

Premises: _____ Date: _____

TEMPLATE CALIFORNIA COMMERCIAL LEASE AGREEMENT

Date (For reference only): _____

_____ ("Landlord")
and _____ ("Tenant")

agree as follows:

1. PROPERTY: This lease ("Lease") is made by and between Landlord and Tenant, collectively referred to as the "Parties." Landlord owns the real property, commonly known as (street address, city, state, zip):

_____ ("Premises"). Landlord makes Premises available to tenant as commercial space for _____. The Premises comprises approximately _____ % of the total square footage of rentable space in the entire property ("Tenant's Pro-Rata Share"). The entire property is hereinafter referred to as the "Building." See Exhibit ___ for a further description of the Premises.

2. TERM: The Term of this Lease begins on (exact date - mm/dd/yyyy) _____ ("Commencement Date"), **(Check A or B):**

A. Defined lease term ("term of years"): and shall terminate on (exact date - mm/dd/yyyy) _____ at (time) _____ AM PM ("Expiration Date"). Any holding over after the term of this agreement expires, with Landlord's consent, shall create a month-to-month tenancy ("Holdover Tenancy") that either party may terminate with ___ days¹ written notice. Rent shall be at a rate equal to the monthly rent for the last month immediately preceding the Expiration Date. All other terms and conditions of this agreement shall remain in full force and effect.

B. Month-to-month: and continues as a month-to-month tenancy. Either party may terminate the tenancy by giving written notice to the other at least ___ days² prior to the intended termination date, subject to any applicable laws.

C. EXTENSION TERMS: Provided the Lease is in full force and effect and Tenant is not in default under any of the other terms and conditions of the Lease at the time of notification or commencement, Tenant shall have _____ (number) option(s) to extend the Lease (each, an "Extension Option" and, if more than one, collectively, the "Extension Options"). The Extension

¹ See notice requirements under SB 1103 here: <https://publiccounsel.org/publications/commercial-tenant-protection-act-what-to-know-about-sb-1103/>

² See notice requirements under SB 1103 here: <https://publiccounsel.org/publications/commercial-tenant-protection-act-what-to-know-about-sb-1103/>

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Option (or each Extension Option, if more than one) shall be for a term of _____ (number) years (each, an "Extension Term"), for the portion of the Premises being leased by Tenant as of the date the applicable Extension Term is to commence, on the same terms and conditions set forth in the Lease, except as modified by the terms, covenants and conditions as set forth below:

i. Monthly rental rate for Extension Term: [The rental rate cannot be described vaguely – e.g., "TBD," "to be determined," "to be negotiated by the parties." If the rental rate is set at "fair market value," the lease must include a description of how "fair market value" will be determined when Tenant exercises the Extension Option.]

- o Year 1: _____
- o Year 2: _____
- o Year 3: _____
- o Year 4: _____
- o Year 5: _____
- o _____
- o _____
- o _____
- o _____
- o _____
- o _____

ii. If rent for any of the above years in an Extension Term is set at "FMV" or "Fair Market Value," the monthly fair market value rental rate shall be determined by a real estate broker ("Broker") who is acceptable to both Landlord and Tenant. The monthly fair market value rental rate shall be the monthly rental rate, at the time Tenant exercises the (or an) Extension Option, for commercial premises in the same city / town / neighborhood (**circle one**) that are of a similar size and condition to the leased Premises and that are put to the same or a similar use as Tenant's use. Broker **shall not** estimate the monthly fair market value rental rate as the rate that Landlord could obtain for a use of the Premises that is different than Tenant's use at the time Tenant exercises the Extension Option. Any disputes about the determination of fair market monthly rental rate as described above shall be submitted to mediation.

iii. Required notice by Tenant: If Tenant elects to exercise an Extension Option, then Tenant shall provide Landlord with written notice no earlier than the date which is one hundred eighty (180) days prior to the expiration of the then current Term of the Lease but no later than the date which is sixty (60) days prior to the expiration of the then current Term of the Lease. If Tenant fails to provide such notice, Tenant shall have no further or additional right to extend or renew the Term of the Lease.

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3. RENT:

A. Definition: "Rent" shall mean all monetary obligations of Tenant to Landlord under the terms of this agreement, except Security Deposit.

