11533 South Street, Cerritos, CA 90703 (Cerritos Promenade)

In-line quick-serve ramen restaurant space in a multi-tenant shopping center building · 1,264 sq ft (landlord may remeasure within 90 days of commencement) · 10 lease years plus two 5-year options at fair market value
Tenant: Yoshiharu Cerritos, a California corporation, dba Yoshiharu Japanese Ramen · Landlord: Cerritos West Covenant Group LLC, Cerritos West Exchange I LLC and Cerritos West Exchange II LLC (Nevada LLCs, as tenants in common) · Prepared for sample@leaselens.org

Ready to sign after 6 changes

AS WRITTEN

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38 / 100

This is a workable restaurant deal: 3% increases, a $44,240 allowance, a permit exit, SNDA protection and a ramen exclusive. Before signing, cap the unlimited spousal guarantee and add release on transfer, strip the stacked 3% management fee and the 15% fee on taxes and insurance, and delete or tighten the relocation, affiliate radius and allowance-clawback clauses.

$806k

Rent and fees over 10 years. Taxes, insurance and upkeep come on top; the lease doesn't estimate them

$23k

Extra fees and costs in this lease above what is normal

Up to ~$714k

What you could personally owe if the business closes after year 1

Rent is exact, from the lease. Base rent for Lease Years 2-10 ($714,211) with no cap; California Civil Code 1951.2 (cited in §17.2) discounts future rent and credits rent the landlord could reasonably get by re-renting, which would reduce this.

YOUR QUESTIONS, ANSWERED

PARTLY **Is the personal guarantee normal for a restaurant lease like this?**

A personal guarantee is normal for a new restaurant, but this one (§1.17, Exhibit E) goes well beyond the norm. It has no dollar or time cap, binds both you and your spouse and your separate and community property, covers options, holdover and any assignee, waives your defenses as guarantors (§7), and is never released even after a permitted transfer (§16.4). Ask for a cap of 12-24 months' rent, a burn-off after 2-3 years without default, and release when you transfer to a qualified franchisee.

PARTLY **Can we sell the restaurant or move it to a franchisee without the landlord blocking it?**

A sale to an outside buyer, including a change in ownership of the company, needs consent that cannot be unreasonably withheld (§§16.1, 16.3). A transfer to the Yoshiharu franchisor or a franchisee needs no consent if the franchisee signs the standard franchise agreement, runs at least one other Yoshiharu, and matches your original net worth (§16.4). The landlord can end the lease only if the buyer changes the use (§16.2), and it gets no share of what is paid for your business itself (§16.7). However, the company and both guarantors stay fully liable after any transfer (§§16.4-16.5).

NO

Are the CAM and management fees reasonable?

The 15% fee is at the top of the normal range, but §11.4 also charges it on taxes and insurance and then adds a separate 3% of base rent. The 3% fee alone costs about $23,474 over 10 years, and management staff costs are already in CAM. There is no audit right, and you have only 10 days to pay year-end shortfalls (§11.5). Ask to delete the 3% fee, limit the 15% to common area costs, and add an annual audit right.

THE 6 CHANGES TO MAKE

1. **Unlimited guarantee from both spouses, covering renewals and assignees, never released**
   §1.17; Exhibit E §§5, 7, 9; §§16.4, 16.5 · Limit the guarantee to the operating owner only, capped at 12 months' rent, ending after 3 clean years or a qualified transfer.
   ~$644k exposure; protects your spouse's separate property

2. **3-mile radius covering affiliates, with a 150% rent penalty**
   §1.22; §9.6 · Limit the radius restriction to this Tenant entity, exclude existing locations, and remove the 150% rent increase.
   Up to ~$357k in penalty rent

3. **15% fee on CAM, taxes and insurance plus a separate 3% management fee, no audit right**
   §11.4; §11.5; §2.4 · Charge one admin fee on common area costs only, drop the 3% management fee, and add an audit right.
   ~$23k+ over 10 years, plus audit protection

4. **Landlord can move your restaurant on 30 days' notice**
   §20.3 · Delete Landlord's relocation right in §20.3 because a built-out restaurant cannot be moved without major loss.
   Protects build-out worth $44,240+ and sales

5. **$44,240 allowance paid back on any default**
   §1.25; §20.9; §17.2 · Delete the allowance and commission clawback on default, and extend the 6-month deadline to claim the allowance.
   Up to ~$39,816 plus broker commissions

6. **As-is delivery; you pay all code/ADA work and HVAC replacement**
   §4.1; §10.1; §10.3; §10.4; §20.10(w); Exhibit C §1 · Landlord pays code/ADA work for pre-existing conditions and structure, warrants HVAC for a year, and amortizes HVAC replacement.
   Caps open-ended HVAC and code/ADA costs

ALSO WORTH ASKING

7. **Normal amount, but you waive California's deposit protection**
   §1.16; §20.1 · Delete the waiver of Civil Code 1950.7 so the deposit covers only unpaid rent, damage and cleaning.
   Protects the $6,737 deposit and accounting rights

8. **10-day estoppel in any reasonable form, with a $100/week charge**
   §18.3; §17.1(b); §20.10(s) · Extend estoppel response time to 20 days, limit the form to facts, and drop the $100 weekly charge.
   Avoids penalties, surprise obligations, and accidental default

9. **10% late fee on top of interest**
   §5.5; §17.1; §17.2; §20.10(d) · Cut the late fee from 10% to 5%, add a 5-day grace period, and stop stacking interest on it.
   ~$284-$371 per late month

10 **Required hours: Continuous operation, 11:30-8 every day including holidays**

Guarantor protection; avoids default for slow-day closures

§1.21; §9.2; §9.4 · Replace the fixed seven-day continuous-operation covenant with center customary hours, permitted closures, and non-default remedies.

