

COMMERCIAL LEASE AGREEMENT ADDENDUM

Alienation of Leasehold

NOTE: This form is used by a leasing agent or landlord as an addendum when the landlord negotiating a commercial lease is concerned about the tenant selling their business or their leasehold to another operator, to include provisions in an addendum to a lease agreement requiring the landlord's consent for the tenant to assign, sublet or further encumber their leasehold interest in the property.

DATE: _____, 20____, at _____, California.

Items left blank or unchecked are not applicable.

FACTS:

1. This is an addendum to a commercial lease agreement
 - 1.1 dated _____, 20____, at _____, California,
 - 1.2 entered into by _____, as the Landlord,
 - 1.3 and _____, as the Tenant,regarding real estate referred to as _____.

ALIENATION OF LEASEHOLD:

2. Any transfer by Tenant of any leasehold interest held by Tenant, voluntarily or involuntary, is a breach of this lease unless Tenant has requested and received Landlord's prior written consent, which will not be unreasonably withheld.
3. The transfer of 50% or more, cumulative, of the ownership of Tenant constitutes a transfer requiring Landlord's prior consent.
4. Upon Tenant's request for Landlord's consent to an assignment or subletting, Tenant needs to notify Landlord in writing and provide Landlord with:
 - a. the name and address of the proposed assignee or subtenant;
 - b. the nature and character of the business of the proposed assignee or subtenant;
 - c. current financial statements for the proposed assignee or subtenant prepared in accordance with generally accepted accounting principles; and
 - d. the proposed sublet or assignment agreement.
5. Tenant's transfer by assignment to include a written assumption in favor of Landlord by the assignee of Tenant's obligations under the lease.
6. Tenant may assign or sublet the premises to any entity controlling Tenant, controlled by Tenant or under common control with Tenant or affiliated with Tenant, without the prior written consent of Landlord.
7. Tenant licensing of a minimal portion of the premises (i.e., 20 square feet or less) to be used by a third-party vendor in connection with the installation of a vending machine, payphone or like equipment does not constitute the transfer of an interest held by Tenant.
8. On an unconsented transfer of any interest held by Tenant under this lease, Landlord may terminate the leasehold interest held by Tenant on a 30-day notice.
9. If Landlord approves an assignment or subletting, Tenant to pay Landlord, as additional rent, fifty percent (50%) of the difference, if any, between:
 - a. the rent due landlord under this lease agreement; and
 - b. the rent received by Tenant under the assignment or sublease consented to by Landlord, after deducting costs of customary real estate fees, tenant improvement cost or allowance and reasonable attorney's fees, if any, incurred by Tenant in connection with the assignment or sublease.
10. Tenant is to pay Landlord an administration fee of Five Hundred Dollars (\$500.00) per transaction, for Landlord's review and processing of documents regarding any proposed assignment, sublease, or further encumbrance.

I agree to the terms stated above.

See attached Signature Page Addendum. [RPI Form 251]

Date: _____, 20____

Landlord: _____

Signature: _____

I agree to the terms stated above.

See attached Signature Page Addendum. [RPI Form 251]

Date: _____, 20____

Tenant: _____

Signature: _____

Tenant: _____