Effective June 19, 2020 the following will be in effect for commercial leases:

Distinguishes between three types of commercial tenants: 1) small commercial tenants; 2) large commercial tenants; 3) very large commercial tenants

1) Small Commercial Tenants

a. Rent Recomencement Date: August 1, 2020 - this is the date that normal payment of rent will need to recommence. On and after August 1, 2020, tenants can no longer state that they cannot pay their rent due to COVID-19.
b. Repayment Date: January 1, 2021 - all past due rent must be paid by this date (unless section (e)(iii) or (e)(iv) below applies).
c. Amnesty Date: September 1, 2020 - If all past due rent is paid by this date, no interest or late fees will accrue.
d. Interest/late fee accrual: Landlord may charge ½ the amount of either the late fee or the interest that is provided in the lease between the landlord and the tenant capped at 5% from the time that the first rental payment was missed until the forborne rent is paid. No other late fee, interest or other penalty shall be charged by the landlord during the emergency or before the Repayment Date of January 1, 2021. After January 1, 2021, and if the forborne rent has not been repaid, a landlord may charge the full amount of the late fee, interest and other penalty that is provided in the lease beginning on the Repayment Date. However, the full amount of the late fees, interest and other penalty shall only run from January 1, 2021.
e. Parties are required to meet and attempt and make a good faith attempt to develop an agreement. Any agreement worked out between the parties will take a precedence over the ordinance.
   i. The landlord must send a notice to any commercial tenant who has not agreed to a payment agreement, and rent is outstanding due to COVID-19, via overnight courier service, or by any other method that provides a written return receipt. The notice will request that the tenant contact the landlord within 10 days to arrange a meeting within 45 days to discuss a strategy for repayment. The Notice Must be mailed by July 10, 2020, with a copy sent to the City of Beverly Hills.
   ii. If either party has attempted to schedule a meeting, but the other party is unwilling to meet, either party may call the Rent Stabilization Division. The RSD will attempt to schedule the meeting; or will determine that one or both parties are unwilling to meet.
   iii. If the landlord fails to send the notice or otherwise fails to meet with the commercial tenant, then the Repayment Date shall be July 1, 2021.
   iv. If the commercial tenant fails to contact the landlord in response to the notice or otherwise fails to meet with the landlord, then the Repayment date shall be October 1, 2020.
2) **Large Commercial Tenants**: a business that, together with its affiliates: (1) employs more than 100 employees; or (2) has average annual gross receipt of more than $15 million over the previous 3-year period; or (3) has business operations, other than sales conducted solely through online channels, in three or more countries, including the USA; or (4) a business whose payment of rent is guaranteed by a business falling within the scope of subsections (1) or (2) or (3).

   a. **Rent Recommencement Date**: August 1, 2020 - this is the date that normal payment of rent will need to recommence. On and after August 1, 2020, tenants can no longer state that they cannot pay their rent due to COVID-19.
   
   b. **Repayment Date**: September 1, 2020 all past due rent is due.
   
   c. **Amnesty Date**: August 1, 2020 - If all past due rent is paid by this date, no interest or late fees will accrue.
   
   d. **Interest/late fee accrual** - landlord may charge either the late fee or the interest that is provided in the lease from the time that the first rental payment was missed until the forborne rent is paid. No other late fee, interest or other penalty shall be charged by the landlord during the emergency or before the Repayment Date of September 1, 2020. After September 1, 2020, and if the forborne rent has not been repaid, a landlord may charge the full amount of the late fee, interest and other penalty that is provided in the lease beginning on the Repayment Date of September 1, 2020. However, the full amount of the late fees, interest and other penalty shall only run from September 1, 2020.

3) **Very Large Commercial Tenants** (exempt from the Ordinance and must pay rent): the Ordinance does not apply to any commercial tenant that is a publicly traded entity, an entity that is listed on the Fortune 1000, or any entity that employs more than 500 employees or any commercial tenant that owned by another entity that is publicly traded, listed on the Fortune 1000 or combined with the commercial tenant and other subsidiaries employs more than 500 employees. As used in the preceding sentence, the term “owned” means ownership of a majority of the ownership interest of the commercial tenant. This exemption shall not apply to a franchisee or similar small business owner who is the responsible tenant on the lease unless such small business owner meets the criteria of this exemption.