


Office of the City Manager

CONSENT CALENDAR
September 9, 2003

To: Honorable Mayor and
Members of the City Council

From:  Weldon Rucker, City Manager

Subject: Lease Extension: 1769 Alcatraz Avenue

RECOMMENDATION

Adopt first reading of an Ordinance ratifying the City Manager's exercise of the City's option to extend the lease agreement with Thomas Goetzl for the real property located at 1769 Alcatraz Avenue for an additional period from November 1, 2003 through October 31, 2005, for the purpose of office space and utilities for the Women, Infant and Children Expanded Breastfeeding Program.

FISCAL IMPACTS OF RECOMMENDATION

The current lease terms for the real property located at 1769 Alcatraz Avenue provide for an option to renew the lease through October 31, 2005. The total expenditure for rent and utilities for the additional period is not expected to exceed \$25,000. The required funding is in the approved FY 2004 budget for the Department of Health and Human Services, budget code number 055-4537-440.5010, 4041 and 4042, and the lease agreement has been entered into the City contract database and assigned CMS number H6BAC, contract number 5578. The revenue source for this expenditure is the State Department of Health Services (DHS). There is no fiscal impact to the City.

CURRENT SITUATION AND ITS EFFECT

On October 31, 2003 the current lease expires (Exhibit A). Authorized by Ordinance No. 6656-N.S., the lease provides the City with an option to renew for an additional two years. However, this Ordinance only authorized a lease period through October 31, 2003 because it was unclear at the time as to whether the City would have sufficient grant funds available to pay for rental fees. For similar reasons, Ordinance No. 6656-N.S. only authorized the payment of rental fees in an amount not to exceed \$18,732. Since then, such grant funds have become available. In order to meet the terms of agreement with the State DHS, the lease for space at 1769 Alcatraz Avenue must be renewed as indicated in contract number 5578.

Because the lease requires the City to provide ninety days notice of its decision to exercise the option, the option was exercised on July 21, 2003 (Exhibit B). The proposed Ordinance would ratify the City's exercise of the option period, and provide spending authority (which as indicated above is not anticipated to exceed \$25,000 for a two-year period). Approval of the proposed Ordinance will maintain the continuity of program services in its current location.

BACKGROUND

In December 1999, the Public Health Services Division of the Department of Health and Human Services released its Annual Health Status Report. This report documented serious health disparities between the African-American and White residents of Berkeley. Subsequent data review showed that this disparity also exists in the breastfeeding population. In March 2000, approximately 15% of the African American babies in the Women, Infant and Children (WIC) program were exclusively breastfed until at least six months, 19% of Asians, 38% of Hispanics, and 60% of Whites.

The WIC program applied for and received funding from the California Endowment in the amount of \$500,000 from October 1, 2000 through September 30, 2003, approved by Resolution No. 60,792-N.S. for an Expanded Breastfeeding Program. Six months after the implementation of the program, the percentage of women who continued exclusively breastfeeding for at least six months had increased to 20% of African-Americans, 38% of Asians, 45% of Hispanics, and 58% of Whites. This is a significant step forward in eliminating the gap in health disparities.

The WIC Expanded Breastfeeding Program has been a tremendous asset to the City and its residents. In August 2002, it was partially responsible for the Guinness World Record for the most women breastfeeding simultaneously in one place, and this record was maintained in August 2003.

Past Council Action

On October 9, 2001 by Ordinance No. 6656-N.S., Council authorized the lease agreement with Thomas Goetzl for the real property at 1769 Alcatraz Avenue for the expansion of the WIC Breastfeeding Program.

RATIONALE FOR RECOMMENDATION

There is insufficient space to house the Expanded Breastfeeding Program at existing Health and Human Services sites in the City, and a previous search found adequate space within the parameters of the budget at 1769 Alcatraz Avenue. The continuation of the program in this location will continue to improve breastfeeding rates for all families in Berkeley, in particular African-American families.

CONTACT PERSON(S)

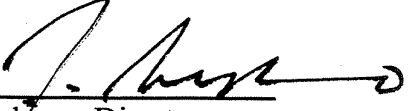
Verdie Thompson, RN, MSN, Manager, Public Health, 981-5359
Vicki Alexander, M.D., MPH, Director MCAH, 981-5301

Lease Extension: 1769 Alcatraz Avenue

CONSENT CALENDAR
September 9, 2003

Ellen Sirbu, Coordinator, Women Infants and Children Supplemental Nutrition Program, 981-5131

Approved by:



Fred Medrano, Director
Department of Health and Human Services

ORDINANCE NO. -N.S.

