

California Lease Agreement

This Lease Agreement (hereinafter referred to as "Agreement") made on _____ by and between _____ (hereinafter referred to as the "Lessor") and _____ (hereinafter referred to as the "Lessee"), (individually, the "Party", and collectively, the "Parties").

Lessor is the owner of land and improvements commonly known and numbered as _____ situated in _____ (hereinafter referred to as the "Building") and legally described as follows _____.
Additional Description: _____ (hereinafter referred to as the "Leased Premises").

THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, it is agreed:

Size of the Leased Premises. The Leased Premises consists of approximately _____ square feet and comprises approximately ____ % of the total leasable area in the Building.

Lease Term. Lessor hereby leases the Leased Premises to Lessee, and Lessee hereby leases the same from Lessor, for a period of ____ year(s) ____ month(s) commencing on _____, and expiring at Midnight on _____ (hereinafter referred to as the "Lease Term"). Lessor shall use its best efforts to give Lessee possession as nearly as possible at the beginning of the Lease Term. If Lessor is unable to timely provide the Leased Premises, rent shall abate for the period of delay. Lessee shall make no other claim against Lessor for any such delay.

Renewal. (Choose one):

- ☐ Lessee may not renew this Agreement;
- ☐ Lessee may have the right to renew this Agreement with a total of ____ renewal period(s) with each term being ____ year(s) ____ month(s) which may be exercised by giving written notice to Lessor no less than sixty (60) days prior to the expiration of this Agreement.

Rental Payment. Lessee shall pay to Lessor during the Lease Term rental of \$ _____ per year, payable in installments of \$ _____ per month (hereinafter referred to as the "Rental Payment"). Each Rental Payment shall be due in advance on the first day of each calendar month during the Lease Term to Lessor at _____ or at such other place designated by written notice from Lessor to Lessee. The Rental Payment amount for any partial calendar months included in the Lease Term shall be prorated on a daily basis.

Security Deposit. In addition to the above, a deposit in the amount of \$_____ shall be due and payable in advance or at the signing of this Agreement (hereinafter referred to as the "Security Deposit"), and shall be held in escrow by Lessor in a separate, interest-bearing savings account as security for the faithful performance of the terms and conditions of the Agreement. The Security Deposit may not be used to pay the last month's rent unless written permission is granted by Lessor.

Returned Checks. Lessee acknowledges that the issuance of a returned check may cause Lessor to incur additional costs and expenses, the exact amount of which is extremely difficult and impractical to determine. If any payment is returned by the financial institution, for any reason, Lessor may require all future payments to be made in cash or by certified check. In addition, Lessee shall pay a _____ dollars (\$ _____) returned check fee. All fees, late fees, and service charges incurred by the Lessee as well as any expenses including reasonable attorney's fees incurred by Lessor in instituting and prosecuting any actions by reason of any default of Lessee hereunder shall be deemed to be additional rent and shall be due from Lessee to Lessor immediately following the incurring of the respective expenses, the nonpayment of which shall be a breach of this agreement for nonpayment of rent.

Keys. Lessee shall be issued _____ keys to the Leased Premises and _____ keys to the mailbox by the Lessor at the signing of this Agreement. In the event Lessee loses the keys that were issued at the signing of this Agreement and Lessee requests more keys from Lessor, Lessee will be required to pay in advance _____ per key requested.

Use. Lessee shall comply with all rules, regulations, and laws of any governmental authority with respect to use and occupancy. Notwithstanding the foregoing, Lessee shall not use the Leased Premises for the purposes of storing, manufacturing, or selling any explosives, flammables or other inherently dangerous substances, chemical things, or devices.

Expenses (Choose one):

○ **Gross.** It is the intention of the Parties that this Agreement be considered a "Gross Lease" and as such, a Rental Payment is the entirety of the monthly rent. Therefore, the Lessee is not obligated to pay any additional expenses which include utilities, real estate taxes, insurance (other than on Lessee's personal property), charges or expenses of any nature whatsoever in connection with the ownership and operation of the Leased Premises. Lessor shall be obligated to maintain the general exterior structure of the Leased Premises, including all major systems such as the heating, plumbing, and electrical. The parking area shall be maintained by Lessor including the removal of any snow or environmental hazards as well as the grounds and lands surrounding the Leased Premises. Lessor shall maintain at its own expense casualty insurance for the Leased

Premises against loss by fire which may or may not include any extended coverage. Lessee will provide and maintain personal liability and property damage insurance as a lessee, at least to the limits of one million dollars (\$1,000,000.00), that will designate the Lessor as an “also named insured”. Lessee shall provide Lessor with a copy of such insurance certification or policy prior to the effective date of this Agreement;

○ **Modified Gross.** It is the intention of the Parties that this Agreement shall be considered a “Modified Gross Lease”.