The exact language for each change is on the following pages, and in the separate "Requested lease changes" document you can send to the landlord.

EACH CHANGE, WITH THE LANGUAGE TO SEND

1 Unlimited guarantee from both spouses, covering renewals and assignees, never released

~$644k at risk

WHAT THE LEASE SAYS (§1.17; EXHIBIT E §§5, 7, 9; §§16.4, 16.5)

"THE OWNERS, husband and wife, jointly and severally, on behalf of each of their marital, community and sole and separate property estates ... This Guaranty shall apply to the Lease, any extension, renewal, modification or amendment thereof, to any assignment, subletting or other tenancy thereunder"

WHY IT MATTERS

You and your spouse personally owe every dollar of the lease, including your separate and community property, for up to 20 years, even after you transfer the restaurant to a franchisee. If the restaurant closed after year 1, you could owe about $714,211 in base rent before re-renting credit; a 12-month cap would limit that to about $70,304.

ASK FOR THIS LANGUAGE

Section 1.17 is amended to read: "Guarantor: [OWNER 1], an individual, subject to the limitations set forth in Exhibit E." Exhibit E is amended by adding the following, which shall control over any conflicting provision of the Guaranty or the Lease: (a) Cap. Notwithstanding anything to the contrary in the Guaranty, including Sections 5, 7 and 9 of Exhibit E, Guarantor's aggregate liability under the Guaranty shall not exceed an amount equal to twelve (12) months of the monthly Base Rent and Tenant's Share of Operating Expenses payable under the Lease at the time of the first uncured Event of Default (the "Guaranty Cap"). Any amounts paid by Guarantor shall reduce the Guaranty Cap dollar for dollar. Landlord shall apply the Security Deposit to Tenant's obligations before making demand on Guarantor. (b) Burn-Off. If no monetary Event of Default by Tenant has occurred and remained uncured beyond any applicable notice and cure period during the first [36] months following the Commencement Date, the Guaranty shall automatically terminate and Guarantor shall have no further liability thereunder, and Landlord shall, upon request, confirm such termination in writing. (c) Extensions, Amendments and Holdover. The Guaranty shall not apply to any Extension Term, any amendment or modification of the Lease that increases Tenant's obligations, or any holdover beyond sixty (60) days following expiration of the Term, unless Guarantor consents thereto in a writing signed by Guarantor. (d) Release on Transfer. Upon any assignment of the Lease permitted under Sections 16.4 or 16.5 to an assignee that (i) has a tangible net worth of not less than [$1,000,000] as of the effective date of the assignment, or (ii) delivers to Landlord a replacement guaranty from a guarantor reasonably acceptable to Landlord, Guarantor shall be released from all obligations under the Guaranty accruing from and after the effective date of such assignment. (e) Defenses. Guarantor shall retain the defenses of payment and performance by Tenant and the defense that Landlord's claim exceeds the Guaranty Cap, and any waiver in Section 7 of Exhibit E shall not apply to such defenses. (f) Separate Property. [OWNER 2] shall not be a party to the Guaranty, and no separate property of [OWNER 2] shall be subject to recovery under the Guaranty.

IF THEY PUSH BACK

Exhibit E is amended to provide that (a) Guarantor's aggregate liability shall not exceed twenty-four (24) months of the monthly Base Rent and Tenant's Share of Operating Expenses payable at the time of the first uncured Event of Default, reducing to twelve (12) months if no monetary Event of Default has occurred and remained uncured beyond any applicable cure period during the first [36] months following the Commencement Date; (b) the Guaranty shall apply to an Extension Term only if Guarantor consents in writing; (c) upon any assignment permitted under Sections 16.4 or 16.5 to an assignee with a tangible net worth of not less than [$2,000,000] or that delivers a replacement guaranty reasonably acceptable to Landlord, Guarantor shall be released from obligations accruing after the effective date of the assignment; and (d) [OWNER 2] executes the Guaranty solely to bind the community property of the marriage, and her sole and separate property shall not be subject to recovery under the Guaranty.

WHAT TO SAY TO THE LANDLORD

A 12-month cap covers the realistic time to re-let a built-out restaurant space, you hold the Security Deposit and the improvements, and California Family Code §910 already reaches our community property, so your spouse's signature only adds exposure of her separate property without reducing your real risk.

2 3-mile radius covering affiliates, with a 150% rent penalty

$34k–$357k at risk

WHAT THE LEASE SAYS (§1.22; §9.6)

"neither Tenant nor any entity affiliated with Tenant shall own, operate or have any financial interest in any business similar to the business of Tenant ... may increase the Minimum Annual Rent hereunder to equal one hundred fifty percent (150%) of the Minimum Annual Rent then in effect"

WHY IT MATTERS

If any related Yoshiharu company opens a ramen shop within 3 miles, your rent jumps 50%: about $34,128 for one year at year-1 rent, or up to about $357,105 if it ran from year 2 to the end. Limit it to this tenant entity and exclude existing locations.

