

PROFIT SHARING ON ASSIGNMENT OR SUBLEASE
STANDARD LEASE ADDENDUM

Date: _____

By and Between

Lessor: _____

Lessee: _____

Property Address: _____

(street address, city, state, zip)

Paragraph: _____

(a) If Lessee assigns this Lease or subleases any part of the Premises, then as a reasonable condition to Lessor's consent, Lessee shall pay to Lessor (*fill in percentage*) _____ percent of the amount by which the Transfer Income exceeds the Transfer Expenses ("**Transfer Profit**"). Lessee shall pay the Transfer Profit to Lessor within five (5) business days after receipt by Lessee. Lessee shall pay the Transfer Profit in addition to Rent otherwise due from and payable by Lessee under the Lease.

(b) The term "**Transfer Income**" shall mean the aggregate of the following payable to Lessee, Lessee's related or affiliated persons or entities by or on behalf of an assignee or sublessee in connection with an assignment or sublease: Rent or additional rent; consideration of any kind, whether denominated as rent, key money, bonus money or otherwise; any payment in excess of fair market value for past, present or future services; and any payment in excess of fair market value for sale, transfer, lease or use of any property.

(c) The term "**Transfer Expense(s)**" shall mean the aggregate of the following in connection with an assignment or sublease: Rent (excluding Transfer Profit) or additional rent (both prorated on a per square foot basis in case of a sublease of less than the entire Premises); and Lessee's actual, reasonable and substantiated out-of-pocket expenses paid to third parties not related to or affiliated with Lessee, assignee or sublessee, such as advertising, tenant improvements, space planning, moving, real estate brokerage commissions and attorney's fees. If part of the Transfer Profit is payable other than in cash, the Transfer Profit of the noncash consideration shall be in a form reasonably satisfactory to Lessor. In determining the Transfer Profit, the Transfer Expenses (other than Rent or additional rent) shall be amortized (without interest) on a straight-line basis as follows: in case of an assignment, over the then remaining term of this Lease (not including any extension options); and in case of a sublease, over the original term of the sublease (not including any extension options).

(d) Lessee shall, within ten (10) days after Lessor's request, furnish a complete statement, certified by an independent certified public accountant or Lessee's chief financial officer, describing in reasonable detail the computation of any Transfer Profit that Lessee has derived or will derive. Lessee shall maintain true, correct and complete copies of all agreements, documents and instruments related to an assignment or sublease, books and records of the Transfer Income and Transfer Expenses, and Lessor shall have the right to review, audit and copy the same to verify the Transfer Profit. If Lessor's review or audit of Transfer Profit indicates Lessee underpaid the Transfer Profit, then Lessee shall, within thirty (30) days after demand, as additional rent pay such underpayment to Lessor together with Interest and Lessor's reasonable costs of such review or audit; provided, however, if Lessee underpaid the Transfer Profit by more than five percent (5%), then, at Lessor's option, Lessor shall also have the right to declare Lessee in material and incurable Breach of this Lease.

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