

Guidelines for the Preparation & Use of the Pennsylvania Association of Realtors® Change in Lease Terms Addendum to Commercial Lease (Form CLTC)

General Notes on Usage of PAR Standard Forms

The Pennsylvania Association of Realtors® Standard Forms are developed by the PAR Standard Forms Committee for use in a wide variety of transactions and market areas. To provide maximum flexibility to the parties, many provisions contain blank spaces that can be filled in as appropriate. Further, it is helpful to remember that where pre-printed language is not agreeable to the parties it can be crossed out and/or modified, with the parties dating and initialing the change in the margins. As a general rule, text added by the parties that changes pre-printed text, or pre-printed text altered by the parties, will prevail over pre-printed language should a dispute arise.

As stated in the title, these are only guidelines for the proper use of this form. The Guidelines presented here should be used in conjunction with, and as a supplement to, your professional education, and are in no way meant to be a substitute for proper professional education. Seek guidance from your Broker and/or your legal counsel if you have any questions about the proper use of this or any PAR form in a transaction.

To make these Guidelines more useful there may be helpful “extras” added to the main text. Many of the “Note” or “Practice Tip” items you will see are based, in part, on the experiences of PAR members and legal counsel, and are designed to point out some of the more practical items involved in filling out this form.

Background Information

The Change in Lease Terms Addendum to the Commercial Lease (Form CLTC) is designed to provide an easy way to make some of the most common changes to the terms of the lease. Form CLTC can be used at any time during the transaction if it becomes necessary to make adjustments for any purpose, including adding and removing tenants.

Paragraph 1: Term

If the parties agree to change the Commencement or Expiration Date from what is in the Lease, put the old date on the first line and the new date on the second line.

Example: Starting Date is changed from March 1, 2017 to April 1, 2017.

Paragraph 2: Tenants, Occupants and Co-signers

During the course of the Lease, tenants, authorized signers, and co-signers may change for any number of reasons. A corporation may have a change in its leadership, a business may change its operating name, or Landlord may agree to drop a co-signer after a probationary period.

If any parties to the Lease or their roles in the transaction will be changing, use the lines and checkboxes provided in subparagraphs (A) through (C) to write the names of tenants, authorized signers, and/or co-signers who will be added to or removed from the Lease.

Subparagraph (D) can be used to make the changes in Paragraph 2 effective on a future date rather than the date of signing. For example, a business owner who will be taking on a partner as of January 1 can notify Landlord and the parties can sign Form CLTC in October with an effective date of January 1.

Paragraph 3: Rent

To make a change to the Rent, note the date the change in rate will be effective and state the old and new Base Rent payments due in subparagraph (A). This might be done if there is a need to renegotiate the price after the Lease has been signed or a change in the timing of payments from monthly to quarterly. Subparagraph (B) can be used to change the payment *methods* that Landlord will accept. If a tenant has had too many bounced checks or if Landlord decides to no longer process credit card payments, check the appropriate boxes to indicate acceptable methods of payment. Be sure to include the date that these changes will begin.

Paragraph 4: Security Deposit

Landlord may notify Tenant where the security deposit is being held. If the location will change, this paragraph can be used to provide Tenant with the information.

Paragraph 5: Additional Rent

The Commercial Lease and the PAR Operating Expense Addendum permit the parties to divide responsibility for paying certain utilities that service the Premises. Document any change to the initial agreement by indicating whether Tenant will or will not be responsible for certain utilities and list those services on the lines provided.

Paragraph 6: Property Contact Information

If contact information for providing rental payments or making maintenance requests changed mid-Term, fill in the new information as appropriate.

Paragraph 7: Time Periods

Throughout the Lease there are multiple provisions requiring action by Landlord or Tenant within a certain time period. If it is necessary to change one of those times periods to accommodate one of the parties, it is highly advisable to do so in writing so there is no confusion. These time period lines in the Form CLTC can be used to change any time period in the Lease.

Practice Tip: Changes to one time period may affect other time periods. If a change is made to one time period in the Lease, be sure to see what other time periods might need to be changed for consistency purposes.

Paragraph 8: Permitted Use

The Tenant's use of the Premises may change during the term of the lease, especially if the term is lengthy. The parties can remove a permitted use or add one, depending on the options elected.

Paragraph 9: Other

Any other terms or conditions of the Lease can be changed using the blank lines in this Paragraph.

Signatures and Dates

The Lease itself and this document, when attached, will represent the entire agreement between the parties. All of the “standard” terms contained in the Lease will remain unaffected unless indicated in writing.

To be valid and binding, this form must be signed by all parties, including co-signers, if any, and the date of the signature must appear.