

## ***BROKER COMMISSION POLICY***

1. CONDITIONS OF PAYMENT: The Project Owner shall incur no obligation or liability for any brokerage commissions to any party named except only as, when, if, and in the event that sub agent broker has been retained and acknowledged by the Prospective Tenant to represent said Prospective Tenant in the leasing of the referenced premises and a lease (the "Lease") covering the premises is actually, fully, and finally executed by the Prospective Tenant and the undersigned Project Owner and same is delivered to the Prospective Tenant. It is understood and agreed that if, for any reason whatsoever, including the Project Owner's fault, arbitrary act, or omission, a written Lease is not actually fully executed and delivered to the Prospective Tenant, no commissions shall be deemed earned by the Broker or Realty Service Company, and the Broker or Realty Service Company shall not be entitled to any payment hereunder whatsoever. The Project Owner shall pay the commission to the above identified Broker within ten (10) business days after the Commencement Date of the Lease.

2. COMMISSION CALCULATION FACTOR: The Broker and the Project Owner acknowledge that the exclusive leasing listing for the subject property is held by Realty Service Company. As such, this Agreement shall be considered as recognizing that there exists a sub agency relationship between the named Broker and Realty Service Company with respect to the subject transaction only.

With respect to the Broker's involvement in the conclusive acquisition of the Prospective Tenant, the portion of the leasing commission to be paid to the Broker is to be calculated based on the first (1<sup>st</sup>) full year's monthly base rental rate (hereinafter referred to as the "net effective monthly rental rate"). The net effective monthly rental rate shall then be multiplied by the number of months in the initial term of the Lease (exclusive of any discounted rental rate period) and then further multiplied by a factor of three percent (3%).

In the event that there is a discounted rental rate period incorporated within the Lease for an initial non-full-year time period, the monthly rental rate for such non-full-year period shall be multiplied by the number of months in such shorter time period and then further multiplied by a factor of three percent (3%). There shall be no commission paid for any length of time beyond the initial term as established on the face of the Lease.

As stated hereinabove, commissions earned hereunder are payable only after Lease commencement and the Prospective Tenant takes occupancy of the premises. All parties hereto acknowledge that the commission paid to Realty Service Company shall be determined by the terms of a separate agreement existing between the Project Owner and Realty Service Company.

3. CANCELLATION OPTION IN LEASE: If the Lease shall expressly provide for any option to cancel or otherwise shorten the Lease term subsequent to the commencement of the Lease (the "Termination Option"), then the subject leasing commission shall be calculated based only upon the term of the Lease unaffected

by the Prospective Tenant's option. If the Prospective Tenant shall fail to exercise its option within the time permitted, a leasing commission shall, at that time, then become payable for the balance of the term, as if no such option to cancel had existed.

Notwithstanding the above, if the Termination Option includes repayment of unamortized leasing commissions, then the commission payable to the Broker shall be calculated as if there is not a Termination Option.

4. RENEWALS; EXTENSIONS; ADDITIONAL SPACE: The Broker shall not be entitled to, nor shall there be payable, any commissions or compensation in connection with any renewal or extension of the term of the Lease or from the Prospective Tenant's acquisition or renting of additional space or otherwise unless the Prospective Tenant Lessee specifically engages, of its own free will, the services of the Broker and the Broker is actively and materially involved in the negotiations of an entirely new Lease between the Project Owner and the Prospective Tenant for the subject premises that supersedes any Lease then in force and effect.

5. EXCLUSIONS WITH RESPECT TO COMMISSION CALCULATIONS: No commission shall be earned by, or payable to, the Broker or Realty Service Company for any increase in taxes, labor costs, operating expenses or other escalations as well as with respect to any utility payments or other charges for electricity, gas, heat, air conditioning, or other utilities or services to be supplied to the Prospective Tenant.

No commission shall be payable in relation to any payments to be made by the Prospective Tenant to the Project Owner for any labor, materials, decorations, or other improvements to be furnished by the Project Owner above and beyond any such items being incorporated in the rental schedule set forth in the Lease. For example, should the Prospective Tenant desire the Project Owner to provide certain interior trim items above and beyond those included in the scheduled rental rate, no commission shall be payable in relation to the costs thereof.

6. EXPIRATION OF THIS AGREEMENT: This Agreement will automatically expire ninety (90) days from the date hereof, as set forth hereinbelow. Unless a Lease has been fully executed by the time this Agreement has expired, or if the Broker is actively and diligently working toward closing a Lease agreement between the parties named above and has obtained a written extension of this Agreement, the Project Owner will have no obligation whatsoever to pay a commission in association with this transaction.