RATIFYING THE CITY MANAGER'S EXERCISE OF THE CITY'S OPTION TO EXTEND THE LEASE AGREEMENT WITH THOMAS GOETZL FOR THE REAL PROPERTY LOCATED AT 1769 ALCATRAZ AVENUE FOR AN ADDITIONAL PERIOD FROM NOVEMBER 1, 2003 THROUGH OCTOBER 31, 2005. FOR THE PURPOSE OF OFFICE SPACE AND UTILITIES FOR THE WOMEN, INFANT AND CHILDREN EXPANDED BREASTFEEDING PROGRAM

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

Section 1. FINDINGS

The Council finds as follows:

- A. The State of California Women, Infants, and Children (WIC) Branch has documented that the City of Berkeley has a serious race-based disparity in the percentage of mothers who breastfeed for at least six months which mirrors other race-based disparities in Berkeley and may result in an increase in diseases and conditions for children and mothers that are associated with lack of breastfeeding.
- B. The City of Berkeley receives on-going grant funding from the State WIC Branch, which includes expenditures for rent and utilities.
- C. There is insufficient space to house the Expanded Breastfeeding Program at existing Health and Human Services sites in the City, and previous search found adequate space within the parameters of the budget at 1769 Alcatraz Avenue.
- D. The current lease (contract #5510), authorized by Ordinance No. 6656-N.S., granted the City Manager authority to exercise the option to renew the lease for two years, through October 31, 2005.

Section 2. RATIFYING THE CITY MANAGER'S EXERCISE OF THE CITY'S OPTION TO EXTEND THE LEASE AGREEMENT WITH THOMAS GOETZL FOR THE REAL PROPERTY LOCATED AT 1769 ALCATRAZ AVENUE

The City Manager's exercise of the City's option to extend the lease agreement with Thomas Goetzl for the real property located at 1769 Alcatraz Avenue for an additional period from November 1, 2003 through October 31, 2005, for the purpose of office space and utilities for the Women, Infant And Children Expanded Breastfeeding Program is hereby ratified. The current executed lease is attached as Exhibit A, which includes a property description.

Section 3. POSTING

Copies of this Ordinance shall be posted for two consecutive days prior to adoption in the display case located near the walkway in front of Old City Hall, 2134 Martin Luther King, Jr. Way. Within fifteen 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.

EXHIBIT A

COMMERCIAL LEASE AND DEPOSIT RECEIPT

VENDOR COPY SENT 1-27-03

EIVED FROM City of Berkeley, Department of Health and Human Services hereinafter referred to as LESSEE,
 sum of \$ 2295.00 (Two Thousand Two Hundred Ninety Five Dollars),
 encbed by check, as a deposit which shall belong to Lessor and shall be applied as follows:

| | TOTAL RECEIVED | BALANCE DUE PRIOR TO OCCUPANCY |
|---|-------------------|--------------------------------|
| for the period from <u>12/1/01</u> to <u>12/31/01</u> | \$ <u>765.00</u> | \$ <u>765.00</u> |
| urity deposit (not applicable toward last month's rent) | \$ <u>1530.00</u> | \$ <u>1530.00</u> |
| if | \$ | \$ |
| AL | \$ <u>2295.00</u> | \$ <u>2295.00</u> |

In the event this lease is not accepted by the Lessor within _____ days, the total deposit received will be refunded.

Lessee offers to lease from Lessor the premises situated in the City of Berkeley, County of Alameda,
 of CA, described as 1769 Alcatraz Street

the following terms and conditions: December 1
November 9, 2001, 19____, and end on October 31, 2003, 19____

TERM: The term will commence on _____, and end on _____, 19____
 RENT: The total rent will be \$ _____, payable as follows: See Addendum A

All rents will be paid to Lessor or his/her authorized agent, at the following address: Tom Goetzl, 160 Highland Ave., Bellingham, WA 98225

or at such other places as may be designated by Lessor from time to time. In the event rent is not paid within _____ days after due date, Lessee agrees to pay a late charge of \$ _____ plus interest at _____ % per annum on the delinquent amount. Lessee further agrees to pay _____ for each dishonored bank check. The late charge period is not a grace period, and Lessor is entitled to make written demand for any rent if not paid when due.

