

**OBJECTIVE** The Sebring Airport Authority policy on the payment of real estate broker commissions is set forth below. This Policy is intended to encourage broker participation in the leasing of real property under the control of the Sebring Airport Authority ("Authority").

**METHOD OF  
OPERATION**

**Definitions**

**Affiliated** - A broker is "affiliated" with the prospect when he/she is either an officer, director, 10% or greater shareholder, general partner, 10% or greater limited partner, or joint venturer with the other, or otherwise directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the prospect.

**Exclusive Broker** - An exclusive broker is a person or entity, licensed as a real estate broker under the laws of Florida, with which the Authority has entered into an exclusive real estate listing agreement following a selection process and negotiation of terms.

**Gross Rental** - The term "Gross Rental" means the aggregate amount of base rent or minimum rent payable to the Authority over the term of a lease with respect to the land leased and any improvements thereon existing upon the commencement of the lease. "Gross Rental" does not include percentage rent, adjustments to rent (whether automatic or contingent upon the happening of a specified event), sales tax, maintenance charges, utility fees, real property taxes and assessments or similar charges or pass-throughs to be remitted by a tenant to the Authority or any third party in addition to base rent or minimum rent.

**Non-Exclusive Broker** - A non-exclusive broker is a person or entity licensed as a real estate broker under the laws of Florida which:

(1) is not affiliated with the prospect procured by such Non- Exclusive Broker; and

(2) has registered a prospect with the Authority and accepted the terms and conditions of this policy.

**NON-EXCLUSIVE**

## **BROKER RIGHTS AND RESPONSIBILITIES**

A Non-Exclusive Broker is eligible for a commission fee ("Commission") only in accordance with the terms of this Policy. A Non-Exclusive Broker shall, prior to the commencement of negotiations between the Authority and the prospect procured by the Non-Exclusive Broker, register the prospect by submitting a notice to the Authority in substantially the form attached hereto as Exhibit "A" ("Notice of Prospect");

A Non-Exclusive Broker shall initiate negotiations between the Authority and the prospect and maintain an active and continuing role in communications between the parties during the pendency of negotiations; and

A Non-Exclusive Broker shall be entitled to a Commission only if the Authority, in its sole discretion, executes a lease of the property described in the Notice of Prospect procured by the Non-Exclusive Broker within 90 days of the date the Notice was received by the Authority; provided, however, that if the Authority and the prospect are engaged in active negotiations and the Non-Exclusive Broker makes a request for an extension in writing to the Executive Director, then the Notice of Prospect may be extended by written notice from the Executive Director for one or more additional periods of thirty (30) days.

### **Authority**

**Responsibility** The Authority shall encourage brokerage participation while retaining and reserving the right to solicit and acquire tenants through internal capabilities.

The Authority reserves the right to solicit and award exclusive listings for any particular parcels under the control of the Authority.

The Authority has the right to accept or reject any offers to lease and no commissions will be paid on a transaction which the Authority has rejected.

The Authority shall pay no commissions on any subleases or assignments of lease.

The Authority shall pay a single commission, to the Non-Exclusive Broker which first submitted a Notice of Prospect which remains effective with respect to a prospect on the date a lease is executed. Any commission which the Authority pays shall be paid in accordance with "The Commission General" section of this policy set forth below.

The Authority reserves the right to reject Notice of Prospects submitted by Non-Exclusive Brokers when (a) the Prospect identified therein has already been in contact with the Authority and/or (b) the Prospect identified therein has already been registered by another Broker and such registration is still in effect.

All leases will be prepared and executed by the Authority, it being the understanding of the parties that the broker has no authority to execute any leases on behalf of the Authority. The Authority will furnish to any qualifying broker a sample form of lease that the Authority intends to use.

**The Commission  
General**

The Commission shall be paid in installments in the amount of fifty percent (50%) of each monthly rental payment until the Commission is paid in full.