ASK FOR THIS LANGUAGE

Section 9.6 is deleted in its entirety and replaced with the following: "9.6 Radius Restriction. During the Term, Tenant shall not open or operate a Japanese ramen restaurant within the radius set forth in Section 1.22, measured from the exterior boundary of the Premises (a 'Competing Business'). This Section 9.6 binds only Tenant, the entity named in this Lease. It does not apply to (a) any affiliate, parent, subsidiary, shareholder, officer, director or franchisor of Tenant; (b) any franchisee or licensee of the 'Yoshiharu' name or concept that is not Tenant; (c) any restaurant open, under construction, or subject to a signed lease or letter of intent as of the date of this Lease; (d) any restaurant acquired as part of a merger, acquisition or purchase of a multi-unit restaurant business; or (e) any delivery-only, catering, ghost-kitchen or online sales operation. If Tenant operates a Competing Business in violation of this Section 9.6, Landlord shall give Tenant written notice. If Tenant fails to cease operating the Competing Business within ninety (90) days after receipt of that notice, Landlord's sole and exclusive remedy shall be injunctive relief requiring Tenant to cease operating the Competing Business. A violation of this Section 9.6 shall not constitute a default or Event of Default under this Lease and shall not entitle Landlord to increase the Minimum Annual Rent or any other Rent. This Section 9.6 shall terminate and be of no further force or effect upon any permitted assignment of this Lease or if Tenant ceases operating in the Premises."

IF THEY PUSH BACK

Section 9.6 is amended so that (i) the restriction binds Tenant and only those entities Tenant directly controls that operate under the 'Yoshiharu' name, and excludes franchisees, licensees, and any restaurant open, under construction, or subject to a signed lease or letter of intent as of the date of this Lease;

(ii) Landlord shall give Tenant written notice of any violation and Tenant shall have sixty (60) days to cure by ceasing operation of the Competing Business or by divesting Tenant's interest in it; (iii) if Tenant fails to cure within that period, Landlord's sole and exclusive remedy shall be to increase the Minimum Annual Rent to one hundred ten percent (110%) of the Minimum Annual Rent then in effect, only for the period the violation continues after the cure period; and (iv) a violation of Section 9.6 shall not constitute a default or Event of Default under this Lease.

WHAT TO SAY TO THE LANDLORD

Three miles is within market, but binding every related Yoshiharu company and imposing a 50% rent penalty goes far beyond protecting the Shopping Center's sales, because Tenant cannot control what separately owned locations do.

3 15% fee on CAM, taxes and insurance plus a separate 3% management fee, no audit right

~$23k extra cost

WHAT THE LEASE SAYS (§11.4; §11.5; §2.4)

"payable to Landlord for administration and overhead in an amount equal to fifteen percent (15%) of the Common Area Costs, Tenant's share of Taxes pursuant to Section 7.1 and Tenant's share of insurance premiums ... In addition to the Common Area Costs, Tenant shall pay Landlord a management fee equal to three percent (3%) of the Minimum Annual Rent then payable hereunder"

WHY IT MATTERS

You pay the landlord's overhead three times: management staff inside CAM, a 15% fee that also hits taxes and insurance, and a 3% fee on your rent. The 3% fee alone costs about $23,474 over 10 years; the 15% on taxes and insurance adds more, but the lease gives no estimate. There is no right to audit the landlord's numbers, and you must pay any shortfall within 10 days.

ASK FOR THIS LANGUAGE

Section 11.4 is amended so that the administrative and overhead charge payable to Landlord shall equal ten percent (10%) of Common Area Costs only, and shall not be charged on Taxes, Tenant's share of Taxes under Section 7.1, insurance premiums, utilities separately metered or billed, capital expenditures, or any management fee. The management fee equal to three percent (3%) of the Minimum Annual Rent is deleted in its entirety. Common Area Costs shall exclude salaries, wages, benefits and overhead of Landlord's or its property manager's executive, management, leasing and accounting personnel, off-site office expenses, and any property management or asset management fee. The administrative charge set forth above shall be Landlord's sole compensation for administration, management and overhead of the Shopping Center. Section 11.5 is amended to provide that Tenant shall pay any shortfall shown on Landlord's annual reconciliation statement within thirty (30) days after Tenant receives it, and that the statement shall itemize Common Area Costs, Taxes and insurance premiums by category. Tenant, or an independent accountant designated by Tenant, may audit Landlord's books and records relating to Common Area Costs, Taxes and insurance premiums for any calendar year. Tenant must give Landlord written notice of the audit within twenty-four (24) months after receiving the reconciliation statement for that year. Landlord shall make such books and records available at the Shopping Center or within the county where the Premises are located during normal business hours. If the audit discloses that Tenant was overcharged, Landlord shall refund the overcharge to Tenant within thirty (30) days. If the overcharge exceeds three percent (3%) of the amount properly payable, Landlord shall also reimburse Tenant for the reasonable cost of the audit. No auditor shall be compensated on a contingency fee basis.

IF THEY PUSH BACK

The administrative and overhead charge under Section 11.4 shall equal fifteen percent (15%) of Common Area Costs only, and shall not be charged on Taxes, insurance premiums, utilities or capital expenditures. The management fee equal to three percent (3%) of the Minimum Annual Rent is deleted, and Common Area Costs shall exclude any management fee and Landlord's management and administrative personnel costs. Tenant shall pay any reconciliation shortfall within thirty (30) days after receipt of an itemized statement. Tenant may audit Landlord's records for any calendar year by written notice given within twelve (12) months after receipt of the reconciliation statement for that year. Landlord shall refund any overcharge within thirty (30) days. Landlord shall pay the reasonable cost of the audit if the overcharge exceeds five percent (5%).