In addition to the Rental Payment, Lessee shall be obligated to pay the following monthly expenses:

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Lessor shall pay the following monthly expenses:

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○ **Triple Net (NNN).** It is the intention of the Parties that this Agreement shall be considered a “Triple Net Lease”.

Lessor shall have no obligation to provide any services, perform any acts, or pay expenses, charges, obligations or costs of any kind whatsoever with respect to the Leased premises. Lessee hereby agrees to pay one-hundred percent (100%) of any and all expenses including, without limitation, real estate and personal property taxes and assessments, management fee(s), heating, air conditioning, HVAC, electricity, water, waste disposal, sewage, operating materials and supplies, service agreements and charges, lawn care, snow removal, restriping, repairs, repaving, cleaning and custodial, security, insurance, the cost of contesting the validity or applicability of any governmental acts which may affect those expenses, and all other costs of operating and maintaining the Leased Premises and related parking areas, unless expressly excluded from those expenses (hereinafter referred to as the “Operating Expenses”).

Taxes. Lessee shall pay, during the Lease Term, the real estate taxes including any special taxes or assessments (hereinafter referred to as the “Taxes”) attributable to the Leased Premises and accruing during the Lease term. Lessee, at Lessor’s option, shall pay to Lessor said taxes on a monthly basis, based on one-twelfth (1/12) of the estimated annual amount for taxes. In the event Lessee does not pay any tax required hereunder, Lessee shall be in default of this Agreement.

Insurance. Lessee shall maintain, at all times during the Lease term, comprehensive general liability insurance in an insurance company licensed to do business in the State in which the Leased Premises are located and that is satisfactory

to Lessor, properly protecting and identifying Lessor with single limit coverage of not less than _____ dollars (\$ _____) for injury to or _____ dollars (\$ _____) death of persons and _____ dollars (\$ _____) for property damage. Lessee shall furnish Lessor with certificate of insurance, in a form acceptable to Lessor, covering such insurance so maintained by Lessee and naming Lessor and Lessor's mortgagees, if any, as additional insured.

Notice. Any notice required or permitted under this Agreement shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

Lessor Notice Address: _____

Lessee Notice Address: _____

Each Party shall have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other Party.

Licenses and Permits. A copy of any local, state or federal permits acquired by Lessee which are required for the use of the Leased Premises shall be kept on site at all times and shall be readily accessible and produced to Lessor and/or their agents or any local, state, or federal officials upon demand.

Damage and Destruction. If the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Lessee's purposes, then Lessee shall have the right within ____ days following damage to elect by notice to Lessor to terminate this Agreement as of the date of such damage.

In making the repairs called for in this paragraph, Lessor shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Lessor. Lessee shall be relieved from paying rent and other charges during any portion of the Lease Term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Lessee's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Lessee. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Lessee's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Lessee's purposes.

It is understood, however, in the event of total or substantial destruction to the Leased Premises that in no event shall Lessor's obligation to restore, replace or rebuild exceed an amount equal to the sum of the insurance proceeds available for reconstruction with respect to said damage.

In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Lessee's purposes, Lessee shall promptly repair such damage at the cost of Lessee, particularly items which need immediate attention and which Lessee and/or their employees can do and perform on their own, including but not limited to: the replacement of light bulbs, normal repair and cleaning of windows, cleaning and clearing of toilets, etc. Lessee shall promptly and properly remove all rubbish and hazardous wastes and see that the same are properly disposed of according to all local, state or federal laws, rules, regulations or ordinances.

In the event the structure of the Leased Premises is damaged as a result of any neglect or negligence of Lessee, its employees, agents, invitees, or any independent contractors serving Lessee or in any way as a result of Lessee's use and occupancy of the Leased Premises, then Lessee shall be primarily responsible for seeing that the proper claims are placed with Lessee's insurance company, or the damaging party's insurance company, and shall furthermore be responsible for seeing that the Building is safeguarded with respect to said damage and that all proper notices with respect to said damage, are made in a timely manner, including notice to Lessor, and the party or parties causing said damage. Any damage that is not covered by an insurance company will be the liability of Lessee.

Insurance. In the event Lessee shall fail to obtain insurance required hereunder and fails to maintain the same in force continuously during the Lease Term, Lessor may, but shall not be required to, obtain the same and charge Lessee for same as additional rent. Furthermore, Lessee agrees not to keep upon the Leased Premises any articles or goods which may be prohibited by the standard form of fire insurance policy, and in the event the insurance rates applicable to fire and extended coverage covering the Leased Premises shall be increased by reason of any use of the Leased Premises made by Lessee, then Lessee shall pay to Lessor, upon demand, such increase in insurance premium as shall be caused by said use or Lessee's proportionate share of any such increase.

