



NONRESIDENTIAL LEASE AGREEMENT

Commercial, Industrial Gross — Single Tenant

Prepared by: Agent _____ Phone _____
Broker _____ Email _____

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

Items left blank or unchecked are not applicable.

1. FACTS:

1.1 _____, as the Landlord,
leases to _____, as the Tenant,
real estate referred to as _____.

1.2 Landlord acknowledges receipt of \$_____ to be applied as follows:
 Security deposit \$_____ First month's rent \$_____
 Last month's rent \$_____

1.3 The following checked addendums are made a part of this nonresidential lease:
 Addendum — General Use [See ft Form 250] Option to Renew/Extend Lease [See ft Form 565]
 Authority to Sublease/Assign Standard Option to Purchase [See ft Form 161]
 Brokerage Fee Addendum [See ft Form 273] Option to Lease Additional Space
 Condition of Premises Addendum [See ft Form 560] Building rules Plat of leased space
 Occupant's Operating Expense Sheet [See ft Form 562]
 Property Description

2. TERM OF LEASE:

2.1 The lease granted commences _____, 20____, and expires _____, 20____.
a. The month of commencement is the anniversary month.
2.2 The lease terminates on the last day of the term without further notice.
2.3 If Tenant holds over, Tenant to owe Landlord at the rate of \$_____ for each day after termination of the lease term until the premises is delivered up to Landlord.
2.4 This lease agreement is a sublease of the premises which is limited in its terms by the terms and condition of the attached master lease.

3. RENT:

3.1 Tenant to pay rent monthly, in advance, on the first day of each month, including rent for any partial month pro rated at 1/30th of the monthly rent per day.
3.2 Monthly rent for the entire term is fixed at the amount of \$_____.
3.3 Monthly rent, from year to year, is graduated on each anniversary month as follows:
Initial year's monthly rent to be \$_____, and
a. _____% increase in monthly rent over prior year's monthly rent; or
b. First anniversary monthly rent \$_____
Second anniversary monthly rent \$_____
Third anniversary monthly rent \$_____
Fourth anniversary monthly rent \$_____
3.4 Monthly base rent for the initial 12 months of the term is the amount of \$_____, adjusted annually on the first day of each anniversary month by increasing the initial monthly base rent by the percentage increase between the applicable Consumer Price Index for All Urban Consumer (CPI-U) figures published for the third month preceding the month of commencement and the third month preceding the anniversary month.
a. The applicable CPI-U Index (1982-1984 = 100) is:
 Los Angeles-Anaheim-Riverside, San Francisco-Oakland-San Jose,
 San Diego, National, _____.
b. Rent increases under CPI-U adjustments are limited for any one year to an increase of _____%.
c. On any anniversary adjustment, should the CPI-U have decreased below the CPI-U for the prior twelve-month period, the monthly rent for the ensuing 12 months shall remain the same as the rent during the prior 12 months.
d. If the CPI-U is changed or replaced by the United States Government, the conversion factor published by the Government on the new Index shall be used to compute annual adjustments.
3.5 Rent to be paid by:
a. check, cash, or cashier's check, made payable to Landlord.
Personal delivery of rent to be at Landlord's address during the hours of _____ to _____ on the following days: _____.

b. credit card # _____ / _____ / _____ / _____ issued by _____, _____ which Landlord is authorized to charge each month for rent due.

c. deposit into account number _____ at _____ (Financial Institution) _____ (Address)

d. _____.

3.6 Tenant to pay a charge of \$ _____, or _____ % of the delinquent rent payment, as an additional amount of rent, due on demand, in the event rent is not received within five days, or _____, after the due date.

3.7 If any rent or other amount due Landlord is not received within five days after its due date, interest will thereafter accrue from the due date on the amount at 12% per annum until paid. On receipt of any past due amount, Landlord to promptly make a written demand for payment of the accrued interest which will be payable within 30 days of the demand.

3.9 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 three following months by cash or cashier's check.