WHAT TO SAY TO THE LANDLORD

Market practice is a single admin fee on common area costs, because taxes and insurance take no management effort; charging for management through CAM, a 15% fee and a 3% rent fee pays for the same overhead three times, and an audit right costs you nothing if the numbers are right.

4 Landlord can move your restaurant on 30 days' notice

$0–$44k at risk

WHAT THE LEASE SAYS (§20.3)

"Landlord shall have the right to relocate the Premises to another part of the Project ... shall be paid by Landlord in a sum not to exceed One Thousand Five Hundred Dollars ($1,500.00)"

WHY IT MATTERS

A kitchen with a grease interceptor, hood and patio is hard to replicate. The new spot need not have the same visibility or patio access, and your extra costs beyond $1,500 and lost sales are unpaid. Your build-out is worth at least the $44,240 allowance. Delete the clause, or limit it to comparable restaurant space with patio and street visibility and full cost reimbursement.

ASK FOR THIS LANGUAGE

Section 20.3 is hereby deleted in its entirety and replaced with the following: "20.3 No Relocation. Landlord shall have no right to relocate, reduce, or substitute the Premises, in whole or in part, during the Term or any extension or renewal thereof, without Tenant's prior written consent, which Tenant may withhold in its sole and absolute discretion."

IF THEY PUSH BACK

20.3 Relocation. Landlord may relocate the Premises no more than once during the Term, and not during the first [36] months following the Commencement Date, by delivering written notice to Tenant at least one hundred eighty (180) days in advance, subject to all of the following conditions: (a) the replacement premises (the "Relocation Premises") shall be substantially comparable to the Premises in size, configuration, frontage, street visibility, signage, and proximity to parking and Project entrances, and shall include an outdoor patio of at least equal size and access; (b) before Tenant is required to relocate, Landlord, at Landlord's sole cost, shall complete improvements in the Relocation Premises of equal or better quality than the improvements then existing in the Premises, including a kitchen exhaust hood and fire suppression system, grease interceptor, plumbing, gas, electrical and HVAC capacity, walk-in refrigeration, finishes, and storefront, all in compliance with applicable laws and with all permits and approvals required for Tenant to operate; (c) Landlord shall pay or reimburse Tenant, within thirty (30) days after invoice, for all reasonable costs Tenant incurs as a result of the relocation, without cap, including moving, reinstallation of furniture, fixtures and equipment, new signage, stationery, permits and licenses, utility connections, and Tenant's architectural, engineering and project management fees;

(d) Landlord shall compensate Tenant for lost net profits during any period in which Tenant is unable to operate as a result of the relocation, and Tenant shall not be required to close for more than [3] business days; (e) Base Rent, Tenant's Share of Operating Expenses and all other charges for the Relocation Premises shall not exceed those payable for the Premises, notwithstanding any greater square footage; (f) the relocation shall not occur between November 15 and January 15 or during any other peak sales season reasonably identified by Tenant; and (g) the Parties shall execute an amendment confirming the substitution of the Relocation Premises on all other terms of this Lease. If Landlord cannot satisfy each of the foregoing conditions, Landlord shall have no right to relocate Tenant. Tenant may, by written notice within thirty (30) days after receipt of Landlord's relocation notice, elect to terminate this Lease instead of relocating, in which case Landlord shall pay Tenant the unamortized cost of Tenant's improvements and equipment installed in the Premises.

WHAT TO SAY TO THE LANDLORD

A ramen kitchen with a hood, grease interceptor and patio costs well beyond the $44,240 allowance to build, and relocation clauses are rarely imposed on restaurant tenants because no one can recover that investment for $1,500 and 30 days' notice.

5 $44,240 allowance paid back on any default

$4k–$40k at risk

WHAT THE LEASE SAYS (§1.25; §20.9; §17.2)

"Upon any Event of Default, Tenant shall pay to Landlord the unamortized amount (i.e., amortized on a straight-line basis over the Initial Term in accordance with generally accepted accounting principles) of the Tenant Improvement Allowance and the Commission(s)"

WHY IT MATTERS

Rent timing is reasonable because it starts after permits. But any default makes you repay the unspent part of the allowance and the brokers' commission on top of rent damages, up to about $39,816 plus commissions after year 1. You also lose any allowance you have not claimed within 6 months after commencement.

ASK FOR THIS LANGUAGE

Section 20.9 is deleted in its entirety and replaced with the following: "Tenant shall have no obligation to repay, reimburse or refund to Landlord all or any portion of the Tenant Improvement Allowance or the Commission(s), whether upon an Event of Default or otherwise. Upon an Event of Default, Landlord's remedies shall be limited to those set forth in Section 17.2 and available under California Civil Code Sections 1951.2 and 1951.4, and Landlord shall recover only its actual damages as determined thereunder. In no event shall the unamortized Tenant Improvement Allowance or Commission(s) be recoverable as liquidated damages, as a separate charge, or in addition to or duplicative of Rent or other damages recovered by Landlord." In addition, Section 1.25 is amended so that Tenant may submit its request for disbursement of the Tenant Improvement Allowance at any time within twelve (12) months after the Commencement Date. That period shall be extended day-for-day for any delay caused by Landlord or by governmental permitting or inspection authorities, and Tenant's right to the Tenant Improvement Allowance shall not be forfeited so long as Tenant submits its request within such period as extended.