Default. Rent which is default for more than ____ days after due date shall accrue a payment penalty of one of the following (choose one):

○ Interest at a rate of ____ percent (____%) per annum on a daily basis until the amount is paid in full;

○ Late fee of _____ dollars (\$_____) per day until the amount is paid in full.

In this regard, all delinquent rental payments made shall be applied first toward interest due and the remaining toward delinquent rental payments.

If default shall at any time be made by Lessee in the Rental Payment when due to Lessor as herein provided, and if said default shall continue for ____ days after written notice thereof shall have been given to Lessee by Lessor, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Lessee, and such default shall continue for thirty (30) days after notice thereof in writing to Lessee

by Lessor without correction thereof then having been commenced and thereafter diligently prosecuted, Lessor may declare the Lease Term ended and terminated by giving Lessee written notice of such intention, and if possession of the Leased Premises is not surrendered, Lessor may reenter said Leased Premises. Lessor shall have, in addition to the remedy above provided, any other right or remedy available to Lessor on account of any Lessee default, either in law or equity. Lessor shall use reasonable efforts to mitigate its damages.

Sublease and Assignment. Lessee shall have the right without Lessor's consent, to assign this Agreement to a corporation with which Lessee may merge or consolidate, to any subsidiary of Lessee, to any corporation under common control with Lessee, or to a purchaser of substantially all of Lessee's assets. Except as set forth above, Lessee shall not sublease all or any part of the Leased Premises or assign this Agreement in whole or in part without Lessor's consent, such consent not to be unreasonably withheld or delayed.

Alterations and Improvements. Lessee, at Lessee's expense, shall have the right following Lessor's consent to remodel, redecorate, and make additions, improvements, and replacements of and to all or any part of the Leased Premises from time to time as Lessee may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Lessee shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the Leased Premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Lessee at the commencement of the Lease Term or placed or installed on the Leased Premises by Lessee thereafter, shall remain Lessee's property free and clear of any claim by Lessor. Lessee shall have the right to remove the same at any time during the Lease Term provided that all damage to the Leased Premises caused by such removal shall be repaired by Lessee at Lessee's expense.

Signs. Following Lessor's consent, Lessee shall have the right to place on the Leased Premises, at locations selected by Lessee, any signs which are permitted by applicable zoning ordinances and private restrictions. Lessor may refuse consent to any proposed signage that is in Lessor's opinion too large, deceptive, unattractive, or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other lessee. Lessor shall assist and cooperate with Lessee in obtaining any necessary permissions from governmental authorities or adjoining owners and occupants for Lessee to place or construct the foregoing signs. Lessee shall repair all damage to the Leased Premises resulting from the removal of signs installed by Lessee.

Entry. Lessor shall have the complete and unencumbered right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Lessor shall not thereby unreasonably interfere with Lessee's business on the Leased Premises.

Condition of the Leased Premises/Inspection by Lessee. Lessee has had the opportunity to inspect the Leased Premises and acknowledges with its signature on this Agreement that the Leased Premises are in good condition and comply in all aspects with the requirements of this Agreement.

Parking. During the term of this Agreement, Lessee shall have the nonexclusive use in common with Lessor, other lessees of the Building, their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time to time by Lessor. Lessor reserves the right to designate parking areas within the Building or in reasonable proximity thereto, for Lessee and Lessee's agents and employees.

Building Rules. Lessee will comply with the rules of the Building adopted and altered by Lessor from time to time and will cause all of its agents, employees, invitees and visitors to do so; all changes to such rules will be sent by Lessor to Lessee in writing. The initial rules for the Building are attached as Exhibit A and incorporated herein for all purposes.

Quiet Possession. Lessor covenants and warrants that upon performance by Lessee of its obligations hereunder, Lessor will keep and maintain Lessee in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the Lease Term.

Condemnation. If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Agreement shall cease when the public authority takes possession, and Parties shall account for rental as of that date. Such termination shall be without prejudice to the rights of either Party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither Party shall have any rights in or to any award made to the other by the condemning authority.

Subordination. Lessee accepts this Agreement subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Lessee agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Agreement on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Lessor is hereby irrevocably vested with full power and authority to subordinate this Agreement to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Lessee agrees upon demand to execute such further instruments subordinating this Agreement or attorning to the holder of any such liens as Lessor may request. In the event that Lessee should fail to execute any instrument of subordination herein required to be executed by Lessee promptly as requested, Lessee

hereby irrevocably constitutes Lessor as its attorney-in-fact to execute such instrument in Lessee's name, place and stead, it being agreed that such power is one coupled with an interest. Lessee agrees that it will from time to time upon request by Lessor execute and deliver to such persons, as Lessor shall request, a statement in recordable form certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Agreement have been paid, stating that Lessor is not in default hereunder (or if Lessee alleges a default stating the nature of such alleged default) and further stating such other matters as Lessor shall reasonably require.