4. OPERATING EXPENSES:

4.1 Tenant is responsible for payment of utility and service charges as follows: _____.

4.2 Landlord is responsible for payment of utility and service charges as follows: _____.

4.3 Tenant to pay all taxes levied on trade fixtures or other improvements Tenant installs on the premises.

4.4 If Landlord pays any charge owed by Tenant, Tenant shall pay, within 10 days of written demand, the charge as additional rent.

4.5 Landlord to pay all real property taxes and assessments levied by governments, for whatever cause, against the land, trees, tenant improvements and building containing the leased premises, excluding those to be paid by Tenant under 4.3.

5. POSSESSION:

5.1 Tenant may terminate the lease if Landlord does not deliver up possession within 10 days after commencement of the lease.

5.2 Landlord is to recover and deliver possession of the premises from the previous tenant. Tenant will not be liable for rent until possession is delivered.

5.3 If Landlord is unable to deliver possession of the premises, Landlord will not be liable for any damages.

6. USE OF THE PREMISES:

6.1 The Tenant's use of the premises shall be _____.

6.2 No other use of the premises is permitted.

a. Tenant may not conduct any activity which increases Landlord's insurance premiums.

6.3 Tenant will not use the premises for any unlawful purpose, violate any government ordinance or building and tenant association rules, or create any nuisance.

6.4 Tenant will deliver up the premises including tenant improvements together with all keys to the premises on expiration of the lease in as good condition as when Tenant took possession, except for reasonable wear and tear.

6.5 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. Said warranty does not apply to Tenant's intended use of the premises, modifications which may be required by the Americans with Disabilities Act (ADA) or any similar laws as a result of Tenant's use.

6.6 Tenant is responsible for determining whether the building codes, zoning and regulations are appropriate for Tenant's intended use. Tenant acknowledges that past uses of the premises may no longer be allowed.

6.7 Unless otherwise provided, if the premises do not comply with this warranty, Tenant is to give Landlord written notice specifying the nature and extent of such non-compliance, and Landlord is to promptly correct the non-compliance at Landlord's expense. If Tenant does not give Landlord written notice of a non-compliance with this warranty within 6 months following the commencement date, Tenant, at Tenant's expense, shall correct the non-compliance.

6.8 The premises has, has not been inspected by a Certified Access Specialist (CASp).

a. If inspected, the property has, has not been determined to meet all applicable standards under Calif. Civil Code §1938 and §55.53.

7. APPURTENANCES:

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

7.2 Tenant has the use of the entire premises within the property's legal description.

8. SIGNS AND ADVERTISING:

- 8.1 Tenant will not construct any sign or other advertising on the premises without the prior consent of Landlord.
- 8.2 Landlord will 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.
- 8.3 Landlord will provide a sign to be placed on the primary door to Tenant's suite. The fees for the cost and installation will be paid by Tenant.

9. TENANT IMPROVEMENTS/ALTERATIONS:

- 9.1 Tenant may not alter or improve the real estate without Landlord's prior consent to include tenant improvements necessary for Tenant to occupy.
 - a. Tenant will keep the real estate free of all claims for any improvements and will timely notify Landlord to permit posting of Notices of Nonresponsibility.
- 9.2 Any increases in Landlord's property taxes caused by improvements made by Tenant will become additional rent due on demand.
- 9.3 Tenant improvements as authorized by Landlord to become fixtures and part of the real estate not to be removed by Tenant on expiration of this lease.

10. REPAIR AND MAINTENANCE:

- 10.1 The premises are in good condition, except as noted in an addendum. [See **ft** Form 250]
- 10.2 Tenant will maintain electrical and plumbing fixtures, including minor repairs, but not replacements. Tenant will also maintain and repair the tenant improvements made by Tenant, and the parking areas, lawns and shrubbery, sidewalks, driveways/right of ways, and _____.
- a. _____
- b. See attached maintenance modification addendum. [See **ft** Form 552-5]
- 10.3 Except as stated in 10.2, Landlord to maintain the structure and all components and equipment which exist on the commencement of this 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, governmental mandated retrofitting and _____

11. RIGHT TO ENTER:

- 11.1 Tenant agrees to make the premises available on 24 hours notice for entry by Landlord for necessary repairs, alterations, or inspections of the premises.

