TENANT REPRESENTATION AGREEMENT

Exclusive Right to Represent an Entity to Acquire a Leasehold or Fee Interest in Property

Prepared by: Agent _____ **Phone** _____
Broker _____ **Email** _____

NOTE: This form is used by a commercial broker to be employed by entities as their sole agent, to locate and negotiate the terms and conditions to acquire a leasehold or fee interest in a property. [Civil Code §1670.50]

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

1. RETAINER PERIOD:

1.1 Tenant retains and grants to Broker the exclusive authorization to locate real estate of the type described below and to negotiate terms and conditions to acquire a leasehold or fee ownership on terms acceptable to Tenant, for a retainer period beginning on_____, 20_____ and terminating on _____, 20_____.

1.2 This representation may be modified by a signed writing. [See **RPI** Form 105.2A]

2. BROKER'S OBLIGATIONS:

2.1 Broker to use diligence in the performance of this employment.

2.2 Broker may have or contract to represent owners of comparable properties or tenants who seek comparable properties to the property sought during the retainer period. Thus, a conflict of interest exists to the extent Broker's time is required to fulfill the fiduciary duty owed to others Broker now does or will represent.

3. GENERAL PROVISIONS:

3.1 Tenant acknowledges receipt of the Agency Law Disclosure. [See **RPI** Form 550-2]

3.2 Tenant authorizes Broker to divide fee due broker with other brokers.

3.3 The prevailing party in any action on a dispute is entitled to attorney fees and costs, unless they file an action without first offering to enter into mediation to resolve the dispute.

3.4 This agreement is governed by California law.

4. BROKERAGE FEE:

NOTICE: The amount or rate of real estate fees is not fixed by law. They are set by each Broker individually and may be negotiable between the Tenant and Broker.

4.1 Tenant agrees Broker earns fees of the amounts calculated under the fee schedules in paragraph 4.2, 4.3 and 4.4, or ☐ _____, as compensation for services rendered, WHEN:

a. Tenant, or any person acting on Tenant's behalf, during the retainer period acquires or negotiates to acquire and later acquires a leasehold or fee interest in real estate that is substantially the same as the type described below.

b. Within one year after termination of this agreement, Tenant or their agent commences negotiations which later result in a transaction contemplated by this agreement regarding a property Broker presented and reviewed with Tenant during the period of this agreement. Broker to identify the properties reviewed by written notice delivered personally or electronically, or mailed to Tenant within 21 days after termination of this agreement. [See **RPI** Form 123]

c. Tenant terminates this employment of Broker without legal justification during the retainer period.

4.2 On Tenant receiving a leasehold interest in the real estate, the fees due Broker are in the following amounts:

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.

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.

4.3 On an extension, renewal or holdover tenancy of the leasehold by Tenant, the fees due Broker are amounts calculated under the fee schedules in paragraph 4.2 above, as though the continued tenancy was part of the original lease agreement.

4.4 On acquisition of fee ownership of the real estate by Tenant or their successors or agents, the fees due Broker are in the following amounts:

a. _____% of the first $_____ of the purchase price paid;

b. _____% of the next $_____ of the purchase price paid; and

c. _____% of the balance of the purchase price paid.

4.5 The fees earned and due Broker under 4.1 are the obligation of Tenant to pay except when the owner of the real estate interest Tenant acquires agrees to pay the fees under provisions agreed to by Broker.

a. To impose the obligation to pay Broker fees on the real estate owner, fee provisions obligating the owner to pay Broker are included in all documentation used to negotiate and acquire an interest in real estate. [See **RPI** Form 552-9]

4.6 In the event this agreement terminates without Broker earning a fee under §4.1, Tenant to pay Broker the sum of $_____ per hour of time accounted for by Broker, not to exceed $_____.

Type of Real Estate Sought:

General description, which may vary or differ as Tenant responds to availability, pricing, lease terms, ordinances and market conditions: _____

_____

_____

_____

_____

Location: _____ Size: _____

Rental Amount/Term: _____

I agree to employ Broker on the terms stated above.

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

Date: _____, 20_____

Tenant: _____

Signature: _____

Tenant: _____

Signature: _____

Address: _____

_____

Phone: _____ Cell: _____

Email: _____

I agree to render services on the terms stated above.

Date: _____, 20_____

Broker's Name: _____

Broker's DRE #: _____

Agent's Name: _____

Agent's DRE #: _____

Signature: _____

Address: _____

_____

Phone: _____ Cell: _____

Email: _____

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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:

☐ Lease Agreement [See **RPI** Form 550 or 552 series] ☐ Rental Agreement [See **RPI** Form 551]
☐ Offer to Lease [See **RPI** Form 556] ☐ 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: _____

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