IF THEY PUSH BACK

Section 20.9 is deleted in its entirety and replaced with the following: "If an Event of Default for failure to pay Rent occurs within the first 36 months after the Commencement Date, continues beyond all applicable notice and cure periods, and results in Landlord terminating this Lease, then Tenant shall pay to Landlord the unamortized portion of the Tenant Improvement Allowance actually disbursed to Tenant.

Such unamortized portion shall be amortized on a straight-line basis over the first 36 months after the Commencement Date. Any amount so paid shall be credited against, and shall not be in addition to, the damages recoverable by Landlord under Section 17.2 and California Civil Code Section 1951.2. Tenant shall have no obligation to repay any Commission(s)." Section 1.25 is amended so that the period for Tenant to request disbursement of the Tenant Improvement Allowance is nine (9) months after the Commencement Date, extended day-for-day for any delay caused by Landlord or governmental authorities.

WHAT TO SAY TO THE LANDLORD

Civil Code §1951.2 already lets you recover every dollar of actual loss if we default, and the improvements we build with the allowance stay with your building, so a separate clawback would only make you whole twice.

6 As-is delivery; you pay all code/ADA work and HVAC replacement

WHAT THE LEASE SAYS (§4.1; §10.1; §10.3; §10.4; §20.10(W); EXHIBIT C §1)

"Any Alterations to the Premises or the Tenant Utility Systems which are required by reason of any present or future law ... shall be at the sole cost of Tenant regardless of whether the work is performed by Landlord or Tenant"

WHY IT MATTERS

The landlord only promises that plumbing, electrical and the existing HVAC work on delivery day. After that, any HVAC replacement and any law-required upgrades, even for conditions that existed before you moved in (the space has never had a CASp accessibility inspection), are yours. The lease gives no figure, so the cost is open-ended.

ASK FOR THIS LANGUAGE

Notwithstanding anything to the contrary in Section 4.1, Section 10.1, Section 10.3, Section 10.4, Section 20.10(w) or Exhibit C Section 1, the following shall control: (a) Landlord's Compliance Obligations. Landlord, at its sole cost and expense and not as an Operating Expense or other cost passed through to Tenant, shall perform any Alterations or other work required by any present or future law, including the Americans with Disabilities Act, Title 24 of the California Code of Regulations and the California Building Code, to the extent such work relates to (i) the roof, foundation, structural elements, exterior walls, or the Building systems outside the Premises, (ii) the Common Areas, or (iii) any condition existing in the Premises or the Tenant Utility Systems as of the date Landlord delivers possession of the Premises to Tenant, whether or not known at such date, including any accessibility violation existing as of such date. (b) Tenant's Compliance Obligations. Tenant shall bear the cost of Alterations required by law only to the extent such requirement is triggered by Tenant's Alterations or by Tenant's particular manner of use of the Premises, as distinguished from general retail or restaurant use. (c) CASp. Landlord represents that the Premises have not undergone inspection by a Certified Access Specialist (CASp). Pursuant to California Civil Code Section 1938, a CASp can inspect the Premises and determine whether the Premises comply with all applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection, Landlord may not prohibit Tenant from obtaining a CASp inspection for Tenant's occupancy if requested by Tenant. If Tenant elects to obtain a CASp inspection, Tenant shall pay the fee for the inspection, and Landlord, at its sole cost and expense, shall promptly correct any violations of construction-related accessibility standards identified in the CASp report that relate to conditions described in clause (a) above. (d) HVAC Warranty. Landlord warrants that the HVAC system serving the Premises shall be in good working order and condition on the date Landlord delivers possession and for a period of [12] months after the Commencement Date, and Landlord, at its sole cost, shall make any repairs or replacements needed during such period, other than repairs caused by Tenant's negligence or misuse.

(e) HVAC Replacement. Tenant's obligation to maintain the HVAC system shall not include capital replacement of any HVAC unit or major component. If any HVAC unit or major component cannot be repaired at a reasonable cost and must be replaced, Landlord shall perform the replacement, and Tenant shall pay, as Additional Rent in equal monthly installments, only the portion of the cost amortized on a straight-line basis over the useful life of the replacement in accordance with generally accepted accounting principles that falls within the remaining Term, as the same may be extended. (f) Contractors. Tenant may perform HVAC maintenance and repairs using a licensed and insured HVAC contractor of Tenant's choice, subject to Landlord's reasonable approval, and any charges by Landlord's vendor billed to Tenant shall be competitive with prevailing market rates.

IF THEY PUSH BACK

Notwithstanding anything to the contrary in Section 4.1, Section 10.1, Section 10.3, Section 10.4, Section 20.10(w) or Exhibit C Section 1: (a) Landlord, at its sole cost and expense and not as an Operating Expense, shall perform any Alterations required by law relating to the roof, structure, Common Areas, or any accessibility violation existing in the Premises as of the date Landlord delivers possession, and Landlord shall correct at its cost any such violation identified in a CASp inspection obtained by Tenant under California Civil Code Section 1938, with Tenant paying the inspection fee; (b) Landlord warrants that the HVAC system serving the Premises shall be in good working order for [6] months after the Commencement Date and shall make any needed repairs during such period at its cost; and (c) Tenant's aggregate cost for HVAC replacement and for Alterations required by law relating to the Tenant Utility Systems shall not exceed $[amount] per Lease Year, and Landlord shall pay any excess, provided that any law-required work triggered solely by Tenant's Alterations shall remain Tenant's cost.

