



Office of the City Manager

CONSENT CALENDAR
March 12, 2024

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Andrew Murray, Interim Director of Public Works
Subject: Lease Agreement: Dorothy Day House d.b.a Dorothy's Closet at 2425a Channing Avenue in the Telegraph-Channing Mall and Garage

RECOMMENDATION

Adopt first reading of an Ordinance authorizing the City Manager to execute a lease agreement with Dorothy Day House, a 501c3 nonprofit organization doing business as Dorothy's Closet to use and occupy 2425a Channing Avenue inside the Telegraph-Channing Mall and Garage for a five (5) year lease term with an option to extend for one additional five (5) year term. The initial lease term is anticipated to begin retroactively on May 1, 2023.

FISCAL IMPACTS OF RECOMMENDATION

The lease agreement anticipates total revenue of \$139,860 for the initial five (5) year term for the premises consisting of 1400 square feet of retail space and use of building common areas including the tenant only restrooms and trash and recycling room in Telegraph-Channing Mall and Garage located at 2431 Channing Way, Berkeley, California, 94704. The initial monthly price per square foot is \$2.26 with an annual adjustment of 3% beginning the third year of the lease.

The City agrees to abate the rent for the eighteen months following the retroactive lease commencement date. This abatement totals \$56,952 in savings for the proposed tenant in support of completing permanent improvements to the leased space. The tenant will be responsible for payment of all PG&E charges associated with the meter serving 2440 Durant from the commencement date of the lease. Revenue will be deposited into the Off-Street Parking Fund Revenue Account.

CURRENT SITUATION AND ITS EFFECTS

2425 Channing Way, Suite A ("2425a") is one of fifteen storefronts located on the ground floor of Telegraph-Channing Mall and Garage ("TCM"). It has been without a long-term tenant since the December 2019 permanent closure of University Copy, a printing and photocopying store. Four months after its closing was the start of the COVID-19 Shelter in Place Order. Only one business in TCM, The Postal Annex, met the criteria to stay open during this time.

2425a did have two short-term tenants during COVID. Berkeley Public Library rented the space to use for storage of library furniture. Chairs, tables and other furniture had to be removed from libraries to ensure social distancing protocols were followed. The plan was to store the furniture at TCM just as they had during library renovations projects. 2425a was also made available for storage to Friends of the Berkeley Public Library. The number of books donated to the nonprofit increased exponentially during COVID and exceeded capacity of space available at its storefronts. The Library paid market rate for the space.

Neighborhood Services in the City Manager's Office also rented 2425a to use for the City's clothing distribution program. Dorothy Day House, the operator for the City's two shelters located in the Veterans' Building (1931 Center Street) and Horizons Transitional Village (742 Grayson Street) was also operating the City's clothing distribution program. The end of the Horizons' lease combined with limited space at the Veterans' Building meant the City had to find a new place to store and distribute clothing particularly with winter 2022 approaching. The CMO signed an agreement for 2425a modeled after the one created for the Library. The term was limited to six month and the rent was market rate. It also named Dorothy Day House as the program operator and limited access and use of the space to clothing sorting and distribution – the store could not be open to the public or operate as a retail business.

A few months prior to the termination of the agreement, Robbi Montoya, Executive Director of Dorothy Day House shared a new concept she developed inspired by operating the City's clothing distribution program at 2425a. This new program seeks to independently operate a clothing distribution program that both facilitates the use of vouchers and direct retail sale of donated items to the general public. By operating both programs at 2425a, Dorothy Day House believes it will be able to generate sales income sufficient to sustain the business as well as provide workforce development opportunities in the form of apprenticeships to people living in their shelter or currently unsheltered interested in getting work experience and training. Ms. Montoya has identified two people to act as founding staff at this location and believes the model will be successful and allow for program expansion in Berkeley and throughout Alameda County.

BACKGROUND

Finding tenants for the Mall and setting an appropriate market rate price for the storefronts is challenging due to the building's age, limited improvements since construction, and the limited access most spaces have to street frontages on Durant Avenue and Channing Way. By comparing the previous tenant's base rent rate escalated by CPI increases (capped at 3% per year) over the last ten years to Cushman and Wakefield Market Beat Q4 2022 report on asking rents for Shopping Centers in this region it was determined that \$2.26 per square foot per month was a fair rent rate to for the space. That rate represents roughly a 20% discount from market rate and includes

additional per square foot charge to cover common water service and Zero Waste services shared by all building tenants.

Building History and Condition

The building was built in 1960 with the last major improvement completed in 1997. Pedestrian access to the garage is via elevators located at the center of the building. Public passage ways from Durant Avenue and Channing Way lead to the building's center and are open during the garage's hours of operation (7 AM to midnight most days, 1 AM on Fridays and Saturdays). The passage ways are lined with storefronts with the option to stay open the same hours as the garage. Only two storefronts on Durant and three on Channing have direct access from the sidewalk and therefore can be open beyond the garage's hours of operation. These five stores also have access to and use of porticos available for a range of uses if approved by the City (flower and plant sales, seating, etc.). Consequently, the five stores garner a high rent per square foot than most spaces near the building's center. The building has no air conditioning and no heating system. Tenants may add and maintain heaters to their space at their own expense. The building was not constructed with exhaust and ventilation paths necessary for full-service restaurant stoves and hoods – the most requested space attribute from potential tenants.

Seismic upgrades completed in 1997 changed the building's appearance by adding the now iconic red-orange steel girder supports on both the Durant and Channing facades of the building. Replacement of the elevators and renovation of the public restrooms are planned for FY2024-26. Staff anticipates some additional minor improvements including painting, new tenant signs and directories, and accessibility improvements but no major renovations that could attract a broader range of tenants and garner higher rent rates are anticipated. This combination of attributes and deficits prevents the City from charging true market rates enjoyed by other owners in the business district but does provide the opportunity for continued small business operation and development – one tenant opened in 1977 and several others started in the 1980s. Future leases anticipated to come before City Council in 2024 for spaces fronting on Channing will be discounted roughly 20% below market rate while those without street frontage, like this lease, will be discounted roughly 25% below market rate as calculated by the City to adjust for the building's attributes and deficits.

Dorothy's Closet

Dorothy's Closet will operate a business with positive benefits for other Mall tenants, customers, pedestrians and citizens in Berkeley. Dorothy's Closet intended location in the building is beneficial to the City because 2425a is a storefront with direct access to the public street on one side and access to the building's interior hallway on the other. A business open at this location creates an increased sense of safety for garage and mall customers and pedestrians.

The majority of businesses in the Mall are highly dependent on UC Berkeley students and find it challenging to meet financial goals during school breaks and holidays. Dorothy's Closet anticipates drawing a significant percentage of its customers from the larger Berkeley-East Bay Area and beyond. Other Mall tenants may benefit from exposure to this new customer base likely to visit regularly to explore new merchandise and/or make donations.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no significant environmental sustainability impacts related to this action. This program does divert clothing, shoes, blankets, camping gear and other donated items from the waste stream.

