

CALIFORNIA COMMERCIAL LEASE AGREEMENT

1. **THE PARTIES.** This Commercial Lease Agreement ("Agreement") is made on _____, by and between:

Landlord: _____, with a mailing address of _____ ("Landlord"), who agrees to lease the Premises to:

Tenant: _____, with a mailing address of _____ ("Tenant"), who agrees to rent the Premises under the following terms:

Landlord and Tenant are each referred to herein as a "Party" and, collectively, as the "Parties."

2. **LEASED PREMISES.** The Landlord agrees to lease to the Tenant the following described space:

Street Address: _____
Type of Space: _____
Square Feet: _____ SF
Other Description: _____

Hereinafter known as the "Premises."

3. **TERM.** This Agreement shall be considered a: (check one)

- ☐ - **Fixed Lease.** The Tenant shall be allowed to occupy the Premises starting on _____ and ending on _____.
- ☐ - **Month-to-Month Lease.** The Tenant shall be allowed to occupy the Premises on a month-to-month arrangement starting on _____ and ending upon written notice of _____ days from one Party to the other.

Hereinafter known as the "Initial Term."

4. **SECURITY DEPOSIT.** The Tenant is obligated to pay: (check one)

- ☐ - **No Security Deposit.**
- ☐ - **Security Deposit Required.** The Tenant is required to pay \$_____ and shall be due and payable in advance of the Initial Term and shall be held in escrow by the Landlord in a separate bank account as security for

the successful performance of the terms and conditions of this Agreement.
The Security Deposit may not be used to pay the last month's rent.

5. **RENT.** During the Initial Term, there shall be: (check one)

☐ - **No Rent Increases.**

Monthly Rent: \$_____

☐ - **Increases in Rent.** The Tenant shall be obligated to pay rent for the Initial Term in accordance with the following time periods:

Hereinafter known as the "Base Rent."

6. **PERCENTAGE RENT.** In addition to the Base Rent, there is: (check one)

☐ - **No Percentage Rent.**

☐ - **Percentage Rent.** The Tenant must pay _____% of _____ (gross sales, net sales, etc.). Such payments shall be made, with proof of calculation: (check one)

☐ - Monthly

☐ - Quarterly

☐ - Annually

Hereinafter known as "Percentage Rent." The Base Rent and the Percentage Rent shall be referred collectively to as the "Rent."

7. **PAYMENT INSTRUCTIONS.** Tenant shall pay the Landlord the Rent amount on the _____ day of the month ("Due Date") per the following instructions:

8. **RENEWAL PERIODS.** The Tenant shall have: (check one)

☐ - **No Option to Renew.**

☐ - **Option(s) to Renew.** The Tenant has the option to renew this Agreement under the following terms:

9. **LATE FEE.** If Rent has not been paid on the Due Date, there is: (check one)

☐ - **No Late Fee.**

☐ - **Late Fee Required.** If the Rent is not paid within ____ day(s) of the Due Date, the Landlord shall charge a penalty in the following manner: (check one)

☐ - **Flat Fee.** The late fee shall equal \$_____ and applied each
☐ occurrence ☐ day until the Rent is paid in full.

☐ - **Based on Interest.** The late fee shall equal the Rent Due with interest accumulating at a rate of ____% per annum and applied each ☐ occurrence ☐ day until the Rent is paid in full.

All late payments made related to Rent shall be first applied to the late fee and all remaining amounts toward the outstanding Rent amounts.

10. **LIABILITY INSURANCE.** The Tenant is: (check one)

☐ - **Not Required to Obtain Liability Insurance.**

☐ - **Required to Obtain Liability Insurance.** The Tenant is required to obtain general liability insurance with a minimum coverage of \$_____ per occurrence and \$_____ aggregate.

11. **PROPERTY EXPENSES.** The Tenant shall be required to pay their prorated share of property expenses: (check one)

☐ - **No Property Expenses.** The Tenant shall not be obligated to pay any fees related to real estate taxes, insurance, or common area maintenance expenses.

☐ - **Property Expenses.** The Tenant shall be required to pay prorated CAM fees for their share of the entire property: (check all that apply)

☐ - Real Estate Taxes

☐ - Property Insurance

☐ - Common Area Maintenance (CAMs)

☐ - Other. _____

12. **DELIVERY OF PREMISES.** The Landlord agrees to deliver the Premises on the Initial Term in the following condition: (check one)

☐ - **As-Is.** The Tenant agrees to accept delivery of the Premises in its current condition.

☐ - **Vanilla Box.** The Tenant agrees to accept delivery of the Premises in a standard "vanilla box," with the Tenant being required to provide fixtures,

furniture, or any other buildouts. All utilities and services shall be brought to connection with the Premises.

☐ - **Custom Fit-Out.** The Landlord and Tenant agree that the Premises shall be delivered on the 1st day of the Initial Term in accordance with the following arrangement: _____

13. **PARKING.** The Premises shall have the following: (check one)

☐ - **No Parking Provided.** The Tenant acknowledges that the Landlord shall provide no parking on the Premises.

☐ - **Parking Provided.**

a.) Type of Parking. The Landlord agrees to provide: (check one)

☐ - **Shared or Common Parking.**

☐ - **Designated Parking.** A minimum of ____ parking space(s).

b.) Parking Fees. The parking space(s) come with: (check one)

☐ - **No Fee.** The Tenant shall not pay a fee for parking access.

☐ - **Monthly Fee.** The fee for the parking spaces shall be \$_____ per month for ☐ each ☐ all parking space(s).

14. **LEASEHOLD IMPROVEMENTS.** Regarding making improvements to the Premises, the Tenant is: (check one)

☐ - **Not Allowed to Make Changes.** The Landlord does not allow the Tenant to make improvements or changes to the Premises unless written consent is granted.

