



COMMERCIAL LEASE AGREEMENT

Month-to-Month Tenancy

Prepared by: Agent _____
Broker _____

Phone _____
Email _____

NOTE: This form is used by a leasing agent, tenant or landlord when space in a project is rented by a tenant on a month-to-month basis, to grant the tenancy and set the terms for the tenant's payment of rent and the allocation of the cost of utilities, maintenance and operating costs between the landlord and the tenant.

DATE: _____, 20_____, at _____, California.

Items left blank or unchecked are not applicable.

1. FACTS:

- 1.1 _____, as the Landlord,
rents to _____, as the Tenant,
the Premises referred to as _____,
which is part of the Project known as _____.
- 1.2 Landlord acknowledges receipt of \$ _____ applied as follows:
☐ Security deposit \$ _____
☐ First month's rent \$ _____
☐ _____ \$ _____
- 1.3 The following checked addenda are part of this rental agreement:
☐ Addendum — Lease/Rental [See **RPI** Form 550-1] ☐ Option to Purchase [See **RPI** Form 161 & 161-1]
☐ Condition of Premises Addendum [See **RPI** Form 560] ☐ Option to rent additional space
☐ Tenant's Property Expense Profile [See **RPI** Form 562] ☐ Building rules
☐ Property description ☐ _____
☐ Plat map of rented space

2. TERM OF RENTAL AGREEMENT:

- 2.1 The rental agreement commences _____, 20_____, and continue on a month-to-month basis.
- 2.2 Either party, on 30-days' written notice, may terminate this rental agreement. [See **RPI** Forms 569, 571 & 572]
- 2.3 When Tenant holds over, the monthly rent increases to 120% of the monthly rent applicable immediately preceding the termination of this rental agreement, prorated at 1/30th of the monthly rent for each day until the Premises is delivered to Landlord.
- 2.4 ☐ This rental agreement is a sublease of the Premises and is limited in its terms by the terms and condition of the attached master lease agreement.

3. POSSESSION:

- 3.1 Possession is delivered to Tenant and Tenant to take possession ☐ on commencement of the rental agreement, or ☐ on _____, 20_____.
- 3.2 When Landlord is unable to recover and deliver possession of the Premises from the previous tenant, rent does not accrue and Tenant is not liable for rent until possession is delivered.
- 3.3 Tenant may terminate the rental agreement when Landlord does not deliver possession within 10 days after commencement of the rental agreement.
- 3.4 When Landlord is unable to deliver possession of the Premises, Landlord is not liable for any damages.

4. RENT:

- 4.1 Tenant to pay, in advance, \$ _____ monthly rent on the first day of each month, including rent for any partial month pro rated at 1/30th of the monthly rent per day.
- 4.2 Rent to accrue ☐ on commencement of the lease, or ☐ on _____, 20_____.
- 4.3 Rent is paid by:
a. ☐ check, ☐ cash, or ☐ cashier's check, made payable to Landlord or _____.
Personal delivery of rent is during the hours of _____ to _____ at Payee's address
on the following days _____.
b. ☐ credit card # _____ / _____ / _____ / _____; expiration date _____, 20_____;
c. ☐ deposit into account number _____
routing number _____
at _____ (Financial Institution)
_____ (Address)
d. ☐ _____.
- 4.4 Tenant to pay a charge of ☐ \$ _____, or ☐ _____ % of the delinquent rent payment, as an additional amount of rent, due on demand, when rent is not received within ☐ 5 days, or ☐ _____ days, after the due date.

- 4.5 When any rent or other amount due Landlord is not received within the grace period provided in Section 4.3, interest to accrue on the amount from the due date at 18% per annum until paid. On receipt of the payment of any delinquent rent, Landlord to promptly make a written demand for payment of the accrued interest which is payable within 30 days of the demand.
- 4.6 Tenant to pay a charge of \$_____ as an additional amount of rent, due on demand, for each rent check returned for insufficient funds or stop payment, in which event Tenant to pay rent when due for each of the 3 following months by cash or cashier's check.