RATIONALE FOR RECOMMENDATION

Dorothy Day House is a long-time City partner working to achieve the goal of providing food and shelter for all that need and want it. Dorothy's Closet is a well thought out expansion of its existing programs to include workforce development while generating funds to make the clothing distribution program self-sustaining. Additionally, Dorothy Day House was found to be a financially qualified and responsive potential tenant for the space.

ALTERNATIVE ACTIONS CONSIDERED

Staff considered three other applicants seeking tenancy at 2425a. One submitted no application. One submitted an incomplete application. The third applied for tenancy in another retail space in TCM scheduled to go to Council for approval January 30, 2024. Dorothy Day House has continued to operate a clothing distribution program with no retail component since May 1, 2023 after the previous agreement expired.

CONTACT PERSON

Dionne Early, Community Development Project Coordinator, Public Works, (510) 981-6453

Attachments:

1: Ordinance

Exhibit A: Lease Agreement

ORDINANCE NO. -N.S.

LEASE AGREEMENT: DOROTHY DAY HOUSE D.B.A DOROTHY'S CLOSET AT
TELEGRAPH-CHANNING MALL AND GARAGE, 2425A CHANNING WAY

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1. FINDINGS:

The City owns the Telegraph-Channing Mall and Garage, and Dorothy Day House, a 501c3 nonprofit organization, doing business as Dorothy's Closet seeks to lease 2425a Channing Way at the premises for purpose of operating a community clothing distribution program and thrift store.

Section 2. AUTHORIZATION FOR CITY MANAGER TO ENTER INTO LEASE AT 2425a Channing Way, Berkeley CA:

The City Manager is hereby authorized to enter into a five-year lease agreement with the option for a five-year extension with Dorothy Day House d.b.a Dorothy's Closet for real property located at 2425a Channing Way, a ground floor retail space in the City of Berkeley Telegraph-Channing Mall and Garage. Such lease shall be on substantially the terms set forth in Exhibit A.

Section 3. Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.

Exhibits

A: Lease Agreement

**CITY OF BERKELEY
TELEGRAPH-CHANNING MALL LEASE**

This lease is made on _____, 2024, between the CITY OF BERKELEY ("Landlord"), a Charter City organized and existing under the laws of the State of California and Dorothy Day House, a 501c3 doing business as Dorothy's Closet ("Tenant"), who agree as follows:

This Lease is made with reference to the following facts and objectives:

A. Landlord is the owner of the real property at 2425a Channing Way, Berkeley, California, ("Premises") located inside Telegraph-Channing Mall and Garage at 2431 Channing Way as further described in Exhibit A, attached to and made a part of this Lease.

B. Tenant is willing to lease the Premises from Landlord pursuant to the provisions stated in this lease.

C. Tenant wishes to lease the Premises for the purpose of operating a community clothing program and thrift store.

D. Tenant has examined the Premises and is fully informed of the condition thereof and agrees to accept it in "as-is" condition.

1. DESCRIPTION OF PREMISES

Landlord leases to Tenant and Tenant leases from Landlord the Premises described above.

2. TERM

The term of this lease shall retroactively commence on May 1, 2023 and become on the effective date of the Ordinance which authorizes this lease unless the Ordinance provides otherwise and shall be for a period of five (5) years plus the partial month, if any, immediately preceding the first full calendar month of this lease. Tenant shall have an option to extend the term of this Lease for an additional period of five (5) years, pursuant to Section 35 of this Lease. The effective date of the Ordinance shall be no less than thirty (30) days after the second reading of the Ordinance and its approval by City Council. The Term is further described in Exhibit B, attached to and made a part of this Lease.

3. RENT

Tenant shall pay to Landlord as monthly rent, without deduction, setoff, prior notice, or demand, the sum of \$3,164.00 per month in advance on the first day of each month,

commencing eighteen (18) months after the retroactive commencement date of the lease or November 1, 2024 and continuing during the Term. Rent shall include basic water, garbage, and recycling service costs. Monthly rent for the first month shall be due and paid on the date City Council approves the Lease and authorizes the City Manager to execute the agreement. Monthly rent for any partial month shall be prorated at the rate of 1/30th of the monthly rent per day. All rent shall be paid to Landlord at the address to which notices to Landlord are given.

4. PERIODIC RENT INCREASES

a. The monthly rent shall be increased at the commencement of the third year of the Term (May 1, 2025) and each year thereafter ("the adjustment date"). The adjusted monthly rent will be calculated by adding three percent (3%). Monthly rent increases based on the annual 3% adjustment have been calculated and are further described in Exhibit C, attached to and made a part of this Lease.

5. SECURITY DEPOSIT

a. As security for the full and faithful performance by Tenant of each and every term, provision, covenant, and condition of this lease, Tenant shall deposit with Landlord cash in an amount equal to one month's payment of rent. Such security shall be deposited on or before the effective date of the ordinance authorizing this lease.

b. Tenant waives the provisions of California Civil Code section 1950.7, and all laws in force or that become in force after the date of execution of this Lease, that provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant, or to clean the Premises.

c. If Tenant defaults in respect to any of the terms, provisions, covenants and conditions of this lease, including but not limited to the payment of rent, Landlord may use the security deposit or any portion of it to cure the default or compensate the Landlord for all damage sustained by Landlord resulting from Tenant's default. If Landlord so uses any portion of the security deposit, Tenant will restore the security deposit to its original amount within ten (10) days after written demand from Landlord.

d. Landlord will not be required to keep the security deposit separate from its own funds and Tenant shall not be entitled to interest on the security deposit. The security deposit will not be a limitation on Landlord's damages or other rights under this lease, or a payment of liquidated damages, or an advance payment of the rent. If Tenant pays the rent and performs all of its other obligations under this lease, Landlord shall return the unused portion of the security deposit to Tenant within sixty (60) days after the end of the term; however, if Landlord has evidence that the security deposit has been assigned to an assignee of the Tenant, Landlord shall return the security deposit to the assignee. Landlord may deliver the security deposit to a purchaser of the Premises and be discharged from further liability with respect to it. Tenant

waives the provisions of California Civil Code section 1950.7, and all laws in force or that become in force after the date of execution of this Lease, that provide that Landlord shall return the security deposit no later than thirty (30) days after the Landlord receives possession of the Premises.

6. LATE CHARGES

Tenant acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Therefore, if any installment of rent or any other sum due from Tenant is not received by Landlord within ten (10) days after such amount is due, then, without any requirement for notice to Tenant, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies available to it.