WHAT TO SAY TO THE LANDLORD

You own the building and know its history, so pre-existing code and accessibility defects and aging HVAC equipment are your risk to price in, not mine; I'm accepting standard NNN maintenance, and I'm only asking not to fund capital upgrades that outlast my lease.

7 Normal amount, but you waive California's deposit protection

$0–$7k at risk

WHAT THE LEASE SAYS (§1.16; §20.1)

"Tenant hereby waives any and all rights with regard to the Security Deposit set forth in California Civil Code Section 1950.7"

WHY IT MATTERS

The amount is fine. The waiver lets the landlord keep the whole deposit for any claimed loss, including future rent, not just unpaid rent, damage and cleaning.

ASK FOR THIS LANGUAGE

Delete the sentence in Section 20.1 reading "Tenant hereby waives any and all rights with regard to the Security Deposit set forth in California Civil Code Section 1950.7" and replace it with the following: "Landlord may apply the Security Deposit only to the extent reasonably necessary to remedy Tenant's default in the payment of Rent, to repair damage to the Premises caused by Tenant (excluding ordinary wear and tear), or to clean the Premises upon termination of this Lease, all as permitted under California Civil Code Section 1950.7. If Landlord applies any portion of the Security Deposit during the Term, Landlord shall deliver written notice to Tenant specifying the amount applied and the default or obligation to which it was applied.

Within thirty (30) days after Landlord receives possession of the Premises following the expiration or earlier termination of this Lease, Landlord shall return the Security Deposit to Tenant, less any amounts properly applied in accordance with this Section, together with an itemized written statement of the amounts so applied and the basis for each. Nothing in this Lease shall be construed as a waiver by Tenant of any rights under California Civil Code Section 1950.7."

IF THEY PUSH BACK

Delete the sentence in Section 20.1 reading "Tenant hereby waives any and all rights with regard to the Security Deposit set forth in California Civil Code Section 1950.7" and replace it with the following: "Tenant waives the provisions of California Civil Code Section 1950.7 solely to the extent they would prohibit Landlord from applying the Security Deposit to damages recoverable under California Civil Code Section 1951.2 following a termination of this Lease by reason of Tenant's uncured default. Tenant does not otherwise waive any rights under Section 1950.7. Within thirty (30) days after Landlord receives possession of the Premises following the expiration or earlier termination of this Lease, Landlord shall return the Security Deposit to Tenant, less any amounts properly applied in accordance with this Section, together with an itemized written statement of the amounts so applied and the basis for each."

WHAT TO SAY TO THE LANDLORD

The deposit is only one month's rent and the Landlord already has full remedies for future rent under Civil Code 1951.2, so the statutory rules simply ensure we get an itemized accounting and the balance back on time when we leave in good standing.

8 10-day estoppel in any reasonable form, with a $100/week charge

~$400 at risk

WHAT THE LEASE SAYS (§18.3; §17.1(B); §20.10(S))

"Tenant agrees, upon not less than ten (10) days prior notice by Landlord, to execute, acknowledge and deliver to Landlord, a statement in writing in such form as may reasonably be required by Landlord or Landlord's beneficiary or transferee"

WHY IT MATTERS

Ten days is the short end. The form is open-ended, and a late certificate triggers a $100-per-week charge as well as a default. Limit the form to factual statements.

ASK FOR THIS LANGUAGE

Section 18.3 is amended to read: Tenant agrees, upon not less than twenty (20) days' prior written notice by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing certifying, to Tenant's actual knowledge, only the following factual matters: (a) that this Lease is unmodified and in full force and effect (or, if modified, identifying the modifications); (b) the Commencement Date and Expiration Date; (c) the current monthly Base Rent and the date through which Base Rent and Additional Rent have been paid; (d) the amount of any Security Deposit held by Landlord; and (e) whether, to Tenant's actual knowledge, Landlord is in default under this Lease, and if so, specifying such default. No such statement shall amend this Lease, impose any new obligation on Tenant, waive any right or claim of Tenant, or require Tenant to make any representation of law or legal conclusion. Tenant may qualify any statement to reflect the actual facts. Landlord shall not request such a statement more than two (2) times in any twelve (12) month period, except in connection with a bona fide sale or financing of the Property. Notwithstanding Section 17.1(b) and Section 20.10(s), no late charge, fee or penalty shall accrue for any delay in delivering such statement. Tenant's failure to deliver such statement shall constitute a default under this Lease only if Tenant fails to deliver it within ten (10) days after receipt of a second written notice from Landlord. That second notice must state in bold capital letters that failure to respond will constitute a default under the Lease.

IF THEY PUSH BACK

Section 18.3 is amended to provide that Tenant shall deliver the statement within fifteen (15) days after Landlord's written request. The statement shall be limited to factual matters concerning the status of this Lease, the Rent, the Security Deposit and any known defaults. It shall not amend this Lease or impose new obligations on Tenant. Tenant may make any certification to its actual knowledge and may correct any inaccurate statement. The charge under Section 20.10(s) shall not exceed One Hundred Dollars ($100.00) in total per request. That charge shall accrue only after the expiration of the ten (10) day second notice period under Section 17.1(b).