USE: The premises are to be used for the operation of office space for City of Berkeley's woman infant and children program and for no other purpose, without prior written consent of Lessor. Lessee will not commit any waste upon the premises, or any nuisance or act which may disturb the quiet enjoyment of any tenant in the building.

USES PROHIBITED: Lessee will not use any portion of the premises for purposes other than those specified. No use will be made or permitted to be made upon the premises, nor acts done, which will increase the existing rate of insurance upon the property, or cause cancellation of insurance policies covering the property. Lessee will not conduct or permit any sale by auction on the premises.

ASSIGNMENT AND SUBLETTING: Lessee will not assign this Lease or sublet any portion of the premises without prior written consent of the Lessor, which will not be unreasonably withheld. Any such assignment or subletting without consent will be void and, at the option of the Lessor, will terminate this Lease.

ORDINANCES AND STATUTES: Lessee will comply with all statutes, ordinances, and requirements of all municipal, state and federal authorities now in force, or which may later be in force, regarding the use of the premises. The commencement or pendency of any state or federal court abatement proceeding affecting the use of the premises will, at the option of the Lessor, be deemed a breach of this Lease.

MAINTENANCE, REPAIRS, ALTERATIONS: Unless otherwise indicated, Lessee acknowledges that the premises are in good order and repair. Lessee shall, at his/her own expense, maintain the premises in a good and safe condition, including plate glass, electrical wiring, plumbing and heating and air conditioning installations, and any other system or equipment. The premises will be surrendered, at termination of the Lease, in as good condition as received, normal wear and tear excepted. Lessee will be responsible for all repairs required, except the following which will be maintained by Lessor: roof, exterior walls, structural foundations (including any retrofitting required by governmental authorities) and: Nothing more

Lessee will also maintain in good condition property adjacent to the premises, such as sidewalks, driveways, lawns, and shrubbery, which would otherwise be maintained by Lessor.

No improvement or alteration of the premises will be made without the prior written consent of the Lessor. Prior to the commencement of any substantial repair, improvement, or alteration, Lessee will give Lessor at least two (2) days written notice in order that Lessor may post appropriate notices to avoid any liability for liens.

ENTRY AND INSPECTION: Lessee will permit Lessor or Lessor's agents to enter the premises at reasonable times and upon reasonable notice for the purpose of inspecting the premises, and will permit Lessor, at any time within sixty (60) days prior to the expiration of this Lease, to place upon the premises any usual "For Lease" signs, and permit persons desiring to lease the premises to inspect the premises at reasonable times.

INDEMNIFICATION OF LESSOR: Lessor will not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the premises. Lessee agrees to hold Lessor harmless from any claims for damages arising out of Lessee's use of the premises, and to indemnify Lessor for any expense incurred by Lessor in defending any such claims. see Addendum A.

POSSESSION: If Lessor is unable to deliver possession of the premises at the commencement date set forth above, Lessor will not be liable for any damage caused by the delay, nor will this Lease be void or voidable, but Lessee will not be liable for any rent until possession is delivered. Lessee may terminate this Lease if possession is not delivered within 30 days of the commencement term in Item 1.

LESSEE'S INSURANCE: Lessee, at his/her expense, will maintain plate glass, public liability, and property damage insurance insuring Lessee and Lessor with minimum coverage as follows: \$1,000,000.00 public liability insurance.

Lessee will provide Lessor with a Certificate of Insurance showing Lessor as additional insured. The policy will require ten (10) day's written notice to Lessor prior to cancellation or material change of coverage.

LESSOR'S INSURANCE: Lessor will maintain hazard insurance covering one hundred percent (100%) actual cash value of the improvements throughout the Lease term. Lessor's insurance will not insure Lessee's personal property, leasehold improvements, or trade fixtures.

SUBROGATION: To the maximum extent permitted by insurance policies which may be owned by the parties, Lessor and Lessee waive any and all rights of subrogation which might otherwise exist.

UTILITIES: Lessee agrees that he/she will be responsible for the payment of all utilities, including water, gas, electricity, heat and other services delivered to the premises, except: none. Lessee to pay prorated portion of water/sewer: one third.

SIGNS: Lessee will not place, maintain, nor permit any sign or awning on any exterior door, wall, or window of the premises without the express written consent of Lessor, which will not be unreasonably withheld.