7. USE OF PREMISES; OPERATION

a. Tenant will use the Premises for the purpose of operating a community clothing program and thrift store and agrees to continuously and uninterruptedly occupy and use the entire leased Premises for said purpose and to maintain adequate personnel for the efficient service of clients or customers. Tenant shall not use nor permit the use of the whole or any part of the Premises for any other purpose without the Landlord's prior written consent.

b. Business may be conducted with the public on the leased Premises at any time on any day, provided that, 1) to do business after 10:00 p.m. on any day Tenant shall have obtained any permit required by federal, state or local law; and 2) Tenant hours of operation have been approved by the Landlord, including vacation, holiday, and seasonal schedule changes and/or closures (if any).

c. Tenant agrees to abide by all facility "Rules and Regulations" and are further described in Exhibit D, attached to and made a part of this Lease. Amendments to Exhibit D may be made from time to time and do not require approval by City Council.

d. In addition to Tenant's agreement to abide by all other restrictions on Tenant's use, Tenant hereby covenants that it shall not use the demised premises to engage in either the primary business of a flower shop, which shall include engaging in the primary business of selling flowers, plants, or related supplies nor the primary business of a deli/sandwich shop, which shall include engaging in the primary business of selling made to order sandwiches. Tenant agrees that any violation of these use restrictions shall constitute a default by Tenant under this Lease, and that Landlord's notice to Lessee of this specific use restriction shall not be

deemed a waiver by Landlord of any other use restriction imposed on the Tenant for the use of the demised Premises.

8. TAXES AND ASSESSMENTS

a. Tenant recognizes and understands that this lease may create a possessory interest subject to property taxation and assessment and utility taxation, and that the Tenant will be responsible for the payment of any property taxes and assessments, and utility taxes levied on such interest.

b. Tenant shall pay all taxes on its personal property, fixtures and on its leasehold or possessory interest in the leased Premises and any other assessment that may be lawfully levied.

9. UTILITIES

Tenant agrees to pay any and all PG&E charges for electricity, gas, heat, and cooling represented on their dedicated meter. Tenant also agrees to pay telephone, sewer use, water, refuse collection and other utilities used in the Premises for their exclusive use. For utilities paid directly to the Landlord on a per square foot basis, Landlord may adjust that rate to reflect the actual costs during the preceding year if Tenant usage for water, trash, or recycling or require the Tenant to pay directly for trash and recycling services if their use is determined to be excessive by the Director of Public Works.

10. MAINTENANCE AND REPAIR

a. Tenant is responsible for ensuring that the Premise meet all applicable City of Berkeley codes prior to occupancy under this lease.

b. Tenant shall keep and maintain in good order, condition and repair (except for reasonable wear and tear) all portions of the Premises including without limitation, all fixtures, interior walls, floors, ceilings, plumbing, glass, roof, heating, ventilating and sewage facilities serving the leased Premises, landscaping, and the sidewalk adjacent to the Premises.

c. Tenant shall make all required repairs upon demand by Landlord. Failure to make such repairs within thirty (30) days of the Landlord's demand shall constitute a default by Tenant.

11. IMPROVEMENTS

a. Tenant shall not erect additions or structures nor make nor cause to be made any alterations, improvements, additions, or fixtures that affect the exterior or interior of the

Premises, nor shall Tenant mark, paint, drill or in any way deface any floors, walls, ceilings, or partitions of the Premises without 1) first providing thirty (30) days' written notice to Landlord and 2) obtaining City of Berkeley Building Permits as required by the Berkeley Municipal Code as it exists at the time of such improvements. Failure to notify the Landlord or failure to obtain Building Permits or meet other regulatory requirements shall constitute a default by Tenant.

b. Tenant shall require all contractors to provide a labor and materials bond for the full amount of the contract. Tenant shall pay, when due, all sums of money that may be due or become due for any labor, services, materials, supplies or equipment furnished to or for Tenant, in, at, upon or about the leased Premises and which may be secured by any mechanic's, materialmen's or other lien against the Premises or Landlord's interest therein.

c. All alterations, improvements or additions that are now or in the future attached permanently to the Premises shall be the property of Landlord and remain with the Premises at the termination of this lease, except that Landlord can elect within thirty (30) days of the termination of the lease to require Tenant, at its cost, to remove any alterations, improvements or additions Tenant has made to the Premises.

12. INDEMNIFICATION

Tenant shall indemnify, defend and hold Landlord, its officers, agents, volunteers and employees harmless from: 1) all claims of liability for any damage to property or injury or death to any person occurring in, on, or about the Premises; 2) all claims of liability arising out of Tenant's failure to perform any provision of this lease, or any act or omission by Tenant, its agents, contractors, invitees or employees; and 3) all damages, liability, fines, penalties, and any other consequences arising from any noncompliance or violation of any laws, ordinances, codes, or regulations, including but not limited to the Occupational Safety and Health Act of 1979 and the Americans with Disabilities Act of 1990. Except, however, that Landlord shall hold Tenant harmless from all claims of liability for damage resulting from the acts or omissions of Landlord or its authorized representatives.

13. INSURANCE

a. Tenant at its cost shall maintain public liability \ insurance with a single combined liability limit of \$2,000,000 and property insurance against all risks of loss to any Tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision insuring against all liability of Tenant and its authorized representatives arising out of and in connection with Tenant's use or occupancy of the Premises. All such insurance shall insure performance by Tenant of the preceding indemnity provisions. All insurance shall name the City of Berkeley, its officers, agents, volunteers and employees as additional insureds and shall provide primary coverage with respect to the City.

b. If the insurance referred to above is written on a Claims Made Form, then

following termination of this lease, coverage shall survive for a period of not less than five years. Coverage shall also provide for a retroactive date of placement coinciding with the effective date of this lease.

c. Tenant at its cost shall maintain on all its personal property, Tenant's improvements, and alterations, in on, or about the Premises, a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements. This coverage shall be considered primary, and the proceeds from any such policy shall be used by Tenant for the replacement of personal property or the restoration of Tenant's improvements or alterations.

d. If Tenant employs any person, it shall carry workers' compensation and employer's liability insurance and shall provide a certificate of insurance to the Landlord. The workers' compensation insurance shall: provide that the insurance carrier shall not cancel, terminate, or otherwise modify the terms and conditions of said insurance except upon thirty (30) days prior written notice to the Landlord; provide for a waiver of any right of subrogation against Landlord to the extent permitted by law; and be approved as to form and sufficiency by the Landlord's Risk Manager.

e. Tenant shall forward all insurance documents to: Real Property Administrator, Department of Public Works, Facilities Division 1947 Center Street, Fifth Floor, Suite 521 Berkeley, California, 94704.