B. Payment: Rent shall be paid to (Name) _____ at (Address) _____, or at any other location specified by Landlord in writing to Tenant.

C. Timing: Base rent shall be paid as specified in Section 4. All other Rent shall be paid within 30 days after Tenant is billed by Landlord.

4. BASE RENT:

A. Tenant agrees to pay Base Rent at the rate of (CHECK ONE ONLY:)

- (1)** \$ _____ per month, for the term of the agreement as specified in Section 2A or 2B.
- (2)** \$ _____ per month, for the first 12 months of the agreement. Commencing with the 13th month, rent shall be increased by ___ %, and shall be increased by the same percentage at the end of each 12 month period thereafter.
- (3)** \$ _____ per month for the period commencing _____ and ending _____ and \$ _____ per month for the period commencing _____ and ending _____ and \$ _____ per month for the period commencing _____ and ending _____.
- (4)** In accordance with the attached rent schedule.
- (5)**

Other: _____

B. Base Rent is payable in advance on the 1st (or _____) day of each calendar month, and is considered delinquent ___ calendar days after it is due.

C. If the Commencement Date falls on any day other than the first day of the month, Base Rent for the first calendar month shall be prorated based on a 30-day period. For example, if the Commencement Date is June 15, and if Base Rent is \$2,000/month, Base Rent for June 15 through June 30 (16 days) would be: $(\$2,000 / 30) * 16 = \1066.67 .

5. EARLY POSSESSION: Landlord shall permit Tenant to have possession of the Premises prior to the Commencement Date ("Early Possession Period"), commencing the day after this Lease is fully executed, for the purposes of installing fixtures and furniture, computer equipment, telephone equipment, personal property or other similar work in preparation for the opening of Tenant's business on the Premises. Such early access and possession shall be subject to and upon all of the terms and conditions of this lease. If Tenant is in possession prior to the Commencement Date:

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- Tenant is obligated to pay Base Rent on a prorated basis
- Tenant is not obligated to pay Base Rent.
- Tenant is obligated to pay Building Operating Expenses specified in Section 15.
- Tenant is not obligated to pay Building Operating Expenses specified in Section 15.

Whether or not Tenant is obligated to pay Base Rent or Operating Expenses prior to Commencement Date, Tenant is obligated to comply with all other terms of this Agreement.

6. SECURITY DEPOSIT:

- A.** Tenant agrees to pay Landlord \$ _____ as a security deposit ("Security Deposit").
- B.** Landlord may use all or any portion of the Security Deposit, as reasonably necessary, to: **(i)** cure Tenant's default in payment of Rent due under this Lease Agreement; and **(ii)** repair damage caused by Tenant during the Lease Term, Holdover Tenancy, or any Extension Terms.
- C.** Within 30 days after Landlord receives possession of the Premises from Tenant, Landlord shall: **(i)** furnish Tenant with an itemized statement indicating the amount of any Security Deposit received and any deductions taken therefrom, along with a description of each deduction's purpose, and **(ii)** return any remaining portion of Security Deposit to Tenant. However, if Landlord's only claim to the Security Deposit is for unpaid Rent, then the remaining portion of the Security Deposit, after deduction of unpaid Rent, shall be returned to Tenant within 14 days after the Landlord receives possession, along with an itemized statement as described in this Section 6.C.
- D.** No interest will be paid on Security Deposit, unless required by local ordinance.

7. PAYMENTS:

	<u>TOTAL DUE</u>	<u>PAYMENT RECEIVED</u>	<u>BALANCE DUE</u>	<u>DUE DATE</u>
Rent: From _____ To _____ (date) (date)	\$ _____	\$ _____	\$ _____	_____
Security Deposit	\$ _____	\$ _____	\$ _____	_____
Other: _____	\$ _____	\$ _____	\$ _____	_____
Other: _____	\$ _____	\$ _____	\$ _____	_____
Total:	\$ _____	\$ _____	\$ _____	

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8. PARKING: Tenant, Tenant's employees, and Tenant's customers shall have the non-exclusive right to use in common with Landlord, other tenants of the Building, and/or their guests and invitees, the non-reserved common automobile parking areas, driveways, and footways located at _____. Vehicles leaking oil, gas, or other motor vehicle fluids shall not be parked in parking spaces or on the Premises.