☐ - **Allowed to Make Changes.** The Landlord allows the Tenant to make changes to the Premises under the condition that any change made must be reverted to its original condition at the termination of this Agreement, unless otherwise agreed upon by the Landlord.

15. **USE.** The Tenant agrees to use the Premises for: (check one)

☐ - **All Purposes Legal under Law.**

☐ - **Only for the Following Purpose(s):** _____.
Any change in the above-mentioned purposes of the Premises shall only be permitted upon the Landlord's prior written consent.

16. **EXCLUSIVE USE.** The Tenant is: (check one)

☐ - **Not Granted a Non-Compete.**

☐ - **Granted a Non-Compete.** The Tenant shall possess a non-compete as part of this Agreement that prohibits the Landlord from leasing any other portion of the Premises, or abutting properties, for the following uses: _____

17. **SUBLETTING.** The Tenant is: (check one)

☐ - **Not Allowed to Sublet.** The Tenant is not permitted to sublet the Premises unless written authorization is granted.

☐ - **Allowed to Sublet.** The Tenant is allowed to sublet the Premises with: (check one)

☐ - No Approval. No written approval is required by the Landlord.

☐ - Approval Needed. Written approval is required by the Landlord.

18. **DEFAULT AND POSSESSION.** If the Tenant doesn't pay rent or breaches other terms of the Agreement and fails to correct this within 15 days notice, the Landlord can terminate the Agreement. The Landlord can then re-enter the Premises, take possession, and hold any of the Tenant's property on the Premises as security for unpaid rent or other defaults. The Landlord can also take steps to re-lease the Premises, at the Tenant's expense, and sue for damages or past due rent.

19. **DISPUTE RESOLUTION.** In the event of any dispute arising out of or relating to this lease agreement, the parties agree to first attempt to resolve the matter amicably through direct negotiation. If a resolution cannot be reached within thirty (30) days, the parties agree to engage in mediation with a mutually agreed-upon mediator. Should mediation fail to resolve the dispute, the parties agree that the dispute will be resolved through binding arbitration conducted in accordance with the rules of [specify arbitration association]. The decision of the arbitrator will be final and binding on both parties.

20. **LICENSES AND PERMITS.** The Tenant must keep all necessary local, state, and federal permits on-site and present them to the Landlord, their agents, or government officials upon request.

21. **OBLIGATIONS OF TENANT.** The Tenant is responsible for maintaining the entranceway, minor repairs, waste removal, and overall cleanliness of the Premises. Any damage caused by the Tenant's negligence must be reported and repaired, with costs covered by insurance or the Tenant. The Tenant must comply with all laws and avoid keeping hazardous materials on the Premises.

22. **INSURANCE.** If the Tenant fails to obtain or maintain required insurance, the Landlord can obtain insurance and charge the Tenant. The Tenant should not keep items that could increase insurance premiums, and if their actions do increase premiums, they must cover the cost.
23. **DAMAGE TO LEASED PREMISES.** If damage not caused by the Tenant makes the Premises unfit for use, Rent will be adjusted or stopped until repairs are made. The Landlord's responsibility for repairs is limited to the insurance proceeds available for reconstruction.
24. **INDEMNIFICATION.** The Tenant must indemnify the Landlord against all liabilities arising from their use of the Premises, including any latent defects unknown to the Landlord.
25. **BANKRUPTCY – INSOLVENCY.** If the Tenant becomes bankrupt or insolvent, the Landlord can end the Agreement and re-enter the Premises, and the leased Premises will not be considered an asset in any bankruptcy proceedings.
26. **SUBORDINATION AND ATTORNMENT.** The Tenant agrees to subordinate their lease rights to any mortgages on the property and to recognize any purchaser as the new Landlord in case of foreclosure or sale.
27. **MISCELLANEOUS TERMS.**
 - a. The Tenant must comply with all legal regulations, avoid hazardous activities, and obtain the Landlord's consent for signage.
 - b. Pets are allowed only for disability needs.
 - c. The Tenant accepts the Premises 'as is' and allows the Landlord entry for inspections or repairs.
28. **ESTOPPEL CERTIFICATE.** Upon request, the Tenant must provide a statement confirming the lease's status, any modifications, rent payment status, and any Landlord defaults.
29. **HOLDOVER.** If the Tenant stays in the premises after the lease ends without a new agreement, it creates a month-to-month tenancy, terminable with 30 days' notice by either party.
30. **WAIVER.** Waiver by Landlord of a default under this Agreement shall not constitute a waiver of a subsequent default of any nature.
31. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State where the Premises is located.
32. **NOTICES.** Payments and notices shall be addressed to the following:

Landlord

Name: _____ Phone: _____
Address: _____
E-Mail: _____

Tenant

Name: _____ Phone: _____
Address: _____
E-Mail: _____

33. **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.
34. **BINDING EFFECT.** This Agreement and any amendments thereto shall be binding upon the Landlord and the Tenants and/or their respective successors, heirs, assigns, executors, and administrators.
35. **ATTACHMENTS.** The following attachments are incorporated herein: (check all that apply and describe)

- ☐ - _____
- ☐ - _____
- ☐ - _____
- ☐ - _____
- ☐ - _____

36. **ADDITIONAL TERMS & CONDITIONS.**

IN WITNESS WHEREOF, the Parties have indicated their acceptance of the terms and conditions of this Agreement by their signatures below on the dates indicated.

Landlord's Signature: _____ **Date:** _____
Print Name: _____

Tenant's Signature: _____ **Date:** _____
Print Name: _____

Tenant's Signature: _____ **Date:** _____
Print Name: _____