14. COMPLIANCE WITH LAW AND SAFETY

a. Tenant shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the Tenant's activities, including all provisions of the Occupational Safety and Health Act of 1979 and all amendments thereto, and all applicable federal, state, municipal, and local safety regulations. All Tenant's activities must be in accordance with these laws, ordinances, codes, and regulations.

b. If a death, serious personal injury, or substantial property damage occurs in, on, or about the Premises, Tenant shall immediately notify the Landlord's Risk Management Office by telephone. If any accident occurs on the Premises, Tenant shall promptly submit a written report to Landlord, in such form as Landlord may require. This report shall include the following information: 1) name and address of the injured or deceased person(s), (2) name and address of Tenant's contractor, if any, (3) name and address of Tenant's liability insurance carrier, and (4) a detailed description of the accident.

c. Tenant shall report all existing hazardous materials handled at the site and any hazardous wastes generated at the site to the Toxics Management Division (TMD) on an annual basis and abide by all requirements of the TMD and other state and local environmental

agencies. Upon release of hazardous materials or hazardous waste at the property or adjacent to the property, Tenant shall immediately notify the City of Berkeley Toxics Management Division. If the release is significant, the Tenant must report it to the 911 and the Office of Emergency Services.

15. NON-DISCRIMINATION AGAINST PERSONS WITH DISABILITIES

a. If Tenant provides any aid, service or benefit to others on the City's behalf, Tenant shall, in the provision of such aid, service or benefit, observe and comply with all applicable provisions of Title II of the Americans with Disabilities Act of 1990 and any amendments thereto. Tenant shall further observe and comply with all applicable federal, state, municipal and local laws, ordinances, codes and regulations prohibiting discrimination against individuals with disabilities or ensuring that individuals with disabilities are not excluded from participating in or receiving benefits, services or activities of the City.

b. If Tenant is or becomes a "public accommodation" as defined in Title III of the Americans with Disabilities Act of 1990, Tenant shall observe and comply with all applicable provisions of the Act and any amendments thereto, and all applicable federal, state, municipal and local laws, ordinances, codes and regulations prohibiting discrimination on the basis of disability in the full and equal enjoyment of goods, services, facilities, privileges, advantages, or accommodations offered by the Tenant. All Tenant's activities must be in accordance with these laws, ordinances, codes, and regulations, and Tenant shall be solely responsible for complying therewith.

16. REQUIRED ACCESSIBILITY DISCLOSURE

a. Landlord hereby advises Tenant that the Premises and Improvements have not undergone an inspection by a certified access specialist, and except to the extent expressly set forth in this Ground Lease, Landlord shall have no liability or responsibility to make any repairs or modifications to the Premises or the Project in order to comply with accessibility standards. The following disclosure is hereby made pursuant to applicable California law:

b. "A Certified Access Specialist (CASp) can inspect the subject Premises and determine whether the subject Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject Premises, the commercial property owner or Landlord may not prohibit the lessee or Tenant from obtaining a CASp inspection of the subject Premises for the occupancy or potential occupancy of the lessee or Tenant, if requested by the lessee or Tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises." [Cal. Civ. Code Section 1938(e)]. Any CASp inspection shall be conducted in compliance with reasonable rules in effect at the Premises with regard to such inspections and shall be subject to Landlord's

prior written consent.

17. CITY NON-DISCRIMINATION ORDINANCE

Tenant agrees to comply with the provisions of Berkeley Municipal Code Chapter 13.26 as amended from time to time. In the performance of this lease, the Tenant agrees as follows:

a. The Tenant shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, national origin, age (over 40), sex, pregnancy, marital status, disability, sexual orientation or AIDS.

b. The Tenant shall permit the Landlord access to records of employment advertisements, application forms, EEO-1 forms, affirmative action plans and any other documents which, in the opinion of the Landlord, are necessary to monitor compliance with this non-discrimination provision, and will, in addition, fill-out in a timely fashion, forms supplied by the Landlord to monitor these non-discrimination provisions.

18. NUCLEAR FREE BERKELEY

Tenant agrees to comply with Berkeley Municipal Code Chapter 12.90, the Nuclear Free Berkeley Act, as amended from time to time.

19. OPPRESSIVE STATES CONTRACTING PROHIBITION

a. In accordance with Resolution Nos. 59,853-N.S., 60,382-N.S., and 70,606-N.S., Tenant certifies that it has no contractual relations with, and agrees during the term of this Lease to forego contractual relations to provide personal services to or to purchase, sell, lease or distribute commodities in the conduct of business with, the following entities:

- (1) The governing regime in any Oppressive State.
- (2) Any business or corporation organized under the authority of the governing regime of any Oppressive State.
- (3) Any individual, firm, partnership, corporation, association, or any other commercial organization, and including parent-entities and wholly-owned subsidiaries (to the extent that their operations are related to the purpose of its contract with the City), for the express purpose of assisting in business operations or trading with any public or private entity located in any Oppressive State.

b. For purposes of this lease, the Tibet Autonomous Region and the provinces of Aho, Kham, U-Tsang and Burma (Myanmar) shall be deemed oppressive states.

c. Tenant's failure to comply with this section shall constitute a default of this lease and Landlord may terminate this lease pursuant to Section 26. In the event that the City terminates this lease due to a default under this provision, City may deem Tenant a non-responsible bidder for five (5) years from the date this lease is terminated.

20. BERKELEY LIVING WAGE ORDINANCE

a. Tenant agrees to comply with Berkeley Municipal Code Chapter 13.27, the Berkeley Living Wage Ordinance. If Tenant employs six (6) or more part-time, full-time or stipend employees, and generates \$350,000 or more in annual gross receipts, Tenant will be required to provide all eligible employees with City mandated minimum compensation during the term of this lease, as defined in B.M.C. Chapter 13.27, and well as comply with the terms enumerated herein.

b. Tenant shall be required to maintain all reasonable records and documents that would establish whether Tenant is subject to Berkeley's Living Wage Ordinance (LWO). If Tenant is subject to the LWO, as defined therein, Tenant shall be further required to maintain monthly records of those employees located on the leased Premises. These records shall include the total number of hours worked, the number of hours spent providing service on the leased property, the hourly rate paid, and the amount paid by Tenant for health benefits, if any, for each of its employees providing services under the lease. The records described in this Section shall be made available upon the City's request. The failure to produce these records upon demand shall be considered a default, subject to the provisions contained in sections 28 and 29 herein.

c. If Tenant is subject to the LWO, Tenant shall include the requirements of the ordinance, as defined in B.M.C. Chapter 13.27, in any and all subleases in which Tenant enters with regard to the subject Premises. Sub-Tenants shall be required to comply with this ordinance with regard to any employees who spend 25% or more of their compensated time on the leased property.

d. If Tenant fails to comply with the requirements of this the LWO and this lease, the City shall have the rights and remedies described in this Section, in addition to any rights and remedies provided by law or equity.

Tenant's failure to comply with this Section shall constitute default of the lease, upon which City may terminate this lease pursuant to Section 29.