9. ADDITIONAL STORAGE: Storage is permitted as follows: _____. The right to additional storage space is is not included in the Base Rent charged pursuant to Section 4. If not included in Base Rent, storage space shall be an additional \$_____ per month. Tenant shall store only property that Tenant owns, and shall not store property that is claimed by another, or in which another has any right, title, or interest. Tenant shall not store any flammable materials, explosives, or other dangerous or hazardous material. Tenant shall pay for, and be responsible for, the clean-up of any contamination caused by Tenant's use of the storage area.

10. LATE CHARGE/NSF CHECKS: Tenant acknowledges that either late payment of Rent or issuance of a NSF (insufficient funds) check may cause Landlord to incur costs and expenses, the exact amount of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord.

- A. Late Charge: If any installment of Base Rent due from Tenant is not received by Landlord within **5 calendar days** after due date, Tenant shall pay to Landlord \$_____ as a Late Charge.
- B. Returned Checks (NSF – non-sufficient funds): Tenant will pay a returned check fee of \$25.00 for each check Tenant tenders to Landlord which is returned by the institution on which it is drawn for any reason plus any Late Charge due above until Landlord receives payment.

Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any Late Charge or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any Late Charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a Late Charge or NSF fee shall not be deemed an extension of the date Rent is due under Section 4, or prevent Landlord from exercising any other rights and remedies under this Agreement, and as provided by law.

11. CONDITION OF PREMISES:

A. Landlord represents and warrants that, as of the Lease Commencement Date, all systems in the Building (including, but not limited to, heating, ventilation, air conditioning, water and

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sewage systems) are in good working order, the Premises are vacant, and the Building is in compliance with all laws (local, state and federal).

B. Landlord further represents and warrants that, as of the Lease Commencement Date, the Premises are compliant with all laws (local, state and federal) for Tenant’s intended use of the Premises as described in Section 1.

OR (If checked) Section 11.B. does not apply.

C. Tenant has examined the Premises and acknowledges that the Premises are broom-clean and damage-free, with the following exceptions:

Items listed as exceptions shall be dealt with in the following manner before the Lease Commencement Date (or if another deadline is noted below, by that deadline):

12. ZONING AND LAND USE: Tenant accepts the Premises subject to all local, state, and federal laws, regulations and ordinances concerning Tenant’s use of the Premises (“Laws”). Landlord makes no representation or warranty that Premises are now or in the future will be suitable for Tenant’s use as specified in Section 1. If Landlord makes a representation that Premises are now or in the future will be suitable for Tenant’s use as specified in Section 1 and Tenant finds out its particular use of the Premises is prohibited after signing the Lease, Tenant shall have the right to terminate the Lease without penalty and any further obligation under the Lease by providing Landlord with written notice at least 60 days prior to vacating the Premises.

13. TENANT OPERATING EXPENSES: Tenant agrees to pay for the following utilities and services directly billed to Tenant _____

14. COMMON AREAS: Landlord grants to Tenant, for the benefit of Tenant and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the common areas (“Common Areas”) as they exist from time to time, subject to any rights, powers, and privileges reserved by Landlord under the terms hereof or under the terms of any rules and regulations or restrictions governing their use. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Landlord, which consent may be revoked at any time. In the event that any

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unauthorized storage shall occur, then Landlord shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Tenant, which cost shall be immediately payable upon demand by Landlord.

15. BUILDING OPERATING COSTS:

A. Tenant agrees to pay Tenant's Pro-Rata Share (as defined in Section 1) of Landlord's estimated monthly building operating costs, including (check all that apply):

1. Common area maintenance
2. Utilities that are not separately metered
3. Insurance
4. Other: _____

Landlord shall provide Tenant with statements of payments made for the aforementioned items. Landlord is required to determine Tenant's Pro-Rata Share of the above items by weighing the proportionate ratio of the square footage leased against the total square footage of available rentable space in the entire property. Landlord must give Tenant supporting documentation (as defined by SB 1103) substantiating the building operating costs before Tenant is required to pay its share of the costs. Landlord is also required to comply with the building operating cost requirements of SB 1103 when renting to "qualified commercial tenants."³ Landlord shall bill Tenant for the above items on a monthly/quarterly/semi-annual/annual basis (choose one).