The Board reserves the right to negotiate the amount of the commission and/or the terms of payment of the commission prior to entry of any lease in the event of unusual circumstances, such as an unusually long lease term, concerns regarding the financial strength of the proposed tenant, provisions in the lease allowing early termination, and similar matters.

The Commission shall be paid only to the extent that the monthly installments of minimum annual rent are actually received by the Authority.

If the lease procured by the Non-Exclusive Broker is terminated because of breach or default, the Authority shall have no further obligation to pay a Commission.

If any portion of the listed property is leased to a prospect identified in a Notice of Prospect within ninety (90) days following the Authority's receipt of such Notice of Prospect, then the Non-Exclusive Broker shall be entitled to the Commission, subject to satisfaction of all of the requirements of this Policy. Thereafter, the Non-Exclusive Broker shall not be entitled to the Commission, unless by written notice from the Executive Director, the effective period of the Notice of Prospect is extended for one or more additional periods of thirty (30) days in order to allow active negotiations to be concluded.

**Improved Property**

The Commission shall equal five percent (5%) of the Gross Rental to be received by the Authority for leasing improved real property for a term up to five (5) years and two percent (2%) of the Gross Rental to be received by the Authority for the remainder of the initial term if the initial term is longer than five (5) years. No Commission will be paid with respect to any renewal term or expansion option.

**Unimproved  
Property**

The Commission shall equal seven percent (7%) of the Gross Rental to be received by the Authority for leasing unimproved real property for a term up to ten (10) years and two percent (2%) of the Gross Rental to be received for the remainder of the initial term if the initial term is longer than ten (10) years. No Commission will be paid with respect to any renewal term or expansion option.

**Computation of  
Commission**

**1) Improved Property Sample Commission Calculation:**

Warehouse building totaling 193,000 square feet. Building leased for \$3.60 per square foot for a twenty-five (25) year term.

Gross Rental equals \$694,800 per year.

$\$694,800 \times 5 \text{ years} = \$ 3,474,000$

$\$694,800 \times 20 \text{ years} = \$ 13,896,000$

Total rent over term = \$ 17,370,000

(without adjustments)

Commission

$\$ 3,474,000 \times .05 = \$173,700$

$\$13,896,000 \times .02 = \$277,920$

Total Commission - \$451,620

$\$694,800 \text{ divided by } 12 \text{ months} = \$57,900$

$50\% \text{ of } \$57,900 = \$28,950$

$\$451,620 \text{ divided by } \$28,950 =$

paid out in 15.6 months

**2) Ground Lease Sample Commission Computation:**

Sixty (60) acres of unimproved real property is leased for \$0.35 per square foot for a twenty-five (25) year term.

Gross Rental equals \$914,760 per year.

$\$914,760 \times 10 \text{ years} = \$ 9,147,600$

$\$914,760 \times 15 \text{ years} = \$13,721,400$

Total rent over term = \$22,869,000

(without adjustments)

Commission

$\$ 9,147,600 \times .07 = \$640,332$

$\$13,721,400 \times .02 = \$274,428$

Total Commission = \$914,760

$\$914,760 \text{ divided by } 12 \text{ months} = \$76,230$

$50\% \text{ of } \$76,230 = \$38,115$

$\$914,760 \text{ divided by } \$38,115 = \text{Paid out in twenty-four (24) months}$

**EXCLUSIVE BROKER**

**SELECTION** The Authority, at its discretion, may approve recommendations of the Executive Director to list individual properties, unimproved or developed, with a broker under an exclusive

listing agreement. Exclusive listing contracts may provide for commission payments to co-brokers.

Following the Board's approval the Executive Director will solicit potential brokers through issuing a request for letters of interest (RFLI), interviewing and selecting a broker, and negotiating terms of a listing agreement. The negotiated agreement will be presented to the Board for approval in each instance.

## **REFERENCE**

## **FORMS**

## **APPROVAL AND UPDATE HISTORY**

### **Last Update**

**Last Approval** Authority Board: March 15, 2001

### **Supersedes**