

# WEBINAR: California Lease Termination Best Practices



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**CONTRACT**

**LEASE TERMINATION**

# **COMMON CAUSES**

# CAUSES FOR TERMINATION

## Expiration of Fixed Term Lease

- **Automatic Termination, Unless Otherwise Stated**
- **No Notice Required**
- **Best Practices for Pre- and Post-Move Out Procedures**
- **Do Not Accept Rent After Fixed Term Period**
  - **Periodic Tenancy**



# CAUSES FOR TERMINATION

## Termination of Periodic Tenancy

- Tenant in Property Less Than 1 Year

**30 Day Notice**

- Tenant in Property More Than 1 Year

**60 Day Notice**

**\*Can Serve At Any Time, Don't Have to Wait Until  
End or Beginning of the Month**



# CAUSES FOR TERMINATION

## Violation of Lease Agreement (Non-Rent)

- Typically 3 Day Notice to Quit
- Cite Specific Violation, Clause Being Violated
- Document Violation
- Gather Evidence



# CAUSES FOR TERMINATION

## Failure to Pay Rent

- **Abide by Lease Regarding When Rent is “Late”**
- **Must Allow Tenant Opportunity to Pay Rent During Notice Period**
- **After 3 Day Notice Period Ends, Do Not Have to Accept Rent**
  - **If Tenant Pays Rent, Return Money ASAP**
  - **Electronic Deposits – Courts Have Ruled Ok to Receive, But Must Return ASAP**



# CAUSES FOR TERMINATION

## Rent Control Exceptions

- **For Areas with Rent Control, Check to Confirm Cause for Termination is Permissible**
- **Example: Just Cause Eviction**







# DRAFTING & SERVING TENANT NOTICES

# DRAFTING & SERVING NOTICES

## 3 Day Notice to Cure or Quit

- **Determine Type of 3 Day Notice to Quit**
  - **Non-Payment of Rent**
  - **Non-Compliance (Curable)**
  - **Non-Compliance (Incurable)**
- **Put Lease Clause of Code Section Relating to Specific Violation**
  - **Tenant Should Understand Issue and How to Correct (If Possible)**



# DRAFTING & SERVING NOTICES

## 30 Day Notice

- **Most Commonly Used for Periodic Tenancies**
- **Some Fixed Term Leases Require 30 day Notice from Landlord**
- **Civil Code 1946**
  - Law **Requires** That You Advise Tenant of Abandoned Personal Property in Notice
  - Notice Can Be Fatal Without Language



# DRAFTING & SERVING NOTICES

## 60 Day Notice

- **Most Commonly Used for Periodic Tenancies Exceeding One Year**
- **Same Civil Code 1946 Requirements**





# PRE MOVE-OUT

## PROCEDURES & BEST PRACTICES

# PRE-MOVE OUT PROCEDURES

## Pre-Move Out Inspection

- **Civil Code 1950.5(f)**
  - **Reasonable Notice to Tenant Offering Inspection**
  - **Itemized Statement of Repairs or Cleaning Must Be Provided**
    - **Must Also Provide Copy of Code Section Re: What Security Deposit Can Be Used For By Landlord**
      - **Civil Code 1950.5(b)(1-4)**
  - **Allow Tenants to Make Repairs to Recover Security Deposit**



# PRE-MOVE OUT PROCEDURES

## Stipulated Move Out Date

- **If Tenant is Amenable, a Written Agreement As to Move Out Date Doesn't Hurt**
- **Can Be Used to Rebut Tenant Defense If Eviction Becomes Necessary**
  - **Retaliation Claims, Habitability, Etc.**





# POST MOVE-OUT

## PROCEDURES & BEST PRACTICES



# POST-MOVE OUT PROCEDURES

## Confirm Tenant Vacated

- **Before Changing Locks or Otherwise Preventing Access, Make Sure Tenant Affirmatively Vacated**
  - **Relinquishing of Keys, Written Confirmation, Etc.**
  - **Civil Code 789.3 Has Strict Penalties Re: Unlawful Termination**



# POST-MOVE OUT PROCEDURES

## Abandoned Property (Civil Code 1981)

- **Once Confirmed Tenant Vacated, Take Inventory of Any Items Left at Property**
- **Specific Procedure and Notice Requirements Depending on Value of Property Left Behind**
  - **Less Than \$700 — Landlord Handle After Notice Period**
  - **\$700 or More — Landlord Arrange Property Sold At Public Bidding Sale, After Giving Notice Through Publication**
- **During Notice Period, Store Property in Safe Place**



# POST-MOVE OUT PROCEDURES

## Security Deposit (Civil Code 1950.5)

- **Within 21 Days of Vacating, Landlord Must Provide Tenant with Itemized Statement**
  - **Indicate Any Deductions from Security Deposit**
  - **Return Any Remaining Deposit to Tenant**
- **Request Forwarding Address at Move Out**
  - **If No Address, Send to Vacated united Address**



# POST-MOVE OUT PROCEDURES

## Recommended Actions

- **Change Locks**
- **Thoroughly Inspect Property Before Moving In New Tenant**
- **Review & Renew Lease Agreement for New Tenant**



# QUESTIONS?



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