ABANDONMENT OF PREMISES: Lessee will not vacate or abandon the premises at any time during the term of this Lease. If Lessee does abandon or vacate the premises, or is dispossessed by process of law, or otherwise, any personal property belonging to Lessee left on the premises will be deemed to be abandoned, at the option of Lessor.

CONDEMNATION: If any part of the premises is condemned for public use, and a part remains which is susceptible of occupation by Lessee, this lease will, as to the part taken, terminate as of the date the condemnor acquires possession. Lessee will be required to pay such proportion of the rent for the remaining term as the value of the premises remaining bears to the total value of the premises at the date of condemnation; provided, however, that Lessor may at his/her option, terminate this Lease as of the date the condemnor acquires possession. In the event that the premises are condemned in whole, or the remainder is not susceptible for use by the Lessee, this Lease will terminate upon the date which the condemnor acquires possession. All sums which may be payable on account of any condemnation will belong solely to the Lessor; except that Lessee will be entitled to retain any amount awarded to him/her for his/her trade fixtures or moving expenses.

TRADE FIXTURES: Any and all improvements made to the premises during the term will belong to the Lessor, except trade fixtures of the Lessee. Lessee may, upon termination, remove all his/her trade fixtures, but will pay for all costs necessary to repair any damage to the premises occasioned by the removal.

DESTRUCTION OF PREMISES: In the event of a partial destruction of the premises during the term, from any cause, Lessor will promptly repair the premises, provided that such repairs can be reasonably made within sixty (60) days. Such partial destruction will not terminate this Lease, except that Lessee will be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs interferes with the business of Lessee on the premises. If the repairs cannot be made within sixty (60) days, this Lease may be terminated at the option of either party by giving written notice to the other party within the sixty (60) day period.

HAZARDOUS MATERIALS: Lessee will not use, store, or dispose of any hazardous substances upon the premises, except the use and storage of such substances that are customarily used in Lessee's business, and are in compliance with all environmental laws. Hazardous substances means any hazardous waste, substance or toxic materials regulated under any environmental laws or regulations applicable to the property. Lessee will be responsible for the cost of removal of any toxic contamination caused by Lessee's use of the premises.

INSOLVENCY: The appointment of a receiver, an assignment for the benefits of creditors, or the filing of a petition in bankruptcy by or against Lessee, will constitute a breach of this Lease by Lessee.



FAULT: In the event of any breach of this Lease by Lessee, Lessor may, at his/her option, terminate the Lease and recover from Lessee: (a) the rent at the time of award of the unpaid rent which had been earned at the time of termination; (b) the worth at the time of award of the amount which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; (c) 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 such rental loss that the Lessee proves could be reasonably avoided; and (d) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform his/her obligations under the lease or which in the ordinary course of things would be likely to result therefrom.

Lessor may, in the alternative, continue this Lease in effect, as long as Lessor does not terminate Lessee's right to possession, and Lessor enforces all of Lessor's rights and remedies under the Lease, including the right to recover the rent as it becomes due under the Lease. If said breach continues, Lessor may, at any time thereafter, elect to terminate the Lease.

These provisions will not limit any other rights or remedies which Lessor may have.

CURITY: The security deposit will secure the performance of the Lessee's obligations. Lessor may, but will not be obligated to, apply all or portions of the deposit on account of Lessee's obligations. Any balance remaining upon termination will be returned to Lessee. Lessee will not have the right to apply the security deposit in payment of the last month's rent.

POSIT REFUNDS: The balance of all deposits will be refunded within three weeks (or as otherwise required by law), from date possession is delivered to Lessor or his/her authorized agent, together with a statement showing any charges made against the deposits by Lessor.

ATTORNEY FEES: In any action or proceeding involving a dispute between Lessor and Lessee arising out of this Lease, the prevailing party will be entitled to reasonable attorney fees or Lessee

WAIVER: No failure of Lessor to enforce any term of this Lease will be deemed to be a waiver.

NOTICES: Any notice which either party may or is required to give, will be given by mailing the notice, postage prepaid, to Lessee at the premises, or to Lessor at the address shown in Item 2, or at such other places as may be designated in writing by the parties from time to time. Notice will be effective five days after mailing, or on personal delivery, or when receipt is acknowledged in writing.

HOLDING OVER: Any holding over after the expiration of this Lease, with the consent of Owner, will be a month-to-month tenancy at a monthly rent of \$_____, payable in advance and otherwise subject to the terms of this Lease, as applicable, until either party will terminate the tenancy by giving the other party thirty (30) days written notice. *At 110% of the rent for the last month of the lease.