OR B. (If checked) Section 15 does not apply.

16. PROHIBITED USE: Tenant shall ensure that guests and licensees of Tenant do not disturb or endanger other adjacent tenants or tenants renting in the Building. Tenant shall not use the Premises for any unlawful purposes, including, but not limited to: using, manufacturing, selling, storing, or transporting illicit drugs or other contraband; violating any law or ordinance; or committing a waste or nuisance on or about the Premises.

17. MAINTENANCE:

A. Tenant shall maintain the Premises in good condition, excluding reasonable wear and tear, and keep any glass, carpet, lighting, wall coverings, bathroom and kitchen fixtures, windows, and doors in clean, operable and safe condition, provided that such obligation shall not extend to any of the mechanical, electrical, plumbing and life safety systems serving the Premises or the Building, which shall be the obligation of the Landlord to maintain.

³ See building operating cost requirements under SB 1103 here:
<https://publiccounsel.org/publications/commercial-tenant-protection-act-what-to-know-about-sb-1103/>

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Tenant shall not permit the Premises to be overloaded, damaged, stripped, or defaced, nor suffer any waste. If Tenant fails to keep the Premises in good condition, excluding reasonable wear and tear, Landlord may upon reasonable prior written notice to Tenant, make any necessary repairs. If Landlord makes such repairs, Landlord may bill Tenant for the cost of such repairs and such amount shall be payable by Tenant within sixty (60) days after demand by Landlord. Notwithstanding the foregoing, Tenant shall not be responsible for the repair of any latent defect in the original construction of the Building or installation of any Landlord installed improvements regardless of time of discovery, and Landlord shall repair the same within a reasonable time, but in no event later than thirty (30) days after discovery of the defect.

B. Landlord shall maintain the Building's roof, foundation, exterior walls, structural components, electrical, plumbing, common areas and _____

_____ in good condition.

Landlord shall use reasonable efforts to cause any necessary repairs to be made promptly. If Landlord fails to maintain the Building as required under this Section 17, Tenant must give Landlord written notice of such failure in accordance with Section 26 of this Lease, and then, if the required notice period has passed and Landlord has not performed the required maintenance, Tenant may contract for or perform such maintenance, and send Landlord a written invoice for Tenant's reasonable cost of performing such maintenance, payable within 30 days of issuance. As an alternative to requesting payment for such cost from Landlord, Tenant may send Landlord a written statement of Tenant's reasonable cost of performing such maintenance and deduct such cost from the monthly Rent Tenant owes to Landlord.

In the case that repairs or any other construction/improvements made by Landlord to the Premises or Building interfere with Tenant's reasonable use of the Premises to conduct Tenant's business, the monthly Base Rent shall be reduced based on the extent to which the repairs/construction/improvements interfere with Tenant's reasonable use of the Premises. If, because of such repairs/construction/improvements, Tenant cannot reasonably conduct its business in the Premises, then Tenant shall not owe rent for any day during which it cannot conduct its business in the Premises. If Tenant does not pay rent due to its inability to reasonably conduct its business in the Premises during this time due to the interference, Tenant shall not be in default.

18. TENANT ALTERATIONS:

Tenant shall not make any structural or external changes, modifications, alterations, additions or improvements to the Premises or Building, or remove, install or materially modify the

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structure or systems of the Building where the Premises is located, including without limitation, panel boxes, light fixtures, utility lines or connections, bathroom fixtures, safety and security systems, or install any additional heat or cold generating equipment, other equipment, machinery or devices in the Premises or any other part of the Building (collectively, "Material Alterations"), without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed. Tenant may make non-structural, internal changes, modifications, alterations, additions or improvements to the Premises (collectively, "Tenant Alterations") which are cosmetic in nature, and otherwise do not materially and adversely affect the Premises, the Building Structure or any of the Building Systems without Landlord consent.