WHAT TO SAY TO THE LANDLORD

Your lender and buyer only need confirmation of the lease facts, which we will give promptly; twenty days with a second notice and a factual-only form is standard. A weekly penalty or an open-ended form adds risk for us without protecting you any further.

9 10% late fee on top of interest

~$371 at risk

WHAT THE LEASE SAYS (§5.5; §17.1; §17.2; §20.10(D))

"Tenant shall immediately pay to Landlord a late charge equal to ten percent (10%) of the delinquent amount"

WHY IT MATTERS

Notice and cure periods are normal, and damages follow California's discounted formula. But every late payment costs 10% plus interest, about $284-$371 more per late month than a 5% fee.

ASK FOR THIS LANGUAGE

Section 5.5 is amended to read: If any installment of Rent or other sum due from Tenant is not received by Landlord within five (5) days after the date such amount is due, Tenant shall pay to Landlord a late charge equal to five percent (5%) of the delinquent amount. Notwithstanding the foregoing, no late charge shall be payable for the first late payment in any twelve (12) month period unless such amount remains unpaid five (5) days after Tenant's receipt of written notice from Landlord that such amount is past due. Landlord and Tenant agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment, in accordance with California Civil Code Section 1671(b). Interest otherwise payable under this Lease shall not accrue on any delinquent amount for which a late charge has been paid until thirty (30) days after the date such amount was originally due, and in no event shall a late charge or interest be assessed on any late charge or accrued interest.

IF THEY PUSH BACK

Section 5.5 is amended to read: If any installment of Rent or other sum due from Tenant is not received by Landlord within five (5) days after the date such amount is due, Tenant shall pay to Landlord a late charge equal to six percent (6%) of the delinquent amount. Landlord and Tenant agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment, in accordance with California Civil Code Section 1671(b). Interest otherwise payable under this Lease shall not accrue on any delinquent amount for which a late charge has been paid, and in no event shall a late charge or interest be assessed on any late charge or accrued interest.

WHAT TO SAY TO THE LANDLORD

A 5% late fee is the market standard and already covers your administrative cost of a late check, and charging 10% plus prime+2% interest on the same dollars is a penalty that may not hold up as a reasonable liquidated-damages estimate under Civil Code 1671(b).

10 Continuous operation, 11:30-8 every day including holidays

WHAT THE LEASE SAYS (§1.21; §9.2; §9.4)

"to operate continuously and uninterruptedly in the entirety of the Premises throughout the Term ... in no event shall Tenant be open for business less than 11:30 a.m. to 8:00 p.m. Monday through Sunday"

WHY IT MATTERS

You cannot cut a slow day or close temporarily except for remodels, casualty or force majeure. A closure is a default that can terminate the lease and trigger the unlimited guarantee.

ASK FOR THIS LANGUAGE

Notwithstanding anything to the contrary in Section 1.21, Section 9.2 or Section 9.4, Tenant shall operate its business in the Premises during the hours customarily observed by a majority of the restaurant tenants in the Shopping Center (the "Customary Hours"); provided, however, that Tenant may, in its reasonable business judgment, (a) establish its own hours within the Customary Hours, including closing on not more than one (1) day per week and reducing hours during the afternoon period between lunch and dinner service; (b) close on Thanksgiving Day, Christmas Day, New Year's Day, Easter Sunday, Independence Day, Memorial Day and Labor Day; (c) close for up to [14] consecutive days, and not more than [21] days in total, in any calendar year for staff training, inventory, repairs, maintenance or vacation, upon not less than ten (10) days' prior written notice to Landlord; (d) close for remodeling, alterations or refixturing of the Premises for up to [60] days not more than once in any five (5) year period; and (e) close for so long as reasonably necessary due to casualty, condemnation, force majeure, governmental order, loss or suspension of any permit or license not caused by Tenant's willful misconduct, unavailability of utilities, or any act or omission of Landlord. Tenant shall not be required to operate in the entirety of the Premises, and temporary closure of a portion of the Premises shall not be a breach of this Lease. Tenant's failure to operate as required by this Section shall not constitute a Default or Event of Default under this Lease and shall not entitle Landlord to terminate this Lease, accelerate Rent, recover damages, charge increased rent or penalties, or make any claim against any Guarantor. If Tenant ceases operating in the Premises for more than [180] consecutive days for reasons other than those described in clauses (c) through (e) above, Landlord's sole and exclusive remedy shall be the right, exercisable by written notice delivered to Tenant within sixty (60) days after the end of such period and before Tenant resumes operation, to terminate this Lease effective thirty (30) days after delivery of such notice, whereupon Tenant and any Guarantor shall be released from all obligations arising after the termination date, other than obligations which accrued before such date.

IF THEY PUSH BACK

Tenant shall be open for business at least [six] days per week during not less than [six] hours per day within the Customary Hours, and may close for the holidays, permitted closure periods, remodeling and excused events described above. If Tenant fails to so operate and does not cure within thirty (30) days after written notice from Landlord, Landlord may, as its sole and exclusive remedy, (a) collect, as liquidated damages and not as a penalty, an amount equal to [5]% of the Minimum Monthly Rent prorated for each day of noncompliance after the cure period, or (b) if Tenant ceases operating altogether for more than [120] consecutive days, terminate this Lease upon thirty (30) days' written notice, in which event Tenant and any Guarantor shall be released from all obligations arising after the termination date. Such failure to operate shall not otherwise constitute a Default or Event of Default and shall not entitle Landlord to accelerate Rent or recover damages from Tenant or any Guarantor.