In addition, at City's sole discretion, Tenant may be responsible for liquidated damages in the amount of \$50 per employee per day for each and every instance of an underpayment to an employee. It is mutually understood and agreed that Tenant's failure to pay any of its eligible employees at least the applicable living wage rate will result in damages being sustained by the City; that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein is the nearest and most exact measure of damage for such breach that can be fixed at this time; and that the liquidated damage amount is not intended as a penalty of forfeiture for Tenant's breach.

21. BERKELEY EQUAL BENEFITS ORDINANCE

a. Tenant hereby agrees to comply with the provisions of the Berkeley Equal Benefits Ordinance, B.M.C. Chapter 13.29. If Tenant is currently subject to the Berkeley Equal Benefits Ordinance, Tenant will be required to provide all eligible employees with City mandated equal benefits during the term of this lease, as defined in B.M.C. Chapter 13.29, as well as comply with the terms enumerated herein.

b. If Tenant is currently or becomes subject to the Berkeley Equal Benefits Ordinance, Tenant agrees to supply the City with any records the City deems necessary to determine compliance with this provision. Failure to do so shall be a considered a default, subject to the provisions of Sections 28 and 29 of this lease.

c. If Tenant fails to comply with the requirements of this Section, City shall have the rights and remedies described in this Section, in addition to any rights and remedies provided by law or equity.

Tenant's failure to comply with this Section shall constitute default of the lease, upon which City may terminate this lease pursuant to Section 29.

In addition, at City's sole discretion, Tenant may be responsible for liquidated damages in the amount of \$50.00 per employee per day for each and every instance of violation of this Section. It is mutually understood and agreed that Tenant's failure to provide its employees with equal benefits will result in damages being sustained by City; that the nature and amount of these damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein is the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damage amount is not intended as a penalty or forfeiture for Tenant's breach.

22. SANCTUARY CITY CONTRACTING ORDINANCE

Tenant hereby agrees to comply with the provisions of the Sanctuary City Contracting Ordinance, B.M.C. Chapter 13.105. In accordance with this Chapter, Tenant agrees not to provide the U.S. Immigration and Customs Enforcement Division of the United States Department of Homeland Security with any Data Broker or Extreme Vetting Services as defined herein:

- a. "Data Broker" means either of the following: (1) The collection of information, including personal information about consumers, from a wide variety of sources for the purposes of reselling such information to their customers, which include both private-sector business and government agencies; (2) the aggregation of data that was collected for another purpose from that for which it is ultimately used.
- b. "Extreme Vetting" means data mining, threat modeling, predictive risk analysis, or other similar services. Extreme Vetting does not include: (1) The City's computer-network

health and performance tools; (2) Cybersecurity capabilities, technologies and systems used by the City of Berkeley Department of Information Technology to predict, monitor for, prevent, and protect technology infrastructure and systems owned and operated by the City of Berkeley from potential cybersecurity events and cyber-forensic based investigations and prosecutions of illegal computer-based activity.

23. CONFLICT OF INTEREST PROHIBITED

a. In accordance with California Government Code Section 1090, Berkeley City Charter Section 36 and B.M.C. Chapter 3.64, neither Tenant nor any employee, officer, director, partner or member of Tenant, or immediate family member of any of the preceding, shall have served as an elected officer, an employee, or a committee or commission member of Landlord, who has directly or indirectly influenced the making of this Lease.

b. In accordance with California Government Code Section 1090 and the Political Reform Act, (Government Code Section 87100 et seq.,) no person who is a director, officer, partner, trustee, employee or consultant of Tenant, or immediate family member of any of the preceding, shall make or participate in a decision made by Landlord or any of its boards, commissions or committees, if it is reasonable foreseeable that the decision will have a material effect on any source of income, investment or interest in real property of that person or Tenant, except to the extent permitted by 2 California Code of Regulations, Section 18700(c)(2).

c. Interpretation of this paragraph shall be governed by the definitions and provisions use in the Political Reform Act, Government Code section 87100 et seq., its implementing regulations, manuals and codes, Government Code section 1090, Berkeley City Charter section 36 and B.M.C. Chapter 3.64, as amended from time to time.

24. PESTICIDES

All use of pesticides on the Premises shall be in compliance with the City of Berkeley's Pesticide Use Policy as it exists at the time of such use.

25. SIGNS

Tenant shall not install or letter any signs on the Premises without the prior written consent of Landlord. All signs on the Premises shall conform to the provisions of Berkeley Municipal Code Chapter 20.04.

26. DAMAGE OR DESTRUCTION

If the Premises are totally or partially destroyed from any cause, rendering the Premises totally or partially inaccessible or unusable, Landlord may elect to terminate this lease

or continue this lease in effect by giving notice to Tenant within thirty (30) days of the date of destruction. If Landlord elects to continue this lease in full force and effect, then Landlord shall restore the Premises and the rent shall be abated, from the date of destruction until the date restoration is completed, in an amount proportionate to the extent to which the destruction interferes with Tenant's use of the Premises. If Landlord fails to give notice of its decision to terminate or continue this lease within the period stated, Tenant may elect to terminate this lease. Tenant waives the provisions of Civil Code sections 1932(2) and 1933(4) with respect to any destruction of the Premises.

27. EMINENT DOMAIN

If the whole or any portion of the Premises is taken by any paramount public authority under the power of eminent domain, then the rights and obligations of the parties shall be determined as follows: If the Premises are totally taken by condemnation, this lease shall terminate on the date of taking. If any portion of the Premises is taken by condemnation, Tenant shall have the right to either terminate this lease or to continue in possession of the remainder of the Premises under the terms of this lease. Such right to terminate must be exercised by notifying Landlord within thirty (30) days after possession of the part taken by eminent domain. If Tenant does not terminate this lease within the thirty (30) day period, this lease shall remain in full force and effect except that the fixed rent shall be reduced in the same proportion that the square footage of the Premises taken bears to the square footage of the Premises immediately before the taking. All damages awarded for such taking shall belong to and be the property of Landlord; provided, however, that Landlord shall not be entitled to any portion of the award made for loss of business and of business installations or improvements made by Tenant in accordance with this lease.

28. DEFAULT BY TENANT

a. The occurrence of any of the following shall constitute a default by Tenant:

1. Failure to pay rent when due, if the failure continues for 10 days after notice has been given to Tenant.
2. Abandonment and vacation of the Premises (failure to occupy and operate the Premises for 14 consecutive days shall be deemed an abandonment and vacation).
3. Failure to perform any other provision of this lease if the failure to perform is not cured within 30 days after notice has been given to Tenant. If the default cannot reasonably be cured within 30 days, Tenant shall not be in default of this lease if Tenant commences to cure the default within the 30-day period and diligently and in good faith continues to cure the default.

b. Notices given under this paragraph shall specify the alleged default and the applicable lease provisions, and shall demand that Tenant perform the provisions of this lease or

pay the rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this lease unless Landlord so elects in the notice. The purpose of the notice requirements set forth in this section is to extend the notice requirements of the unlawful detainer statutes of California.