5. OPERATING EXPENSES:

- 5.1 Tenant is responsible for payment of utility and service charges as follows: _____.
- 5.2 Landlord is responsible for payment of utility and service charges as follows: _____.
- 5.3 Tenant, on request of Landlord, to authorize their utility companies to release energy consumption data directly to Landlord for Landlord's Data Verification Checklist used for energy benchmarking purposes and, upon further request, provide energy consumption data on the Premises.
- 5.4 Tenant to pay all taxes levied on trade fixtures or other improvements Tenant installs on the Premises.
- 5.5 When Landlord pays any charge owed by Tenant, Tenant to pay, within 30 days of written demand, the charge as additional rent.
- 5.6 As additional monthly base rent, Tenant to pay _____% of the common area maintenance (CAM) for the Project incurred each month, within 10 days of written statement and demand for payment.
- CAMs are the cost to Landlord of maintaining and operating the "Common Areas" of the Project including all sidewalks, corridors, plazas, hallways, restrooms, parking areas, interior and exterior walls and all other open areas not occupied by tenants.
 - CAMs include all costs incurred by Landlord relating to the operation of the Project containing the Premises and charges for property management of the Common Areas.

6. REPAIR AND MAINTENANCE:

- 6.1 The Premises are in good condition, ☐ except as noted in an addendum. [See **RPI** Form 550-1]
- 6.2 Tenant to keep the Premises and its improvements in good order, condition and repair, including all fixtures related to plumbing, HVAC components, electrical, lighting, and ☐ _____.
- a. ☐ See attached maintenance modification addendum. [See **RPI** Form 552-6]
- 6.3 Except as stated in Section 6.2, Landlord to maintain in good order, condition and repair the structures and common area components and equipment within the Project which exist on the commencement of this rental agreement, including but not limited to existing HVAC, plumbing and sewers, electrical systems, structural foundations, exterior walls, store front, plate glass in exterior walls, roof, government-mandated retrofitting, parking areas, lawns and shrubbery, sidewalks, driveways/right of ways, and ☐ _____.

7. USE OF THE PREMISES:

- 7.1 Tenant's use of the Premises is _____.
- Tenant is responsible for determining whether the building codes, zoning and regulations are appropriate for Tenant's intended use.
- 7.2 No other use of the Premises is permitted.
- Tenant may not conduct any activity which increases Landlord's insurance premiums.
- 7.3 Tenant is not to use the Premises for any unlawful purpose, violate any government ordinance or building and tenant association rules, or create any nuisance.
- 7.4 Tenant is not to destroy, damage, or remove any part of the Premises or equipment, or commit waste, or permit any person to do so.
- 7.5 Tenant to deliver the Premises, including tenant improvements as noted in Section 11.3 and all keys to the Premises on termination of this rental agreement in as good condition as when Tenant took possession, except for reasonable wear and tear.
- 7.6 Landlord warrants that the Premises comply with building codes, regulations and zoning that were in effect at the time each improvement, or portion thereof, was constructed. The warranty does not apply to Tenant's intended use of the Premises, modifications required by the Americans with Disabilities Act (ADA) or any similar laws as a result of Tenant's use.
- 7.7 The Premises ☐ has, ☐ has not, been inspected by a Certified Access Specialist (CASP).
- When inspected, the Premises ☐ has, ☐ has not, been determined to meet all applicable standards under Calif. Civil Code §1938 and §55.53.

8. APPURTENANCES:

- 8.1 Tenant has the right to use Landlord's access of ingress and egress.

8.2 Tenant has the use of _____ parking spaces for the running of its business.

9. ASSIGNMENT, SUBLETTING AND ENCUMBRANCE: [Check only one]

9.1 ☐ Tenant may not assign this lease or sublet any part of the Premises, or further encumber the leasehold.

9.2 ☐ Tenant may not transfer any interest in the Premises without the prior consent of Landlord.

a. ☐ Consent may not be unreasonably withheld.

b. ☐ Consent is subject to the attached alienation provisions. [See **RPI** Form 552-7]

10. SIGNS AND ADVERTISING:

10.1 Tenant is not to construct any sign or other advertising on the Premises without the prior consent of Landlord.

10.2 ☐ Landlord to maintain a directory in the lobby of the Premises displaying the name and suite number of Tenant. Landlord has the right to determine the size, shape, color, style and lettering of the directory.

10.3 ☐ Landlord to provide a sign placed on the primary door to Tenant's suite. Tenant to pay the fees for the cost and installation.

