

Prevent Misuse of Tenant's Perk by Assignee/Subtenant

The following clause was drafted by Ohio attorney Abraham Lieberman. Use it if the tenant demands the right to assign or sublet to an affiliate without your consent. The clause is set up for a hardball strategy.

Paragraph a says only the original tenant can assign or sublet to an affiliate. Paragraph b defines "original tenant" and "affiliate." Paragraph c says that nothing in the clause can be

deemed to give permission to any assignee or subtenant to further assign or sublet to any other party.

To modify the clause for a compromise strategy, delete paragraph c and replace the opening phrase in paragraph a, "Only the Original Tenant (as defined below)," with "Tenant, its assignee, and subtenant."

Show this clause to your attorney.

TRANSFERS TO AFFILIATES

- a. **Permitted transfers.** Only the Original Tenant (as defined below) may assign this Lease or sublet all or any portion of the Premises to an Affiliate (as defined below) without Landlord's prior written consent.
- b. **Definitions.**
 - (i) **Original Tenant.** As used herein, "Original Tenant" means the original entity who executed this Lease as "Tenant."
 - (ii) **Affiliate.** As used herein, an "Affiliate" means an entity that at all times on and after the effective date of such assignment or subletting satisfies one of the following criteria:
 - (A) Not less than 51 percent of the voting shares or interests of such entity are owned by those same persons or entities that own not less than 51 percent of the voting shares or interests of the Original Tenant;
 - (B) Such entity owns not less than 51 percent of the voting shares or interests of the Original Tenant;
 - (C) Not less than 51 percent of the voting shares or interests of such entity are owned by Original Tenant; or
 - (D) Such entity results from a merger or consolidation of the Original Tenant with another entity.
- c. **No deemed permission.** Nothing herein shall be deemed to permit: (i) any assignee to further assign this Lease or sublet all or any portion of the Premises; or (ii) any subtenant to assign its sublease or further sublet all or any portion of the Premises to any other party, without Landlord's prior written consent.