TIME: Time is of the essence of this Lease.

HEIRS, ASSIGNS, SUCCESSORS: This Lease is binding upon and inures to the benefit of the heirs, assigns, and successors of the parties.

TAX INCREASE: In the event there is any increase during any year of the term of this Lease in real estate taxes over and above the amount of such taxes assessed for the tax year during which the term of this Lease commences, Lessee will pay to Lessor an amount equal to _____% of the increase in taxes upon the land and building in which the leased premises are situated. In the event that such taxes are assessed for a tax year extending beyond the term of the Lease, the obligation of Lessee will be prorated. Lessee will not be responsible for any tax increase occasioned by a sale or transfer of the premises by Lessor.

ADJUSTMENT OF LIVING INCREASE: The rent provided for in Item 2 will be adjusted effective upon the first day of the month immediately following the expiration of 12 months from date of commencement of the term, and upon the expiration of each 12 months thereafter, in accordance with changes in the U.S. Consumer Price Index for All Urban Consumers (1982-84 = 100) ("CPI"). The monthly rent will be increased to an amount equal to the monthly rent set forth in Item 2, multiplied by a fraction the numerator of which is the CPI for the second calendar month immediately preceding the adjustment date, and the denominator of which is the CPI for the second calendar month preceding the commencement of the lease term; provided, however, that the monthly rent will not be less than the amount set forth in Item 2.

OPTION TO RENEW: Provided that Lessee is not in default in the performance of this Lease, Lessee will have the option to renew the Lease for an additional term of _____ months commencing at the expiration of the initial Lease term. All of the terms and conditions of the Lease will apply during the renewal term, except that the monthly rent will be the sum of \$_____ which will be adjusted in accordance with the cost of living increase provision set forth in Item 32.

The option will be exercised by written notice given to Lessor not less than _____ days prior to the expiration of the initial Lease term. If notice is not given within the time specified, this Option will expire.

AMERICANS WITH DISABILITIES ACT: The parties are alerted to the existence of the Americans With Disabilities Act, which may require costly structural modifications. The parties are advised to consult with a professional familiar with the requirements of the Act.

LESSOR'S LIABILITY: In the event of a transfer of Lessor's title or interest to the property during the term of this Lease, Lessee agrees that the benefit of such title or interest will be substituted as the Lessor under this Lease, and the original Lessor will be released of all further liability; provided, that all deposits will be transferred to the grantee.

STOPPEL CERTIFICATE:

(a) On ten (10) days' prior written notice from Lessor, Lessee will execute, acknowledge, and deliver to Lessor a statement in writing: [1] certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), the amount of any security deposit, and the date to which the rent and other charges are paid in advance, if any; and [2] acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of Lessor, or specifying such defaults if they are claimed. Any such statement may be conclusively relied upon by any prospective buyer or encumbrancer of the premises.

(b) At Lessor's option, Lessee's failure to deliver such statement within such time will be a material breach of this Lease or will be conclusive upon Lessee: [1] that this Lease is in full force and effect, without modification except as may be represented by Lessor; [2] that there are no uncured defaults in Lessor's performance; and [3] that not more than one month's rent has been paid in advance.

(c) If Lessor desires to finance, refinance, or sell the premises, or any part thereof, Lessee agrees to deliver to any lender or buyer designated by Lessor such financial statements of Lessee as may be reasonably required by such lender or buyer. All financial statements will be received by the Lessor or the lender or buyer in confidence and will be used only for the purposes set forth.

ENTIRE AGREEMENT: The foregoing constitutes the entire agreement between the parties and may be modified only in writing signed by all parties. The following exhibits are a part of this Lease:

- Exhibit A: Attachment A
- Exhibit B: Addendums A & B
- Exhibit C:

Undersigned Lessee acknowledges that he/she has thoroughly read and approved each of the provisions contained in this Offer, and agrees to the terms and conditions specified.

Signature: _____ Date: 2/15/01 Lessee _____ Date _____
Signature: _____ Date: _____ Lessor _____ Date _____

ACCEPTANCE

Undersigned Lessor accepts the foregoing Offer and agrees to lease the premises on the terms and conditions set forth above.

NOTE: The amount or rate of real estate commissions is not fixed by law. They are set by each broker individually and may be negotiable between the owner and broker.

