representation or recommendation is made by DTZ or its agents or employees as to the legal sufficiency, legal effect or investment or tax consequences of this document, the purchase and sale agreement, or any transaction relating thereto since these are matters which should be discussed with your consultants and advisors.**