Waiver. No waiver of any default of Lessor or Lessee hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Lessor or Lessee shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

Memorandum of Lease. Parties hereto contemplate that this Agreement should not and shall not be filed for record, but in lieu thereof, at the request of either Party, Parties shall execute Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

Headings. The headings used in this Agreement are for convenience of the Parties only and shall not be considered in interpreting the meaning of any provision of this Agreement.

Successors. The provisions of this Agreement shall extend to and binding upon Parties and their respective legal representatives, successors and assigns.

Consent. Lessor shall not unreasonably withhold or delay its consent with respect to any matter for which Lessor's consent is required or desirable under this Agreement. Compliance with Law. Lessee shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Lessee's use of the Leased Premises. Lessor shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

Governing Law. This Agreement shall be governed by the laws of the state of California.

Force Majeure. In any event that the performance of this Agreement shall be delayed by any act of God, physical disability, act or regulations of public authorities or labor unions, labor difficulties, strike, civil tumult, terrorism, war, epidemic, or any other reason proven beyond Party's control, the Parties shall respectively be relieved of their obligations stated in this Agreement. Such Party shall not be liable or responsible for any

such delays and performing of its obligations under this Agreement shall be excused for the period of the delay and the period of the performance of any such obligation shall be extended for a period equivalent to the period of such delay.

Dispute Resolution. Parties to this Agreement shall first attempt to settle any dispute through good-faith negotiation. If the dispute cannot be settled between the Parties via negotiation, either Party may initiate mediation or binding arbitration in the State of California. If the Parties do not wish to mediate or arbitrate the dispute and litigation is necessary, this Agreement will be interpreted based on the laws of the State of California, without regard to the conflict of law provisions of such state. The Parties agree the dispute will be resolved in a court of competent jurisdiction in the State of California.

Attorney's Fees. Should it become necessary for Lessor to employ an attorney to enforce any of the conditions or covenants hereof, including the collection of Rental Payment or gaining possession of the Leased Premises, Lessee agrees to pay all expenses so incurred, including a reasonable attorney's fee.

Final Agreement. This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both Parties.

Amendment. No amendment of this Agreement shall be effective unless reduced to writing and subscribed by the Parties with all the formality of the original.

Binding Effect. This Agreement and any amendments thereto shall be binding upon the Parties and/or their respective successors, heirs, assigns, executors and administrators.

Lessor's Disclosures.

CASp Inspection Statement. A commercial lease agreements entered into on or after January 1, 2017 must disclose whether the premises has undergone a CASp inspection.

- The Leased Premises has undergone a CASp inspection and, to the best of Lessor's knowledge, there have been no modifications or alterations completed or commenced between the date of the inspection and the date of the Agreement that have impacted the Leased Premises compliance with construction-related accessibility standards.

- Lessor has provided Lessee with a copy of the CASp inspection report before the Agreement is executed. Also, Lessor has provided Lessee with copies of any current disability access inspection certificate issued in connection with the CASp inspection and any other inspection report(s) within seven (7) days of execution of the Agreement. If a CASp inspection report is not provided to a prospective tenant at least forty-eight (48) hours prior to the lease being executed, then the tenant has a right to rescind the lease,

based on information \contained in any report, for a period of up to seventy-two (72) hours after the lease is executed.

o The Leased Premises has not undergone a CASp inspection and/or there have been intervening modifications to the Leased Premises since the date of the CASp inspection that have adversely impacted the Leased Premises comply with accessibility standards. 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 lessor 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.

Any necessary repairs or modifications to bring the Leased Premises into compliance with construction-related accessibility standards that are disclosed by the CASp inspection report are presumed to be the responsibility of Lessor unless otherwise agreed to by the Parties in the Agreement.

Other Disclosures/Provisions.

IN WITNESS WHEREOF, the Parties hereto set their hands and seal this _____ day of _____, 20 ____.

Lessor Signature:

Printed Name:

Date:

Lessee Signature:

Printed Name:

Date:

Agent Signature:

Printed Name:

Date:

Witness Signature:

Printed Name:

Date:

Exhibit A

Lessee agrees to comply with the following initial rules of the Building:

A large, empty rectangular box with a thin black border, intended for the Lessee to list the initial rules of the Building.

The rules of the Building may also include any other rules, which the Parties may agree on.

Notary Acknowledgement

STATE OF CALIFORNIA

COUNTY OF: _____

On this _____ day of _____, 20____, before me, the undersigned officer, personally appeared _____ as Lessor of this Lease Agreement, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Signature: _____ (Seal)

Notary Printed Name: _____

My commission expires: _____

Notary Acknowledgement

STATE OF CALIFORNIA

COUNTY OF: _____

On this _____ day of _____, 20____, before me, the undersigned officer, personally appeared _____ as Lessee of this Lease Agreement, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Signature: _____ (Seal)

Notary Printed Name: _____

My commission expires: _____