The Lessor agrees to pay to _____, the Broker in this transaction, the sum of \$_____ for services rendered and authorizes Broker to deduct said sum from the deposit received from Lessee.

In the event the Lease is extended for a definite period of time or on a month-to-month basis after expiration of the original term, Lessor will pay an additional commission of _____% of the total rental for the extended period. This commission will be due and payable at the commencement of the extended period if for a fixed term, or if on a month-to-month basis, at the termination of Lessee's occupancy or one year, whichever is earlier.

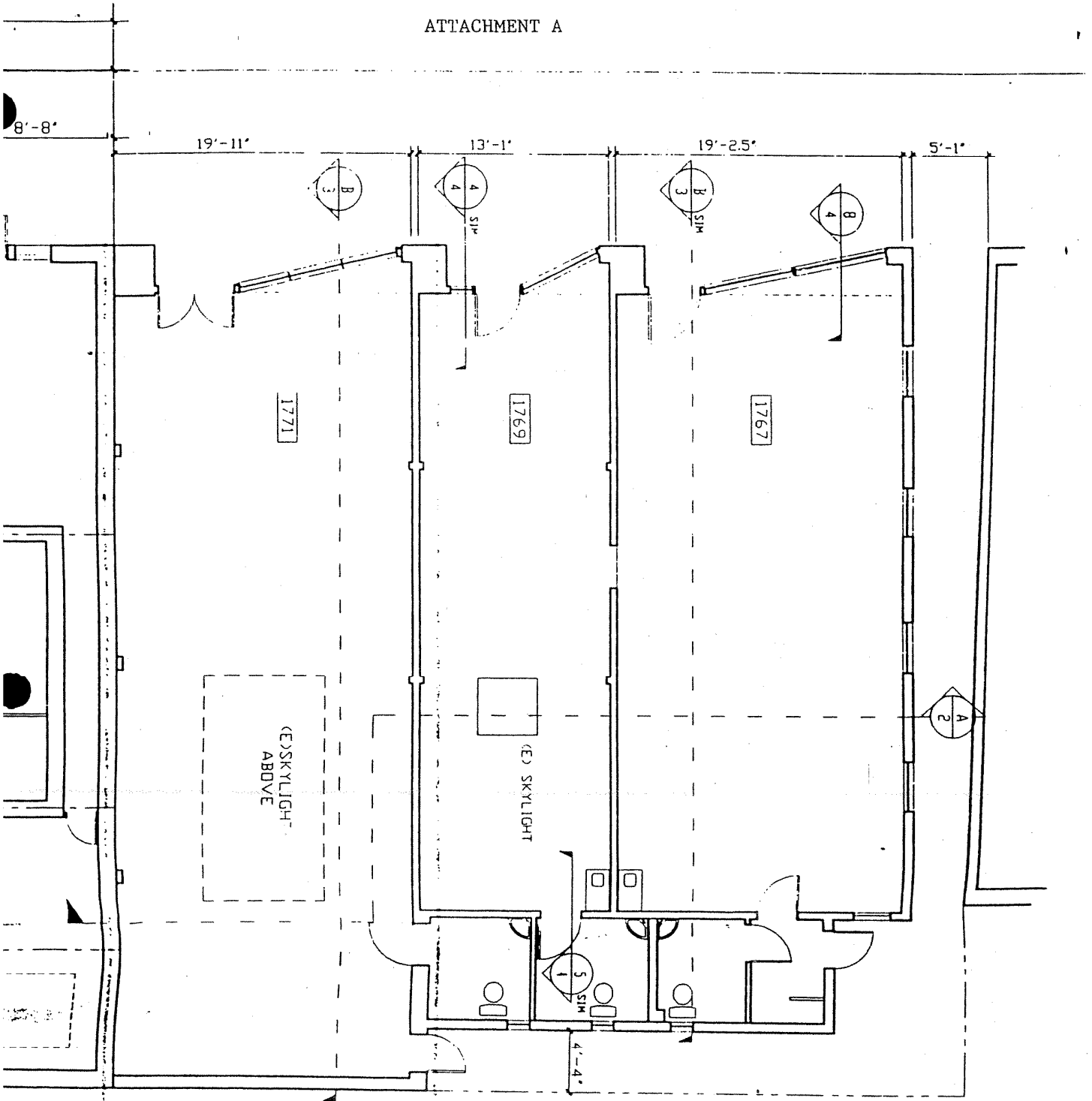
In any action for commission, the prevailing party will be entitled to reasonable attorney fees.