29. LANDLORD'S REMEDIES

Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law.

a. Tenant's Right to Possession Not Terminated. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the Premises. Reletting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting. No act by Landlord allowed by this paragraph shall terminate this lease unless Landlord notifies Tenant that Landlord elects to terminate this lease. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises, Tenant shall have the right to assign or sublet its interest in this lease if Tenant obtains Landlord's consent, but Tenant shall not be released from liability.

If Landlord elects to relet the Premises as provided in this paragraph, rent that Landlord receives from reletting shall be applied to the payment of: first, any indebtedness from Tenant to Landlord other than rent due from Tenant; second, all costs, including for maintenance, incurred by Landlord in reletting; third, rent due and unpaid under this lease. After deducting the payments referred to in this paragraph, any sum remaining from the rent Landlord receives from reletting shall be held by Landlord and applied in payment of future rent as rent becomes due under this lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this lease, the rent received from the reletting is less than the rent due on that date, Tenant shall pay to Landlord, in addition to the remaining rent due, all costs, including for maintenance, Landlord incurred in reletting that remain after applying the rent received from the reletting as provided in this paragraph.

b. Termination of Tenant's Right to Possession. Landlord can terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving notice to Tenant shall terminate this lease. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant:

i. The worth, at the time of award, of the unpaid rent that had been earned at the time of termination of this lease;

ii. The worth, at the time of award, of the amount by which the unpaid rent that would have been earned after the date of termination of this lease until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;

iii. The worth, at the time of award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and

iv. Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

"The worth, at the time of award," as used in i and ii of this section, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth, at the time of award," as referred to in iii of this section, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%.

c. Appointment of Receiver. If Tenant is in default of this lease Landlord shall have the right to have a receiver appointed to collect rent and conduct Tenant's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Landlord to terminate this lease.

d. Landlord's Right to Cure. Landlord, at any time after Tenant commits a default, can cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be due immediately from Tenant to Landlord at the time the sum is paid, and if paid at a later date shall bear interest at the maximum rate an individual is permitted by law to charge from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest on it, shall be additional rent.

30. ASSIGNMENT AND SUBLETTING

Tenant shall not voluntarily assign or encumber its interest in this lease or in the Premises, or sublease all or any part of the Premises, or allow any other person or entity (except Tenant's authorized representative) to occupy or use all or any part of the Premises, without first obtaining Landlord's consent. Any assignments, encumbrance, or sublease without Landlord's consent shall be voidable and, at Landlord's election, shall constitute a default. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of

this paragraph.

31. ENTRY

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes: to determine whether the Premises are in good condition and whether Tenant is complying with its obligations under the lease; to do any acts that may be necessary to protect Landlord's interest in the Premises; or to perform Landlord's duties under this lease. Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this section, except damage resulting from the acts or omissions of Landlord or its authorized representatives.

32. NOTICES

A written notice is deemed served when a party sends the notice in an envelope addressed to the other party to this lease and deposits it with the U.S. Postal Service, registered mail, postage prepaid. For purposes of this lease, notices shall be addressed as follows, as appropriate:

To the Landlord: City of Berkeley - Real Property
Department of Public Works
1947 Center Street, Fifth Floor, Suite 521
Berkeley, CA 94704

Additionally, please email a PDF of the document to
real_property@berkeleyca.gov

To the Tenant: Mailings should always be sent to both of the following addresses:

Dorothy Day House
PO Box 12701
Berkeley, CA 94712

Dorothy's Closet
2425a Channing Way
Berkeley, CA 94704

Additionally, please email correspondence to
r.montoya@dorothydayhouse.org

33. WAIVER

No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the lease.

No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

34. EXCUSABLE DELAYS

If the performance of any act required of Landlord or Tenant is prevented or delayed by reason of strikes, lockouts, labor disputes, act of God, acts of the public enemy, fire, floods, epidemics, freight embargoes or other cause beyond the control of the party required to perform an act, the performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for thirty (30) days.

35. OPTION TO RENEW

a. Option Period. So long as Tenant is not in default under this lease, either at the time of exercise or at the time the extended term commences, Tenant will have the option to extend the initial term of this lease for an additional period of five (5) years (the "option period") on the same terms, covenants, and conditions of this lease, except that the initial monthly rent and yearly rent increases during the option period will be determined as described below. In order to exercise this option, Tenant must give written notice of its election to do so to Landlord at least 180 days, but not more than one year, prior to the expiration date of the initial lease term. Tenant shall have no other right to extend the term beyond the option period.

b. Option Period Monthly Rent. For the purposes of this section, the "then-fair market rental value of the Premises" means what a Landlord under no compulsion to lease the Premises and a Tenant under no compulsion to lease the Premises would determine as rents (including initial monthly rent and rental increases) for the option period, as of its commencement, taking into consideration the uses permitted under this lease, the quality, size, design and location of the Premises, and the rent for comparable buildings located in the vicinity

of the Premises. Except, however, that the initial monthly rent and yearly rent increases for the option period shall not be less than that provided during the initial lease term.

36. HOLDING OVER

If Tenant remains in possession of the Premises with Landlord's consent after the expiration of the term of this lease without having exercised any option to renew this lease, or after the termination of any such option period, such possession by Tenant shall be construed to be a tenancy from month-to-month, terminable on thirty (30) days' notice given at any time by either party. All provisions of this lease, except those pertaining to term, shall apply to the month-to-month tenancy.

37. SURRENDER OF PREMISES, REMOVAL OF PERSONAL PROPERTY

At the termination of this lease, Tenant shall: 1) give up and surrender the Premises, in as good state and condition as reasonable use and wear and tear thereof will permit, damage by fire and the elements excepted; and 2) remove all property which is not a fixture of or permanent attachment to the Premises and which is owned and was installed by Tenant during the term of this lease.

38. TERMS BINDING ON SUCCESSORS

All the terms, covenants and conditions of this lease shall inure to the benefit of and be binding upon the successors and assigns of the parties to this lease. The provisions of this section shall not be deemed as a waiver of any of the conditions against assignment set forth above.

39. TIME OF ESSENCE

Time shall be of the essence of each provision of this lease.

40. COVENANTS AND CONDITIONS

Each term and each provision of this lease performable by Tenant shall be construed to be both a covenant and condition.

41. GOVERNING LAW

The laws of the State of California shall govern this lease.

42. ENTIRE AGREEMENT, AMENDMENTS

This lease and all exhibits attached and any documents expressly incorporated by

reference contain the entire agreement between the parties regarding the lease of the Premises described herein and shall supersede any and all prior agreements, oral or written, between the parties regarding the lease of these Premises. This lease cannot be altered or otherwise modified except by a written amendment.

43. CONSENT OF PARTIES

Whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval.