19. GOVERNMENT IMPOSED ALTERATIONS:

A. Tenant shall be responsible for the cost and performance of any alterations to the Premises required by local, state or federal laws that regulate the specific type of business that Tenant conducts in the Premises (e.g., if Tenant runs a food establishment in the Premises, Tenant is responsible for installing any equipment required to comply with the local health code).

B. Landlord shall be responsible for the cost and performance of all other alterations to the Premises required by local, state or federal law, as well as all alterations to the Building required by such laws, including any alterations required by local, state or federal law to bring the Premises, the Building, and/or the parking area(s) into compliance with the requirements of the Americans with Disabilities Act.

C. In the case that Landlord's alterations to the Premises or Building interfere with Tenant's reasonable use of the Premises to conduct Tenant's business, the monthly Base Rent shall be reduced based on the extent to which the alterations interfere with Tenant's reasonable use of the Premises. If, because of such alterations, Tenant cannot reasonably conduct its business in the Premises, then Tenant shall not owe rent for any day during which it cannot conduct its business in the Premises. If Tenant does not pay rent due to its inability to reasonably conduct its business in the Premises during this time due to the interference, Tenant shall not be in default.

20. LANDLORD RIGHT OF ENTRY: After receiving **48 hours' written notice** from Landlord, Tenant shall make Premises available to Landlord or representative, during normal business hours and for the purpose of entering to make necessary or agreed repairs, decorations, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. In an emergency, Landlord or Landlord's representative may enter the Premises at any time without prior notice.

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21. SIGNS:

A. Tenant is authorized to continue using all signs that have been placed in or attached to the interior or exterior of the Premises on or before the Commencement Date of this Lease. All other signs in or on the interior or exterior of the Premises require Landlord's prior approval in writing, which shall not be unreasonably withheld, conditioned or delayed.

B. Tenant authorizes Landlord to place a FOR SALE sign on the Premises at any time. If the parties have entered into a lease for a defined lease term (or "term of years" – Section 2.A. above), Tenant authorizes Landlord to place a FOR LEASE sign on the Premises within the 60 calendar-days immediately preceding the expiration of the term of this Lease Agreement or the expiration of any Extension Term. If the parties have entered into a month-to-month lease (Section 2.B. above), or if Tenant is in a holdover period ("Holdover tenancy" – see Section 2.A. above), Landlord may place a FOR LEASE sign on the Premises after either party has given the other the written 30-day termination notice required under Section 2.B.

22. SUBLETTING/ASSIGNMENT: Tenant shall not sublet or encumber all or any part of the Premises, or assign or transfer this Lease or any interest in it, without prior written consent of Landlord, which shall not be unreasonably withheld, conditioned, or delayed. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void.

23. POSSESSION:

A. If Landlord is unable to deliver possession of the Premises on the Commencement Date in the condition described in Sections 11.A. and 11.B., such date shall be automatically extended to the date on which possession is made available to Tenant in such condition. The Expiration Date of this Lease Agreement shall be automatically extended by the number of calendar days after the original Commencement Date that Landlord delayed delivering possession of the Premises in such condition.

B. If Landlord does not deliver possession of the Premises to Tenant in the condition agreed to in Sections 11.A. and 11.B. within 30 calendar days after the Commencement Date, and provided that Tenant is not responsible for such delay, Tenant may choose to terminate the Lease effective immediately by giving written notice to Landlord within **15 calendar days** after the 30 calendar day period ends. If Tenant gives such notice, the Lease shall be terminated, Landlord shall return Tenant's Security Deposit, and neither Landlord nor Tenant shall have any further obligations under the Lease except that Landlord shall reimburse Tenant for any broker's fees or commissions that Tenant paid in connection with finding an alternative commercial space within the one year after Tenant chose to terminate the Lease. If Tenant

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does not give such notice, the Commencement Date shall be the date on which Landlord delivers possession of the Premises to Tenant in the condition described in Sections 11.A. and 11.B.

