

COMMISSION AGREEMENT (Sample Only)1. Parties

- a. _____, a California limited partnership, ("Landlord").
- b. _____, a licensed California real estate brokerage company, ("Broker"), represented in this transaction by _____, himself/herself a licensed agent.

2. Lease

Dated _____ between Landlord and _____ ("Tenant") regarding _____, CA _____ ("Premises"), including all rental increases, additional tenant improvements, and all options exercised by Tenant to extend the lease term or purchase the Premises and any other possible variations to such lease or other agreements between Landlord and Tenant including their respective successors and assigns regarding the Premises.

3. Commission

Based upon 5% of \$_____ .00 as (_____) months'(maximum 60 months) base net rental* at \$ per square foot times _____ gross square feet for the Premises, equaling a commission of \$_____, (5% x _____ x \$_____ = \$_____).

*Base Net Rental = Rent excluding NNN charges and tenant improvement costs amortized into the base rental rate.

4. Payment Date

Landlord shall pay Broker the first one-half (1/2) of the Commission Ten (10) calendar days following the Lease Commencement Date and provided Tenant has:

- a) Occupied the Premises; and if applicable, has approved in writing the Tenant Improvements to be installed by the Lessor pursuant to Section ____ of the Addendum to the Lease and fully accepted the condition of the Premises without any other initial landlord obligation.
- b) Paid Landlord the initial Month's Rent and Security Deposit required under the Lease, in good U.S. funds equivalent to cash.
- c) Not breached the Lease.

Landlord shall pay Broker the second one-half (1/2) of the Commission Ten (10) calendar days following the date that Tenant has:

- a) Paid the second monthly rental payment due under the Lease. Months for which Base Rental Payment has been abated do not count toward the "second monthly rental payment" due.
- b) Not breached the Lease.

Landlord reserves the right to negotiate a deferred payment schedule to Broker in the event of substantial Tenant credit risk.

5. Complete Compensation

Payment of the Commission by Landlord to Broker shall constitute the complete real estate commission, fee, and compensation due Broker from both Landlord and Tenant by reason of Broker being the procuring cause of the execution of the Lease between Landlord and Tenant. Broker shall be entitled to no additional compensation if (i) Tenant exercises any Options under the Lease (either to extend the lease term or purchase the Premises); (ii) Landlord and Tenant negotiate a new lease or purchase agreement for the Premises after the Lease commences; (iii) rental under the Lease increases due to rental adjustment clauses in the Lease; or (iv) rental under the Lease increases due to amortization of tenant improvements rental adjustment clauses.

(Sample Only)

6. No Third Party Agents

Broker warrants to Landlord that (a) there are no other agents or third parties which have been involved or who are otherwise due any compensation from Landlord or Tenant by reason of the execution of the Lease between Landlord or Tenant, (b) broker is fully licensed and legally entitled to be paid a real estate commission and (c) broker has a binding written agency agreement with tenant in which broker is the sole agent of tenant regarding this Lease.

7. Attorneys' Fees

Should litigation be necessary to enforce this Agreement, the prevailing party shall be entitled to its attorney fees. Any litigation shall be located in Orange County, California, the County in which the Premises are located.

8. Broker Indemnity

Broker agrees to indemnify, protect, defend and hold Landlord harmless from any liability or expense (including attorney fees) incurred by Landlord by reason of any claim by Tenant that Broker misrepresented to Tenant concerning any aspect of the Premises including without limitation, the zoning, condition, use, size of the improvements at the Premises or availability of any utility for the Premises.

9. Lease Signature Deadline

This Agreement shall only be binding on Landlord if: (i) Landlord and Tenant have fully executed the Lease and completed all Exhibits to the Lease by **5:00 PM on _____**; and (ii) Tenant has provided Landlord the following documents required of Tenant under the Lease: (a) Certificate of Insurance or Binder pursuant to Section 8 of the Lease; (b) Corporate Resolution and Certificate of Secretary authorizing the Lease per Paragraph 44 of the Lease; and (c) the prepaid Base Rent and Security Deposit in good U.S. Funds.

After this deadline, this Agreement shall have no further effect, and Landlord shall have no obligation to pay any portion of the commission or any other compensation to Broker.

10. Date of Agreement; Signatures

This Agreement is made in Newport Beach, California, and is dated as of _____ and is signed by Landlord and Broker as follows:

ACCEPTED AND AGREED BY:

Landlord:

By: ICM-JAE INVESTMENTS, LTD., ET. AL.
a California limited partnership
as its General Partner

By: ICM-JAE INVESTMENTS LLC
a California limited liability company
as its Managing General Partner

Broker:

a licensed real estate brokerage company

By: _____

Agent: _____

Please print name

By: _____
JOSEPH A. ERICKSON
Manager