

# WEBINAR: How to Build a Strong California Lease



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# CALIFORNIA LEASES: FORM LEASE OR DIY?

# Lease Considerations

- **Size & Scope of Your Organization**
- **Access to Cost-Effective and Efficient Legal Services**
- **Special Organizational and/or Community Needs**
- **Maintenance**



# Examples of Common Forms

- **California Association of REALTORS® (CAR)**
- **PRDS**
- **Nolo, LegalZoom, etc.**



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# DIY vs. Forms – Common Pitfalls

- **Assumption of Simplicity**
- **Legal Compliance**
- **Shifting Legal Landscape**
- **Local Ordinances**





# BASIC CALIFORNIA LEASE REQUIREMENTS

# Designate the Parties

- **Parties Must Be Identifiable**
- **Parties Must Have Legal Capacity to Contract**
- **Parties Must Have Authority**





# Description of the Premises

- **Must Convey an Estate**
- **Tenant Must Receive Exclusive Possession**



# Additional Lease Requirements

- **Amount of Rent to be Paid**
- **Amount of Security Deposit**
- **Time, Manner, and Place for Rent Payment**
  - **Electronic Payment/Transfer – Is It Right for You?**



# Additional Lease Requirements

- **Term (Duration) of the Lease**
  - Depending on Units & Location, Some Require 1-Year Term
- **Parties Must Have Intent to Lease**
  - **Tip:** Application as Part of the Lease Agreement
  - Signed & Delivered to All Parties



# Disclosures/Required Information

- **Contact Information for Any Manager/Owner**
- **Contact Information of Rent Recipient and Form of Payment**
  - **Must Be Delivered Within 15 Days**
    - If Written, Copy of the Lease
    - If Oral, Separate Letter Required
- **No Separate Gas and Electricity Meters**



# **Disclosures/Required Information** **(continued)**

- **Water Service Will Be Billed Separately from Rent**
- **Known Carcinogens**
  - **Landlord Employs 10 or More Persons**
- **Intention to Report Negative Credit**
- **Application to Demolish Residential Dwelling**
- **Location of Ordinance**



# **Disclosures/Required Information** (continued)

- **Notice of Pest Control Service**
- **Must Disclose Mold**
  - **If Known and If Existing, Mold is a “Health Threat”**
  - **No Disclosure Required if Remediated Per Guidelines**
- **Death Within 3 Years of Lease**
  - **Exception: Prior Occupants with HIV**
  - **Exception: Honest Response to Direct Inquiries**



## **Disclosures/Required Information (continued)**

- **Lead-Based Paint (pre-1978)**
  - **Exceptions:**
    - **Short-Term Rentals**
    - **Rooms for Rent**
    - **Retirement Communities**
- **Bed Bugs**
- **Rent Control Concerns**
- **Government Subsidized Housing**
- **Pending Foreclosure/Default Notice**





# CALIFORNIA LEASES: ADDENDA & AMENDMENTS



# Addenda (Multiple Addendum)

- **Unique Property Characteristics**
  - Pets, Pool, Clarify Use, Etc.
  - If Not in Lease, Draft Addendum
- **Be Careful With Language**
  - Seek Counsel If Unsure/Unclear



# Amendments

- **Document Changes/Modifications to Lease**
- **Tool for Enumerating Term, New Rental Rate, etc.**
- **Be Careful With Language**
  - **Seek Counsel If Unsure/Unclear**



# Lease Modifications

- **Review Lease Yearly or At Conclusion of Each Term**
- **Pay Attention to New Laws**
  - **State**
  - **Local/County**





# DRAFTING CALIFORNIA LEASES: COMMON PITFALLS

# Common Pitfalls

- **Must Not Discriminate**
  - Race, Ethnicity, Age, Etc.
  - Family Status
- **May Not Waive Certain Statutory Rights**
  - Landlord's Permissible Entry
  - Habitability
  - Retaliatory Eviction
  - Future Cause of Action



## **Common Pitfalls (continued)**

- **Automatic Extension May Be Voidable By Tenant**
- **No Waiver of Remedies for “Rent Skimming”**



# QUESTIONS?



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