

***Realty Service Company***  
***Co-op Broker COMMISSION POLICY***  
***Largo Properties***

1. CONDITIONS OF PAYMENT: It is to be recognized that the Project Owner shall incur no obligation or liability for any Co-op Brokerage commissions to any party except only as, when, if, and in the event that a Co-op Broker has been retained by, and is acknowledged as such by, the Prospective Tenant to represent the Prospective Tenant in the leasing of space within the referenced project and a lease (the "Lease") covering the space is actually, fully, and finally executed by a Prospective Tenant and the 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 Co-op Broker or by Realty Service Company, and neither the Co-op Broker or Realty Service Company shall be entitled to any payment whatsoever. The Project Owner shall have no obligation or liability for commissions unless and until the Lease commences and the Prospective Tenant takes actual possession of the premises.

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

With respect to the Co-op Broker's involvement in the conclusive acquisition of the Prospective Tenant, the portion of the leasing commission to be paid to the Co-op Broker is to be calculated based on the base first (1<sup>st</sup>) year annual rental rate as defined on the face of the Lease, ("net effective rental rate"). The net effective rental rate shall then be multiplied by the calculation factor of three percent (3%) and Lease term (number of years), thus resulting in the amount of commission due the Co-op Broker.

As stated hereinabove, any commissions earned are payable only after Lease commencement and the Prospective Tenant takes occupancy of the premises. All parties to the Co-op Brokerage Agreement shall 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. EXCLUSIONS AND DEDUCTIONS FROM BASE RENT: To further clarify the leasing commission determination as set forth in Section 2 hereinabove, the leasing commission shall be payable only on the basis of the fixed base annual rent to be received by the Project Owner for the actual initial term of the Lease, and shall exclude the following:

- (a) additional rent or other charges of any type or nature whatsoever, paid or payable by the Prospective Tenant under the Lease;
- (b) amounts that are, or become, payable by the Prospective Tenant on account of increase in taxes, labor costs, operating expenses or other escalations;
- (c) utility payments or other charges for electricity, gas, heat, air conditioning, or other utilities or services to be supplied to the Prospective Tenant;

- (d) any payments to be made by the Prospective Tenant, whether in the form of rent or otherwise, on account of work, labor, materials, decorations, or other improvements to be furnished by the Project Owner, or any concessions in lieu thereof;
- (e) rent concession, credits, allowances, contributions, or other payments granted, paid to, or due to the Prospective Tenant under the Lease, which concessions, credits, allowances, contributions, or other payment granted shall be deducted from the aggregate base rent upon which the commission shall be calculated;
- (f) Lease takeover payments made by the Project Owner, or any costs or expenses assumed by the Project Owner in connection with the Prospective Tenant's obligations under any prior Lease for other premises, which payments, costs, and expenses shall be deducted from the aggregate base rent upon which the commission shall be calculated; and
- (g) any rent or other amounts payable on any portion of the premises (or credited by the Project Owner to the Prospective Tenant), by reason of the Project Owner retaining, as subtenant or otherwise, any portion of the premises.

4. 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, 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 termination 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.

5. RENEWALS; EXTENSIONS; ADDITIONAL SPACE: The Co-op 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.

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

Realty Service Company