44. BUSINESS LICENSE

Tenant certifies that it has obtained or applied for a City of Berkeley business license number as required by Berkeley Municipal Code Chapter 9.04; or Tenant claims that it is exempt from the provisions of B.M.C. Ch. 9.04 and has written below the specific B.M.C. section under which it is exempt.

///
///

IN WITNESS WHEREOF, Landlord and Tenant have executed this lease as of the date written on the first paragraph of this lease.

LANDLORD
CITY OF BERKELEY

By: _____
City Manager

Registered on behalf
of the City Auditor by: _____
Finance Department

Attest by: _____
City Clerk

TENANT

By: _____

Printed Name: _____
Robbi Montoya

Executive Director, Dorothy

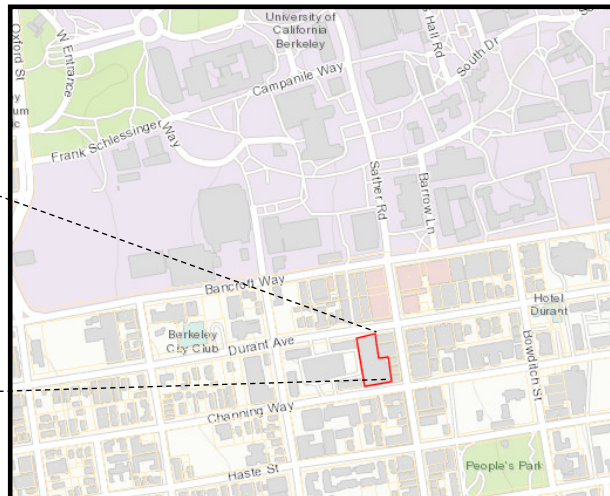
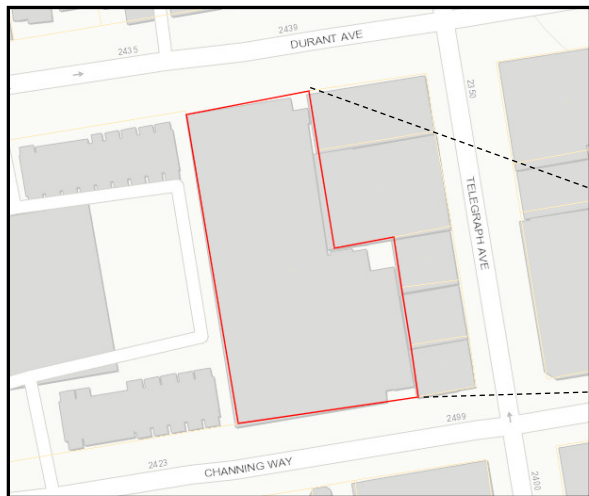
Title: _____
Day House

Berkeley Business

License No.: _____
BLA-2023-000275

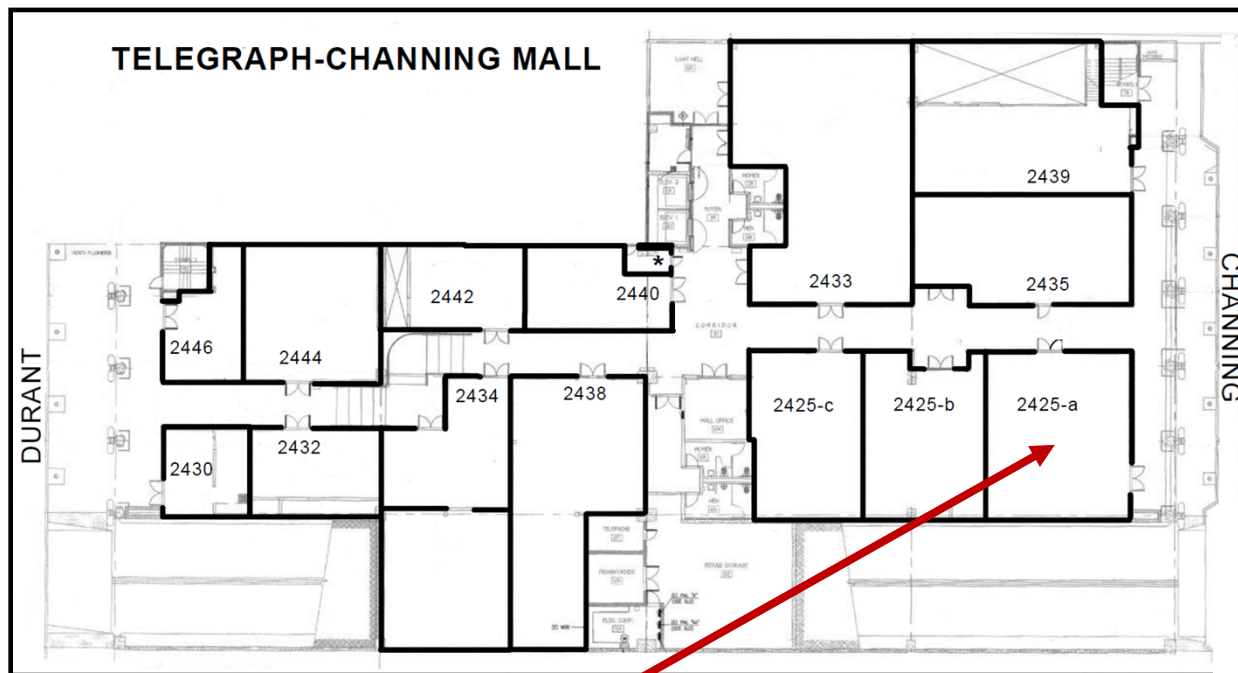
Exhibit A

PREMISES



Physical (Legal) Address: 2431 Channing Way, Berkeley, CA 94704

Garage (and Commonly Used) Address: 2450 Durant Avenue, Berkeley, CA 94704



Dorothy's Closet
2425a Channing Way

Exhibit B

AGREEMENT SPECIFYING TERM OF LEASE

Attached to and made part of the Lease dated the _____ day of _____, 2024, by and between the CITY OF BERKELEY, a municipal corporation, as Landlord, and DOROTHY DAY HOUSE, A 501C3 ORGANIZATION D.B.A., DOROTHY’S CLOSET, a community clothing program and thrift store as Tenant ("**Tenant**").

Landlord and Tenant do hereby confirm and acknowledge the following dates:

- a. Lease Retroactive Commencement Date is May 1, 2023.
- b. Lease Commencement Approval Date is _____, 2024 (date document is approved by City Council and fully executed by the City Manager)
- c. Rent Commencement Date is November 1, 2024.
- d. Expiration Date of the initial term of the Lease is April 30, 2028 subject to extension as provided in the Lease.