11. TENANT IMPROVEMENTS/ALTERATIONS:

11.1 Tenant is not to alter or improve the Premises without Landlord's prior consent.

a. Tenant to keep the Premises free of all claims for any improvements and timely notify Landlord to permit posting of Notices of Nonresponsibility. [See **RPI** Form 597]

11.2 Any increases in Landlord's property taxes caused by improvements made by Tenant is additional rent due on demand.

11.3 On expiration of this lease, tenant improvements as authorized by Landlord are:

a. ☐ considered fixtures and part of the Premises Tenant may not remove.

b. ☐ removed by Tenant in their entirety.

c. ☐ partially removed by Tenant as follows: _____

12. RIGHT TO ENTER

12.1 Tenant to make the Premises available on 24 hours' notice for entry by Landlord for necessary repairs, alterations, or inspections of the Premises.

13. LIABILITY INSURANCE:

13.1 Tenant to obtain and maintain commercial general liability and plate glass coverage insuring Tenant and Landlord against all claims for bodily injury, personal injury and property damage arising out of Tenant's use of the Premises.

13.2 Tenant to obtain insurance for this purpose in the minimum amount of \$_____.

13.3 Tenant to provide Landlord with a Certificate of Insurance naming Landlord as an additional insured. The Certificate to provide for written notice to Landlord when a change or cancellation of the policy occurs.

13.4 Each party waives all insurance subrogation rights they may have.

14. FIRE INSURANCE:

14.1 Tenant to obtain and maintain a standard fire insurance policy with extended coverage for theft and vandalism for 100% of the replacement value of all Tenant's personal property and the restoration of tenant improvements.

15. HOLD HARMLESS:

15.1 Tenant holds Landlord harmless for all claims, damages or liability arising out of the Premises caused by Tenant or its employees or patrons.

16. DESTRUCTION:

16.1 In the event the Premises are totally or partially destroyed, Tenant to repair the Premises when the destruction is caused by Tenant or covered by Tenant's insurance.

16.2 Landlord to repair the Premises when the cause is not covered by Tenant's insurance policy and is covered by Landlord's insurance policy.

16.3 This rental agreement is not terminable due to any destruction of the Premises, unless:

a. the repairs cannot be completed within 30 days;

b. the cost of restoration exceeds 70% of the replacement value of the Premises;

c. the insurance proceeds are insufficient to cover the actual cost of the repairs; or

d. the Premises may not be occupied by law.

17. SUBORDINATION:

17.1 Tenant to subordinate to any new financing secured by the Premises which does not exceed 80% loan-to-value ratio, and interest of 2% over market, and not less than a 15-year monthly amortization and 5-year due date.

18. TENANT ESTOPPEL CERTIFICATES:

18.1 Within 10 days after notice, Tenant to execute a Tenant Estoppel Certificate verifying the existing terms of the rental agreement provided to prospective buyers or lenders. [See **RPI** Form 598]

18.2 Failure by Tenant to deliver the Certificate to Landlord is conclusive evidence the information contained in the Certificate is correct.

19. EMINENT DOMAIN:

19.1 In the event a portion or all of the Premises is condemned for public use, Landlord or Tenant may terminate the rental agreement and Tenant's possession.

19.2 Tenant waives the right to any compensation awarded from the condemning authority for the whole or partial taking of the Premises.

19.3 Tenant compensation is limited to the condemning authority compensation for the tenant improvements paid for by Tenant.

20. WAIVER:

20.1 Waiver of a breach of any provision in this lease agreement does not constitute a waiver of any subsequent breach.

20.2 Landlord's receipt of rent with knowledge of Tenant's breach is not a waiver of Landlord's right to enforce the breach.

21. DEFAULT REMEDIES:

21.1 When Tenant breaches any provision of this rental agreement, Landlord may exercise its rights, including the right to collect future rental losses after forfeiture of possession.

22. TENANT BROKER FEES:

22.1 Landlord to pay Tenant Broker fees per the attached Fee Schedule for Tenant Broker. [See **RPI** Form 552-9]

23. MISCELLANEOUS:

23.1 ☐ See attached addendum for additional terms. [See **RPI** Form 550-1]

23.2 This lease agreement reflects the entire agreement between the parties.

23.3 This lease agreement is binding on all heirs, assigns and successors except as provided in Section 9.

23.4 This lease agreement is enforced under California law.

23.5 In any action to enforce this lease agreement, the prevailing party is entitled to receive attorney fees.

23.6 ☐ This lease agreement is secured by a trust deed. [See **RPI** Form 451]

23.7 ☐ The performance of this lease agreement is assured by a Guarantee Agreement. [See **RPI** Form 553-1]

23.8 Notice: ☐ Landlord has actual knowledge the property is located in a special flood hazard area or an area of potential flooding. Tenant may obtain information about flood and other hazards at <http://myhazards.caloes.ca.gov/>. Landlord's insurance does not cover Tenant's possessions. Tenant may purchase renter's insurance and flood insurance to insure their possessions from loss. Landlord is not required to provide additional information about flood hazards beyond this notice.