24. TENANT'S OBLIGATIONS UPON VACATING PREMISES: Upon termination of this Lease, Tenant shall: **(i)** give Landlord all originals and copies of all keys or opening devices to the Premises, including keys or opening devices for any common areas; **(ii)** vacate the Premises and surrender it to Landlord empty of all persons and personal property; **(iii)** vacate all parking and storage spaces; **(iv)** deliver Premises to Landlord in the same condition as referenced in Sections 11.A. and 11.B., ordinary wear and tear excepted; **(v)** give written notice to Landlord of Tenant's forwarding address; and **(vi)**

25. TENANT DEFAULT:

The occurrence of any one or more of the following events shall constitute a material default of the Lease by Tenant:

- A.** The failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant under the Lease as and when due, where such failure shall continue for a period of five (5) calendar days after written notice thereof by Landlord to Tenant.
- B.** Vacating and/or abandonment of the Premises;
- C.** Tenant's failure to perform any covenant, condition or obligation under this Lease within ten (10) calendar days after written notice and demand by Landlord, unless the failure is of such a character as to require more than ten (10) calendar days to cure, in which case Tenant shall not be in default if Tenant commences performance within such 10 (ten) day period and thereafter diligently completes curing of the default.
- D.** The dissolution of Tenant, or if Tenant is an individual, the dissolution of Tenant's business.

If any of the above material defaults by Tenant occur, Landlord may at any time thereafter, upon written notice to Tenant, terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease and the Term hereof shall terminate. If the Lease is terminated early due to Tenant's default or because the Tenant requests an early lease termination, Landlord has a duty to mitigate and utilize reasonable efforts to find another tenant for the Premises. Landlord cannot hold Tenant responsible for more than three (3) months' of Rent if Lease is terminated early and Landlord cannot identify another tenant despite reasonable efforts.

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26. LANDLORD DEFAULT: Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord under this Lease within a reasonable time, but in no event later than ten (10) calendar days after Tenant gives written notice to Landlord, specifying how Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than ten (10) calendar days are required for performance, then Landlord shall not be in default if Landlord commences performance within such 10 (ten) day period and thereafter diligently completes curing of the default.

27. EARLY TERMINATION OPTION BY TENANT: After six (6) consecutive months of rental payments by Tenant from the Commencement Date of the Lease, Tenant shall have the option to terminate this Lease early without any penalties provided the Tenant provides sixty (60) days' written notice to Landlord that Tenant intends to vacate and Tenant continues to make rental payments to Landlord required under this Lease until the written notice expires and Tenant surrenders possession of the Premises to Landlord.

28. DAMAGE TO PREMISES:

A. If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repairing or rebuilding the Premises to the condition before the total or partial damage or destruction. If Landlord elects to repair or rebuild at Landlord's own cost, and is able to complete such restoration within 90 days from the date of damage, subject to the terms of this Section, the Lease shall remain in full force and effect. In this case, Tenant will not be responsible for Rent while Landlord is repairing or rebuilding the Premises.

B. If Landlord is unable to restore the Premises within 90 days, then either Landlord or Tenant may terminate the Lease effective immediately by giving the other written notice.

C. If the Lease is not terminated by Landlord or Tenant, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of the Premises to conduct Tenant's business. If, because of such destruction or damage, Tenant cannot reasonably conduct its business in the Premises, then Tenant shall not owe rent for any day during which it cannot conduct its business in the Premises.

D. Notwithstanding the foregoing:

- i. If total or partial destruction or damage occurs as a result of an act of Tenant or Tenant's agents or guests, (a) only Landlord shall have the right to terminate the Lease, at Landlord's sole discretion, within 30 days after such total or partial destruction or damage; and (b) Landlord shall have the right to recover money damages from Tenant.

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- ii. If total or partial destruction or damage occurs as a result of an act of Landlord or Landlord's agents, (a) only Tenant shall have the right to terminate the Lease, at Tenant's sole discretion, within 30 days after such total or partial destruction or damage; and (ii) Tenant shall have the right to recover money damages from Landlord.

29. ABATEMENT OF RENT WHEN TENANT IS PREVENTED FROM USING PREMISES: In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, as a result of any damage or destruction to the Premises or any repair, maintenance or alteration performed by Landlord after the Commencement Date and required by the Lease, which interferes with Tenant's use of the Premises, or any failure to provide services or access to the Premises or because of an eminent domain proceeding or because of the presence of hazardous substances in, on or around the Building or the Premises which could, in Tenant's reasonable judgment, pose a health risk to occupants of the Premises, then Tenant's Rent shall be abated or reduced, as the case may be, for such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in proportion to the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use.