WHAT TO SAY TO THE LANDLORD

We pay full NNN rent whether we're open or not, so your rent is protected; a recapture right protects your center, while a 7-day, whole-term covenant tied to an unlimited guarantee just turns a slow Tuesday into a lawsuit.

WHERE THE LEASE CONTRADICTS ITSELF

§11.4 (management personnel in CAM, 15% Supervision Fee, 3% Management Fee)
Three separate charges for the same landlord management and overhead are stacked, and the 15% fee also applies to taxes and insurance. Together they overcharge you for one service.

§18.3 / §17.1(b) / §20.10(s)
A late estoppel certificate triggers both a $100-per-week service charge and a default after 10 days' notice. That is two penalties for the same failure.

§1.12, §9.2 vs Exhibit F Rule 8 and Exhibit G 2(D)
The rules ban cooking without landlord consent and any odor noticeable outside the building, which a ramen kitchen cannot meet. Get written confirmation that your permitted restaurant use overrides these rules.

§9.2 / §1.19 vs §9.7(b)
You must open on the Rent Commencement Date, yet the exclusive survives a 30-day delay after that date. The inconsistent opening deadlines invite a dispute over whether you defaulted.

§1.4 vs cover page and Exhibit E recital
The premises are 11533 South Street in §1.4 but 11525 South Street (Suite B) on the cover and in the guaranty. Fix the address so the guaranty clearly matches the lease.

§2.1 vs §10.1/§10.3
§2.1 makes the roof, slab and structural walls part of your Premises, while §10.1 assigns them to the landlord. Clarify that §10.3 never makes you repair or replace roof or structure.

§14.4
The abatement cap cites "Section 15.4" (the condemnation award clause) instead of §14.4. It also limits your casualty rent relief to whatever rent-loss insurance the landlord actually collects.

CONFIRMED: THESE TERMS ARE FINE

Exclusive use	No new Japanese ramen restaurant leases in the Project; existing tenants and Target excluded; no rent reduction if breached	BETTER THAN NORMAL
Getting out early	One-time exit if permits not obtained in 90 days (landlord can extend 45 days)	BETTER THAN NORMAL
Landlord lien on your property	No security interest granted; agreed subordination form	BETTER THAN NORMAL
Renewal options	2 x 5 yrs, 180 days' notice, FMV (at least +3%) by landlord, then baseball-style appraisal	NORMAL
Rent increases	3%/yr, $5,688 to $7,420.73/month	NORMAL

Selling or transferring the business	Consent not unreasonably withheld; permitted transfers to franchisor/qualified franchisee; landlord gets lease profit only, not business value; $1,000 fee + legal	NORMAL
Lender protection (SNDA)	Subordinate only if lender signs non-disturbance	NORMAL
Indemnity and insurance	Tenant indemnity with landlord-negligence carve-out; landlord indemnifies its share; mutual waiver; landlord liability limited to project income	NORMAL
Holdover	150% of base rent, tenancy at will	NORMAL
Co-tenancy	None	NORMAL
Percentage rent	None; annual sales report on request	NORMAL

RENT

$782,466.60 in base rent over the term

Lease Year 1	$5,688.00/month	$68,256.00
Lease Year 2	$5,858.64/month	$70,303.68
Lease Year 3	$6,034.55/month	$72,414.60
Lease Year 4	$6,215.72/month	$74,588.64
Lease Year 5	$6,402.16/month	$76,825.92
Lease Year 6	$6,593.87/month	$79,126.44
Lease Year 7	$6,791.89/month	$81,502.68
Lease Year 8	$6,995.19/month	$83,942.28
Lease Year 9	$7,204.80/month	$86,457.60
Lease Year 10	$7,420.73/month	$89,048.76

Security deposit: $6,737.12.

KEY DATES AND DEADLINES

Within 30 days after signing and receiving landlord's plans	Deliver your quarter-inch plans to the landlord (Exhibit C §B)
Within 5 business days after landlord approves your plans (Submittal Date)	Apply for building and sign permits (Exhibit C §B)
90 days after the Submittal Date	Last day to terminate under the permit contingency if permits are not issued; after that the right is gone (§20.11)
120 days after the Possession Date (or opening, if earlier)	Rent, CAM, taxes and insurance start; you must be open (§§1.7, 1.19, 9.2)

End of the 6th month after the Commencement Date	Use the $44,240 allowance by then or lose the unused part (§20.9)
Within 90 days after the Commencement Date	Landlord may remeasure the space and adjust rent (§2.3)
Within 150 days after each year-end	Landlord's CAM statement; any shortfall is due 10 days after you receive it (§11.5)
Within 10 days of request	Sign the estoppel certificate; $100/week charge and default risk if late (§18.3, §20.10(s))
At least 180 days before Lease Year 10 ends	Written notice to exercise the first 5-year option; time is of the essence (§3.2)
15 days after landlord's market-rent notice	Object to the landlord's renewal rent or lose the appraisal process (§5.2(c))
Within 30 days after a casualty	Deadline to exercise any casualty termination right (§14.1(b))