24. _____

I agree to let on the terms stated above.

Date: _____, 20____

Landlord: _____

Signature: _____

Landlord's Broker: _____

Broker's DRE #: _____

is the broker for: ☐ Landlord

☐ both Tenant and Landlord (dual agent)

Landlord's Agent: _____

Agent's DRE #: _____

is ☐ Landlord's agent (salesperson or broker-associate)

☐ both Tenant's and Landlord's agent (dual agent)

Signature: _____

Address: _____

Phone: _____ Cell: _____

Email: _____

I agree to occupy on the terms stated above.

Date: _____, 20____

Tenant: _____

Signature: _____

Tenant: _____

Signature: _____

Tenant's Broker: _____

Broker's DRE #: _____

is the broker for: ☐ Tenant

☐ both Tenant and Landlord (dual agent)

Tenant's Agent: _____

Agent's DRE #: _____

is ☐ Tenant's agent (salesperson or broker-associate)

☐ both Tenant's and Landlord's agent (dual agent)

Signature: _____

Address: _____

Phone: _____ Cell: _____

Email: _____

FEE SCHEDULE FOR TENANT BROKER

On Tenant's Current and Future Acquisition of an Interest in the Property

NOTE: This form is an addendum used by a tenant broker when preparing a letter of intent (LOI), offer to lease or rental or lease agreement, to set the current and future fees due the tenant broker when earned.

DATE: _____, 20_____, at _____, California.
Items left blank or unchecked are not applicable.

FACTS:

1. This is an addendum to the following:

- | | |
|--|---|
| <input type="checkbox"/> Lease Agreement [See RPI Form 550 or 552 series] | <input type="checkbox"/> Rental Agreement [See RPI Form 551] |
| <input type="checkbox"/> Offer to Lease [See RPI Form 556] | <input type="checkbox"/> Letter of Intent [See RPI Form 556-1] |

- 1.1 dated _____, 20_____, at _____, California,
1.2 entered into between _____, as the Landlord,
1.3 and _____, as the Tenant,
1.4 regarding real estate referred to as _____.

AGREEMENT:

2. Fees payable by Landlord to Tenant Broker are due on Landlord conveyance to Tenant of a leasehold interest in the real estate in the following amounts:

2.1 For leaseholds with a term of five years or less:

- a. _____% of the total rent for the first year;
- b. _____% of the total rent for the second year;
- c. _____% of the total rent for the third year;
- d. _____% of the total rent for the fourth year; and
- e. _____% of the total rent for the fifth year.

2.2 For leaseholds with a term of more than five years:

- a. _____% of the total rent for the first five years;
- b. _____% of the total rent for the second five years; and
- c. _____% of the total rent for the remaining years.

3. On an extension, renewal or holdover tenancy of the leasehold by Tenant, the fees due Tenant Broker and payable by Landlord are in the following amounts:

3.1 For an extension, renewal or holdover tenancy of the leasehold for five years or less:

- a. _____% of the total rent for the first year;
- b. _____% of the total rent for the second year;
- c. _____% of the total rent for the third year;
- d. _____% of the total rent for the fourth year; and
- e. _____% of the total rent for the fifth year.

3.2 For an extension, renewal or holdover tenancy of the leasehold for more than five years:

- a. _____% of the total rent for the first five years;
- b. _____% of the total rent for the second five years; and
- c. _____% of the total rent for the remaining years.

4. On acquisition of fee ownership of the real estate by Tenant or their successors or agents, the fees due Tenant Broker and payable by Landlord are in the following amounts:

- 4.1 _____% of the first \$_____ of the purchase price paid;
- 4.2 _____% of the next \$_____ of the purchase price paid; and
- 4.3 _____% of the balance of the purchase price paid.

5. _____

I agree to the terms stated above.

☐ See attached Signature Page Addendum. [RPI Form 251]

Date: _____, 20____

Landlord: _____

Signature: _____

Phone: _____ Cell: _____

Email: _____

I agree to the terms stated above.

☐ See attached Signature Page Addendum. [RPI Form 251]

Date: _____, 20____

Tenant: _____

Signature: _____

Tenant Broker: _____

DRE #: _____

Signature: _____

Phone: _____ Cell: _____

Email: _____