30. HAZARDOUS MATERIALS: Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are a part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business, provided that Tenant complies with all applicable laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation or any clean-up of any contamination caused by Tenant.

31. LANDLORD DUTY TO DISCLOSE MOLD: If Landlord becomes aware that mold, both visible and invisible or hidden, is present that affects the Premises or the Building, then Landlord must provide written notice to Tenant as soon as practicable and prior to entering into the Lease as required by Cal Health & Safety Code §26141. If mold is discovered during the Term of the Lease, Tenant shall have the right to terminate the Lease, at Tenant's sole discretion.

32. CONDEMNATION: If all or part of the Premises is condemned for public use, either party may terminate the Lease as of the date possession is given to the condemner (e.g., a state or city government). All condemnation proceeds belong to Landlord, except for those proceeds that the condemner allocates to Tenant.

33. INSURANCE:

A. Tenant's personal property, fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is to carry Tenant's own property insurance to protect Tenant from any such loss.

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B. In addition, Tenant shall carry liability insurance in an amount of not less than \$_____. Tenant's liability insurance shall name Landlord and Landlord's agent as additional insured. Upon Landlord's request, Tenant shall provide Landlord with a certificate of insurance establishing Tenant's compliance.

C. Landlord shall maintain liability insurance insuring Landlord in an amount of at least \$_____, plus property insurance in an amount sufficient to cover the replacement cost of the Building.

D. Both Landlord and Tenant agree to release, indemnify, and hold each other harmless from claims against the other for loss or damage covered by each other's insurance policies required under this Section 33, and waive their respective rights to subrogation against each other for such claims.

34. LANDLORD'S TRANSFER: Tenant agrees that the transferee of Landlord's interest shall be substituted as Landlord under this Lease. Landlord will be released of any further obligation to Tenant regarding the security deposit, only if the security deposit is returned to Tenant upon such transfer, or if the security deposit is actually transferred to the transferee.

35. SUBORDINATION:

A. The Lease is and shall be subordinate to any encumbrances now of record, and any encumbrance recorded after the date of the Lease affecting the Premises or the Building; provided, however, that the holder of such encumbrance may not disrupt, terminate, or otherwise interfere with Tenant's quiet possession and peaceful enjoyment of the Premises so long as the Lease is not otherwise terminated pursuant to its terms.

B. Provided that Landlord's successor-in-interest executes a non-disturbance agreement reasonably approved by Tenant, Tenant shall attorn to Landlord's successor-in-interest following any transfer of such interest, and recognize such successor as Landlord under this Lease.

36. TENANT REPRESENTATIONS; CREDIT: Tenant warrants that all statements in Tenant's financial documents and rental application submitted to Landlord are accurate. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report at the time of application. Landlord may cancel the Lease before occupancy begins, upon disapproval of the credit report.

37. JOINT AND INDIVIDUAL OBLIGATIONS: If there is more than one Tenant, each one shall be individually and completely responsible for the performance of all obligations of Tenant under this agreement, jointly with every other Tenant, and individually, whether or not in possession.

Premises: _____ Date: _____

38. NOTICE: Notices shall be served by: **(check all that apply)** certified mail, fax, e-mail, courier (e.g., FedEx, UPS) at the following address, location, fax number or e-mail address, or at any other location that either Landlord or Tenant designates in writing after they sign this Agreement:

Landlord: _____

Tenant: _____

Notice is deemed effective upon the earliest of the following: (i) personal receipt by either party or their agent; (ii) written acknowledgement of receipt; or (iii) 3 days after mailing notice to such location by certified mail, postage pre-paid.

39. WAIVER: The waiver of any breach by either Landlord or Tenant shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.

