

RENT CAP AND JUST CAUSE ADDENDUM

The following terms and conditions are hereby incorporated in and made a part of the: Residential Lease or Month-to-Month Rental Agreement, ("Agreement"), dated, _____ on property known as _____, unit number _____ in the city of _____ in which _____ is referred to as ("Tenant") and _____ and is referred to as ("Landlord").

I. RENT CAP AND JUST CAUSE ADDENDUM TERMS

With certain exemptions, landlord may be subject to the rent cap and just cause eviction provisions of the Civil Code. Landlord informs tenant of the following:

California law limits the amount your rent can be increased. See Section 1947.12 of the Civil Code for more information. California law also provides that after all of the tenants have continuously and lawfully occupied the property for 12 months or more or at least one of the tenants has continuously occupied the property for 24 months or more, a landlord must provide a statement of cause in any notice to terminate a tenancy. See Section 1946.2 of the Civil Code for more information.

II. RENT CAP REQUIREMENTS

1. Subject to certain provisions of Civil Code Section 1947.12 subdivision (b), an owner of real property shall not increase the rental rate for that property more than 5 percent plus the percentage change in the cost of living, or 10 percent, whichever is lower, of the lowest rental amount charged for that property at any time during the 12 months prior to the effective date of the increase.
2. If the same tenant remains in occupancy over any 12-month period, the gross rental rate shall not be increased in more than two increments over that 12-month period.
3. For a new tenancy in which no tenant from the prior tenancy remains, the owner may establish the initial rate not subject to paragraph 1 of this section. Paragraph 1 of this section is only applicable to subsequent increases after the initial rental rate has been established.

III. JUST CAUSE REQUIREMENTS

WITH CERTAIN EXEMPTIONS. LANDLORD MAY BE SUBJECT TO THE JUST CAUSE PROVISIONS OF CIVIL CODE SECTION 1946.2 AND INFORMS TENANT OF THE FOLLOWING:

1. At-fault Just Cause:

- a) Default in payment of rent.
- b) Breach of a material term of the lease, as described in Code of Civil Procedure Section 1161, paragraph (3), including but not limited to. violation of a provision of the lease after being issued a written notice to correct the violation.

- c) Maintaining, committing, or permitting the maintenance of a nuisance as described in Code of Civil Procedure Section 1161, paragraph (4).
- d) Committing waste as described in Code of Civil Procedure Section 1161, paragraph (4).
- e) The tenant had a written lease that terminated on or after January 1, 2020, and after a written request or demand from the owner, the tenant refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions provided that those terms do not violate Section 1946.1 or any other provision of law.
- f) Criminal activity by the tenant on the residential real property, including any common areas, or any criminal threat, as defined in Penal Code Section 422, subdivision (a), directed to any owner or agent of the owner of the premises.
- g) Assigning or subletting the premises in violation of the tenant's lease.
- h) The tenant's refusal to allow the owner to enter the residential real property pursuant to a request consistent with Civil Code Sections 1101.5 and 1954, and Health and Safety Code Sections 13113.7 and 17926.1.
- i) Using the premises for an unlawful purpose as described in Code of Civil Procedure Section 1161 , paragraph (4).
- j) When the tenant fails to deliver possession of the residential real property after providing the owner written notice of tenant's intention to terminate the hiring of real property or makes a written offer to surrender that is accepted in writing by the landlord, but fails to deliver possession at the time specified in that written notice.

NOTE: BEFORE THE OWNER CAN TERMINATE THE TENANCY FOR AN AT-FAULT JUST CAUSE VIOLATION THAT IS CURABLE, THE OWNER MUST FIRST PROVIDE NOTICE TO CURE GIVING THE TENANT AN OPPORTUNITY TO CURE THE VIOLATION PURSUANT TO CODE OF CIVIL PROCEDURE SECTION 1161 , PARAGRAPH (3).

2. No-fault Just Cause:

- a) Intent to occupy the residential real property by the owner or their spouse, domestic partner, children, grandchildren, parents or grandparents (Family move-in).

For leases entered into on or after January 1, 2020 or amendment to existing leases prior to January 1, 2020:

Tenant and Owner hereby agree that the Owner shall have the right to terminate the lease if the Owner, or their spouse, domestic partner, children, grandchildren, parents or grandparents, unilaterally decide to occupy the residential property.

- b) Withdrawal of the Premises from the rental market.
- c) Unsafe habitation, as determined by a government agency that has issued an order to vacate, or to comply, or other order that necessitates vacating the residential property.
- d) Intent to demolish or substantially remodel the residential real property. "Substantially remodel" means the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit that cannot be accomplished in a safe manner with the tenant in place, and that requires tenant to vacate the residential real property for at least 30 days. Cosmetic improvements alone do not qualify.

Tenant Payments under No-Fault Just Cause Eviction:

1. If Owner issues a termination of tenancy under a No-Fault Just Cause, Owner notifies Tenant of the right to direct payment relocation assistance equal to one month of the tenant's rent in effect at the time of the termination and shall be provided within 15 calendar days of service of the notice.
2. In lieu of direct payment, Owner may waive the payment of rent for the final month of tenancy prior to the rent becoming due. The notice shall state that the amount of rent waived and that no rent is due for the final month of tenancy.

IV. SPECIFIC EXEMPTIONS TO JUST CAUSE EVICTION REQUIREMENTS:

1. Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.
2. Single-family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms. including, but not limited to, an accessory dwelling unit.

V. SPECIFIC EXEMPTIONS TO BOTH RENT CAP AND JUST CAUSE EVICTION REQUIREMENTS:

1. Housing that has been issued a certificate of occupancy within the previous 15 years.
2. A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.
3. Single Family Residential property (including a condominium and units in planned developments) provided the residential real property is alienable separate from the title to any other dwelling unit AND (i) the owner is NOT a real estate investment trust (REIT). (ii) the owner is NOT a corporation, and (iii) if the owner is a limited liability company, then NONE of the members of the LLC are corporations.

This exemption only applies if the notice below is checked and delivered to the tenant.

Landlord hereby notifies tenant that the Property is exempt from the rent cap provisions specified in Civil Code Section 1947.12 and the just cause eviction provisions specified in Civil Code 1946.2.

Notice of Exemption:

This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the just cause requirements of Section 1946.2 of the Civil Code. This property meets the requirements of Sections 1947.12 (d)(5) and 1946.2 (e)(8) of the Civil Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation.

NOTE: Other exemptions under the Civil Code may apply. Additionally, this property may be subject to local rent cap and just cause eviction controls, which may impose additional restrictions. Landlord is strongly advised to seek counsel from a qualified real estate lawyer, who is familiar with the law where the property is located, prior to serving any notice.

The undersigned acknowledge a copy of this document and agree that the terms specified in Sections I, and II 1 (2)(a) and V(3) are made a part of the lease or rental agreement specified above.

Resident

Date

Resident

Date

Owner/Agent

Date