Signature: _____ Date: 10/12/01 Lessor _____ Date: _____

Signature: _____ Date: _____ Lessee _____ Date: _____

EST for the City of Berkeley Registered by: _____
Signature: _____ City Auditor
Signature: _____ City Attorney for the City of Berkeley
APPROVED AS TO FORM
Rev. by _____
Date: _____

ATTACHMENT A



WORK IN THIS AREA
TIE WALLS AND PARAPETS
TO ROOF DIAPHRAGM.
SEE SECTIONS 'A' AND
AND DETAIL SHEET #4



3/4"

ADDENDUM A

1. **RENT:** a) ~~Rent for the first period November 9, 2001 through October 31, 2002, shall be \$765.00 due on the first day of each month; rent shall not be prorated for the first month of November 2001;~~ b) Rent for the next period November 1, 2002 through October 31, 2003 shall be \$796.00 due on the first day of each month.

2. **INDEMNIFICATION:** Lessor shall hold Lessee harmless from all claims of liability for damage or injury resulting from act or omissions of Lessee or its authorized representatives.
Lessor

3. **FIRE EXTINGUISHER:** Lessee agrees to install such fire extinguisher and other apparatus within the leased premises as may be required for Lessee's operations by applicable state and local laws, and, in addition, Lessee shall maintain at least one currently ~~services fire~~ extinguisher having UL Rating of 4A-50B:C or 4A-40B:C for use on A, B, and C type fires.
serviceable

4. **SUBORDINATION:** This lease shall be subject and subordinate at all times to the lien of any mortgage or trust deed or deeds which may now exist upon or which may be placed upon the demised premises and the Lessee covenants that it will execute and deliver to the Lessor or nominee of the Lessor proper subordination agreements to this effect at any time upon the request of the Lessor and without payment being made therefore, provided lender agrees to enter into a nondisturbance agreement with Lessee.

5. **TERMINATION:** Lessee shall provide Lessor with thirty (30) day written notice of its intention to terminate this lease upon the expiration of the term of this lease; provided that, Lessee's failure to do so will cause Lessee to become a holdover tenant subject to the rent set in Paragraph 28 of this lease.

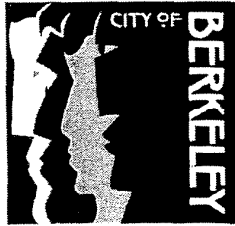


ADDENDUM B
Option to Extend

Landlord hereby grants to Tenant the option to extend the term of this Lease for a two year period. The extension shall commence when the original term expires and terminate on October 31, 2005. Tenant shall have the option to extend this Lease subject to the following conditions:

1. Tenant shall not be in default at the time Tenant delivers the notice of his election to extend the term for a period of more than thirty (30) days at any time during the original term.
2. Tenant shall have given Landlord written notice of its election to extend the term not less than ninety (90) days prior to the expiration of the existing term, time being of the essence. If the notification is not so given, the option shall automatically expire.
3. All of the terms and conditions of the Lease shall apply except that the rent shall be:
 - a. The monthly rent for the first year of the extended term shall be \$827.00 due on the first day of each month.
 - b. The monthly rent for the second year of the extended term shall be \$861.00 due on the first day of each month.

A handwritten signature, possibly "MTC", is enclosed within a circular stamp or seal. The signature is written in dark ink and is somewhat stylized.



Department of Health & Human Services

July 21, 2003

Tom Goetzl
160 Highland Avenue
Bellingham, WA 98225

RE: Lease for 1769 Alcatraz Avenue, Berkeley, CA

Dear Mr. Goetzl:

This letter is to inform you that in accordance with contract number 5510, Addendum B, the City of Berkeley, WIC Breastfeeding Program will exercise the option to extend the lease for two years, through October 31, 2005. If there are questions please contact me at (510) 981-5301.

Sincerely,

Vicki Alexander, M.D., MPH
Director, Maternal Child and Adolescent Health

Approved by:

Weldon Rucker, City Manager

cc: Verdie Thompson, Manager of Health Promotion
Ellen Sirbu, Coordinator, WIC Program
Douglas Meyer, Associate Management Analyst
Peggy Gibbons, Deputy Director, Health & Human Services
Hallie Llamas, Real Property Manager