40. FORCE MAJEURE: Any prevention, delay, or stoppage due to strikes, lockouts, labor disputes, acts of God, viruses, pandemics, acts of war, terrorism, terrorist activities, inability to obtain services, labor, or materials or reasonable substitutes, governmental actions, civil commotions, fire, flood, earthquake or other casualty, and other causes beyond the reasonable control of the party obligated to perform, notwithstanding anything to the contrary contained in the Lease, shall excuse the performance of such party and shall delay the rent payments for a period equal to any such prevention, delay or stoppage therefore, if the Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

41. ACCESSIBILITY REQUIREMENTS:

The following requirements are included herein to comply with California Civil Code § 1938: (check all that apply)

- The Premises have not undergone inspection by a Certified Access Specialist (CASp).
- The Premises have undergone inspection by a Certified Access Specialist (CASp).
- Attached hereto is a copy of the current disability access inspection certificate.

Premises: _____ Date: _____

The following ATTACHED supplements/exhibits are incorporated in this agreement: (check if any supplements/exhibits are attached and describe each in the space provided) _____

43. ATTORNEY'S FEES: In any legal action or proceeding between Landlord and Tenant arising out of this agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs from the non-prevailing party.

44. ENTIRE CONTRACT: This Lease contains the entire agreement of the parties hereto, and no prior representations, inducements, promises, or agreements, oral or otherwise, between the parties, not embodied herein, shall be of any force or effect.

45. SEVERABILITY: The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

46. BINDING EFFECT: This Lease shall be binding upon the Parties, their personal representatives, heirs, successors and assigns.

47. AMENDMENTS: This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification.

48. BROKERAGE: Landlord and Tenant shall each pay to the broker(s) listed below under Section 48 (Agency Confirmation) the fee agreed to, if any, in a separate written agreement. Neither Tenant nor Landlord has used the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as named in Section 48 of this Lease, in connection with any act relating to the Premises, including, but not limited to, inquiries, introductions, consultations, and negotiations leading to this Lease. Tenant and Landlord each agree to indemnify, defend and hold harmless the other, and the brokers specified herein, and their agents, from and against any costs, expenses, or liability for compensation claimed that is inconsistent with the warranty and representation in this Section 48.

49. AGENCY CONFIRMATION: The following agency (broker) relationships are hereby confirmed for this transaction:

Listing Firm: _____

(Print Firm Name) is the agent of (check one):

the Landlord exclusively; or both the Tenant and Landlord

Agent's Name _____ DRE Lic. # _____ Date _____

Premises: _____ Date: _____

Address _____ City _____

State _____ Zip _____

Telephone _____ Fax _____

E-mail _____

Leasing Firm: _____

(Print Firm Name) is the agent of (check one):

the Tenant exclusively; or the Landlord exclusively; or both the Tenant and Landlord.

Agent's Name _____ DRE Lic. # _____ Date _____

Address _____ City _____

State _____ Zip _____

Telephone _____ Fax _____

E-mail _____

Real estate agents are not parties to the Lease between Tenant and Landlord.

50. TIME IS OF THE ESSENCE: Time shall be of the essence in the performance of all obligations under this Lease.

51. GOVERNING LAW: This Lease shall be construed in accordance with and governed by the laws of the State of California. The Parties hereto agree that the sole and exclusive forum for any suit, action, or proceeding under or arising out of this Lease shall be the state or federal courts located in Los Angeles County, California.

Tenant _____ Date _____

----- (Signature)

Premises: _____ Date: _____

(If Tenant is an individual: Print full name of signer. **If Tenant is a business entity:** Print full name of business entity **AND** full name and title of authorized person signing on entity's behalf.)

Address _____ City _____

State _____ Zip _____

Co-Tenant _____ Date _____
(Signature)

(If Co-Tenant is an individual: Print full name of signer. **If Co-Tenant is a business entity:** Print full name of business entity **AND** full name and title of authorized person signing on entity's behalf.)

Address _____ City _____

State _____ Zip _____

Landlord (owner) _____ Date _____
(Signature)

(If Landlord is an individual: Print full name of signer. **If Landlord is a business entity:** Print full name of business entity **AND** full name and title of authorized person signing on entity's behalf.)

Address _____ City _____

State _____ Zip _____

Co-owner _____ Date _____
(Signature)

(If Co-Owner is an individual: Print full name of signer. **If Co-Owner is a business entity:** Print full name of business entity **AND** full name and title of authorized person signing on entity's behalf.)

Address _____ City _____

State _____ Zip _____