This Agreement shall be binding on the parties hereto, their successor and assigns and all subtenants of Tenant and any other party claiming under or through Tenant. The Lease is in full force and effect as of the date hereof in accordance with its terms, and Tenant is in possession of the Premises. Landlord has fulfilled all of its obligations under the Lease that were required to be fulfilled by Landlord on or prior to the Rent Commencement Date and Tenant has no claim or right of set-off against any Rent (as defined in the Lease) under the Lease.

This Agreement was entered into as of the _____ day of _____, 20____.

ATTEST/WITNESS:

LANDLORD:

CITY OF BERKELEY, a municipal corporation

By: _____

Its: City Manager

By: _____

Its: City Attorney

By: _____

Its: City Auditor

ATTEST/WITNESS:

TENANT:

DOROTHY DAY HOUSE D.B.A., DOROTHY’S CLOSET
a 501c3 nonprofit organization

By: _____

Robbi Montoya, Executive Director

Exhibit C

PAYMENTS

RENT PAYMENT SCHEDULE: Dorothy Day House 2425A Channing @TCM						
	YEAR	1	2	3	4	5
MAY	1	\$ -	\$ -	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
JUNE	2	\$ -	\$ -	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
JULY	3	\$ -	\$ -	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
AUGUST	4	\$ -	\$ -	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
SEPTEMBER	5	\$ -	\$ -	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
OCTOBER	6	\$ -	\$ -	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
NOVEMBER	7	\$ -	\$ 3,164.00	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
DECEMBER	8	\$ -	\$ 3,164.00	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
JANUARY	9	\$ -	\$ 3,164.00	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
FEBRUARY	10	\$ -	\$ 3,164.00	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
MARCH	11	\$ -	\$ 3,164.00	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
APRIL	12	\$ -	\$ 3,164.00	\$ 3,258.92	\$ 3,356.69	\$ 3,457.39
ANNUAL TOTAL:		\$ -	\$ 18,984.00	\$ 39,107.04	\$ 40,280.25	\$ 41,488.66
						INITIAL TERM TOTAL: \$ 139,859.95

PREMISES AREA (SQFT):	1400
MONTHLY RATE PER SQFT:	\$ 2.26
INITIAL MONTHLY RENT:	\$ 3,164.00
ANNUAL INCREASE:	3.00%
LEASE START DATE:	May 1, 2023
INITIAL TERM:	60 MONTHS
INITIAL TERM TERMINATION DATE:	April 30, 2028
NOTIFY LANDLORD FOR OPTION BY:	November 1, 2027
OPTION START DATE:	May 1, 2028
OPTION TERM:	60 MONTHS
OPTION TERMINATION DATE:	April 30, 2033

Exhibit D

RULES, RESTRICTIONS AND PROHIBITED USES

Tenant shall not use or permit the use of the Premises for any other business or purpose, except as set forth in this Lease and in strict accordance with the Rules and Regulations. No part of the Premises shall be used in a way that endangers the health or safety of any user of the Premises. **THESE PROHIBITIONS AND RESTRICTIONS SHALL NOT BE DEEMED TO APPLY TO LANDLORD, BUT ONLY TO TENANT UNDER THIS LEASE.** Landlord shall have the right, in Landlord's sole and absolute discretion, to waive all or any of the prohibitions set forth herein upon such matters, terms and conditions as Landlord, in its sole discretion, may determine.

RULES AND REGULATIONS FOR TELEGRAPH-CHANNING MALL

All Tenants of Telegraph-Channing Mall ("TCM") shall comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the failure of any other tenant or occupant of the building to comply with any of these Rules and Regulations:

1. Smoking is prohibited at TCM and Garage in accordance with Berkeley Municipal Code ("BMC") 12.70.030, *Locations Where Smoking Is Prohibited*. Tenant, Tenant's employees/volunteers, invitees, clients, guests, and other occupants shall abide by this Code. "No Smoking" signs are posted by Landlord. Tenant shall abide by and support the enforcement of this regulation prohibiting smoking in all public places, including but not limited to restaurants, public restrooms, business establishments, and parking garages.
2. No pets are allowed on the premises, Building, or Property unless such animal is designated as a "service animal" and licensed with the City of Berkeley. Every dog over the age of six months must be licensed and must wear the license (BMC 10.04.030). Special tags for service animals may be obtained from Alameda County Animal Control at (925) 803-7046.
3. Tenant restrooms are exclusively for the use of Tenants, their employees/volunteers, and customers. Public restrooms, located directly across from the elevators, are available for use by all other visitors, parking garage customers, and the general public.
4. No sign, placard, picture, name, advertisement, or notice visible from the exterior of the premises will be inscribed, painted, affixed, or otherwise displayed by Tenant on any part of the mall or parking structure without the prior written consent of Landlord. The Landlord will adopt and furnish to the tenant general guidelines relating to signs inside TCM. The tenant agrees to comply with those guidelines. All approved signs or lettering on doors will be printed, painted, affixed, or inscribed at the expense of the tenant by a person approved in writing by the Landlord. Material visible outside TCM will not be permitted.
5. The Directory of TCM (if any) will be provided for the display of the name and location of Tenants, and Landlord reserves the right to exclude any other names from the directory. Any additional name that the tenant desires to place upon the directory must be first approved by Landlord, and, if so approved, a charge will be made for the additional name or name change.
6. Tenant shall display the days and hours of operation for their business. The days and hours of

operation posted must match those shown in their Lease and/or approved by the Landlord. Tenant shall notify the Landlord in writing stating the reason (vacation, holiday or other observances, etc.) and the start and end date of any and all closures or deviations from the posted hours of operation exceeding two (2) calendar days.

7. Tenant shall assume all responsibility for protecting the premises from theft, robbery, pilferage, vandalism, damage, or waste, including keeping doors locked and keep other means of entry to the premises closed, and turning off all water faucets, water apparatus, and utilities when needed or necessary. Tenant shall be responsible for any waste in or damage to the premises or any injuries sustained by other Tenants or occupants of TCM or Landlord for Tenant's negligent or willful acts or omissions in protecting the premises as set forth herein.
8. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular Tenant or Tenants, but no waiver by Landlord shall be construed as a waiver of those Rules and Regulations in favor of any other Tenant or Tenants, nor prevent Landlord from enforcing any of those Rules and Regulations against any or all of the Tenants of TCM. Any waiver of these Rules and Regulations by the Landlord shall be done in writing.
9. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations or to make any additional reasonable Rules and Regulations that, in Landlord's judgment, may be necessary for:
 - A. The management, safety, care, and cleanliness of the Premises, Building, and Real Property;
 - B. The preservation of good order; and
 - C. The convenience of other occupants and Tenants in the Premises, Building, and Real Property.
10. No store merchandise and/or displays shall be placed in TCM's main corridor/paseo, arcade, or light well, nor block the path of travel within any part of TCM at any time. No events, classes, conferences, demonstrations, celebrations, or other gatherings shall occur in TCM's corridor, porticos, trash room, or light well.