12. WASTE:

- 12.1 Tenant will not destroy, damage, or remove any part of the premises or equipment, or commit waste, or permit any person to do so.

13. LIABILITY INSURANCE:

- 13.1 Tenant will obtain and maintain commercial general liability and plate glass insurance covering both personal injury and property damage to cover Tenant's use of the premises insuring Tenant and Landlord.
- 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 is to provide for written notice to Landlord should a change or cancellation of the policy occur.
- 13.4 Each party waives all insurance subrogation rights it may have.

14. FIRE INSURANCE:

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

15. HOLD HARMLESS:

- 15.1 Tenant will hold 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 agrees to repair the premises if the destruction is caused by Tenant or covered by Tenant's insurance.
- 16.2 The agreement may not be terminated due to any destruction of the premises.
- 16.3 Landlord will repair the premises if the cause is not covered by Tenant's insurance policy and is covered by Landlord's insurance policy.
- 16.4 Landlord may terminate the lease if the repairs cannot be completed within 30 days, the cost of restoration exceeds 70% of the replacement value of the premises, the insurance proceeds are insufficient to cover the actual cost of the repairs, or the premises may not be occupied by law.

17. SUBORDINATION:

- 17.1 Tenant agrees to subordinate the leasehold estate 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 five-year due date.

18. TENANT ESTOPPEL CERTIFICATES:

18.1 Within 10 days after notice, Tenant will execute a certificate stating the existing terms of the lease to be provided to prospective buyers or lenders.

18.2 Failure to deliver the certificate shall be conclusive evidence the information contained in it is correct.

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

19.1 Tenant may not assign this lease or sublet any part of the premises, or further encumber the leasehold.

19.2 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 ft Form 552-7]

20. SURRENDER:

20.1 Tenant may surrender this lease only by a written cancellation and waiver agreement with Landlord.

21. EMINENT DOMAIN:

21.1 Should a portion or all of the premises be condemned for public use, Landlord may terminate the lease and Tenant's possession. If the lease is not terminated, Tenant shall receive a rent abatement for the actual reduction (if any) in the value of the leasehold interest held by Tenant..

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

21.3 Tenant to be compensated by the condemning authority only for the tenant improvements paid for by Tenant.

22. WAIVER:

22.1 Waiver of a breach of any provision in this lease shall not constitute a waiver of any subsequent breach.

22.2 Landlord's receipt of rent with knowledge of Tenant's breach does not waive Landlord's right to enforce the breach.

23. DEFAULT REMEDIES:

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

24. BROKERAGE FEES:

24.1 Landlord and Tenant to pay Broker fees per the attached schedule of leasing agent's fee. [See ft form 113]

25. MISCELLANEOUS:

25.1 See attached addendum for additional terms. [See ft Form 250]

25.2 In any action to enforce this agreement, the prevailing party shall receive attorney fees.

25.3 This agreement is binding on all heirs, assigns and successors except as provided in §19.

25.4 This agreement is to be enforced under California law.

25.5 This agreement reflects the entire agreement between the parties.

25.6 This lease agreement is secured by a trust deed. [See ft Form 451]

25.7 The performance of this agreemnet is assured by a guarantee agreement. [See ft Form 439]

26. _____

I agree to let on the terms stated above.

See Signature Page Addendum. [ft Form 251]

Date: _____, 20____

Landlord: _____

Agent: _____

Signature: _____

Address: _____

Phone: _____ Cell: _____

Fax: _____

Email: _____

I agree to occupy on the terms stated above.

See Signature Page Addendum. [ft Form 251]

Date: _____, 20____

Tenant: _____

Signature: _____

Tenant: _____

Signature: _____

Address: _____

Phone: _____ Cell: _____

Fax: _____

Email: _____