

## **AUGUSTA REGIONAL AIRPORT COMMERCIAL REAL ESTATE BROKER POLICY**

### **I. STATEMENT OF PURPOSE**

The purpose of this Commercial Real Estate Broker Compensation Policy (“Policy”) is to establish policies and procedures to provide for the use of and compensation to commercial real estate brokers (Broker) involved in the leasing of real property owned by the Augusta Aviation Commission for the Augusta Regional Airport (the Airport). This Policy applies to the payment of commissions on selected land, facilities, and other real property, both improved and unimproved, to eligible Brokers who successfully procure tenants for the Airport.

This Policy does not apply to leasing of any passenger terminal areas, including space inside the terminal, the terminal apron, existing parking lots or the consolidated rental car facility. This Policy is not applicable to any pre-existing leases or one for which the Airport is already engaged in lease discussions with a prospective tenant. The Airport will not pay commissions on any sublease or assignment of a lease or on any extension of a lease term.

### **II. POLICY**

All Brokers are eligible to earn commissions for facilitating new property lease agreements on buildings, hangars or developable land at the Airport. All Brokers will be required to register their leasing prospects by executing a Prospect Registration Form (attached as Exhibit A) with the Marketing & Business Development Department in advance of the prospect’s first visit to the Airport. Failure to register a prospect prior to the prospect’s first visit to the Airport will disqualify the Broker’s eligibility to receive a commission. Brokers may not be affiliated (as an officer, director, partner, manager, employee, shareholder, etc.) with the prospect it has registered. Brokers must possess an active state of Georgia commercial real estate broker’s license and shall maintain all required licenses during the term of any negotiations. Broker shall have an active and continuing role in meetings and communications between the prospect and the Airport during the period of negotiations.

The Airport retains the right to solicit and acquire prospects and/or tenants utilizing its own staff and/or consultants. The Airport is under no obligation to lease any particular property. The Airport may issue a Request for Letters of Interest, Request for Proposals, Request for Bids or other competitive solicitations for available Airport properties and will retain the right to accept or reject any offers to lease. No commission will be paid on a transaction which the Airport has rejected.

All leases will be prepared and executed by the Augusta Aviation Commission (AAC). Brokers shall have no authority to bind the Airport to particular terms or to execute a lease on behalf of the Airport. The Airport will provide a sample form of lease to qualifying Brokers.

### III. COMMISSION STRUCTURE

The maximum period of lease term that shall be eligible for a commission payment shall be ten (10) years. No commission payments will be made for subleases, assignments, options, extensions, renewals or hold overs. No commission will be paid on monies obtained by the Airport in the form of a deposit, security or performance bond, or any awards obtained through litigation. Broker/Agent shall receive a commission if, and only if, Broker's prospect is procured and a formal binding agreement executed by both parties has been consummated. There will be no commission payments for a LOI/RFP or nonbinding agreements.

In the event a Broker is eligible for a commission on the leasing of Airport property, the amount of the commission shall be based on the annual lease rent at a rate not to exceed five percent (5%). The lease rent upon which the Broker's fee is calculated shall be the base rent or minimum guaranteed rent payable by the tenant to the Airport over the ten (10) year maximum allowable commissionable period.

Example:

One (1) acre of real property is leased for \$1.00 per square foot per year for a twenty (20) year initial term with one (1) ten (10) year option for renewal.

Annual lease rent equals \$43,560 per year.

$\$43,560 \times 10 \text{ years} = \$435,600 \times .05 = \$21,780$

Years 11 – 20 are not eligible for commission. Renewal options are not eligible for commission.

Commissionable lease rent does not include any amounts that are, as of the date the lease is signed, contingent, undetermined, or unliquidated, such as (but not limited to) percentage rent, CPI or other index-based inflation adjustments, sales tax, maintenance charges, utility fees, real property taxes or assessments, or similar charges or pass-throughs to be remitted by a tenant to the Airport or any third party in addition to the minimum guaranteed rent. The Airport will pay said commission only to the primary Broker. Any commission splits among two or more Brokers sharing in the procurement of the tenant shall be determined by the Brokers and shall not be the responsibility of the Airport.

The Airport reserves the right to further negotiate the amount of a commission and/or the terms of payment prior to execution of any lease in the event of unusual circumstance, including early termination provisions within the lease, financial issues associated with the Prospect, or similar matters.

Commissions shall be payable as follows:

1. Fifty percent (50%) shall be payable within thirty (30) days of the full execution of the lease agreement by both parties and either the waiver of, or satisfaction of, all

lease contingencies, payment of required deposits, receipt of any required performance or payment guarantee, and the delivery of acceptable insurance by the tenant.

2. Fifty percent (50%) shall be payable within thirty (30) days of the date of rent commencement.

In the event a transaction involving a Broker results in the Airport granting an option or right of first refusal for an adjoining parcel, a commission will be payable if said option or right of first refusal is exercised within a period of two (2) years or the term established in the agreement, whichever is shorter. Broker shall provide a letter of representation to the Airport for all clients that establishes the period of representation. The Airport reserves the right to request a new letter of representation after the two year period or term established in the agreement.

Should any property lease agreement facilitated by a Broker be terminated due to any lessee default, said Broker shall be required to refund that portion of any commission received for the defaulted term.

**EXHIBIT A**  
**PROSPECT REGISTRATION FORM**

Attention: Director of Marketing & Business Development  
Augusta Regional Airport

Subject Airport Property (Property): \_\_\_\_\_

Prospective Tenant (Prospect): \_\_\_\_\_

Type of Tenancy Sought (land, existing building, new development): \_\_\_\_\_

Use/Description: \_\_\_\_\_

Firm Name (Broker): \_\_\_\_\_

In accordance with the Augusta Aviation Commission's Augusta Regional Airport (Airport) Commercial Real Estate Broker Policy (Policy), you are hereby notified that the above named Broker is representing the above named Prospect in the negotiation of a lease with the Airport for the above named Property. Such consent shall serve only as Broker's formal registration of the Prospect and the Prospect's acknowledgement that Broker has been engaged to assist the Prospect in identifying and leasing the Property.

The undersigned Broker acknowledges that:

1. We have received a copy of the Policy and have thoroughly read, understand and agree to its terms;
2. We understand that this is an open listing and that the Airport reserves the right to lease the Property itself or through any other Broker without payment of a commission;
3. We are not authorized to bind the Airport in these negotiations and will be entitled to a commission only if and when all the terms and conditions of the Policy have been satisfied.

The undersigned Broker further declares that:

1. We possess an active commercial real estate brokerage license in the State of Georgia;
2. We are not affiliated with the Prospect as identified within the Policy;
3. The signature of the Prospect that appears below is the genuine and authorized signature of the person legally authorized to bind the Prospect. Prospect may be required to provide proof of authority to bind the prospective lessee.

The above named Prospect shall hereafter be considered acknowledged as such by the Airport within the meaning of the Policy upon the signature of the Airport's Representative below. The Policy and this Prospect Registration Form constitute the entire agreement between the Airport and Broker relating to the subject hereof, and no other agreements or understandings relating to this subject exist between the Airport and Broker.

Broker: \_\_\_\_\_ Prospect: \_\_\_\_\_

Title:

\_\_\_\_\_

\_\_\_\_\_

Signature

Signature

\_\_\_\_\_

\_\_\_\_\_

Title

Date

Title

Date

Received by & Acknowledged:

\_\_\_\_\_

\_\_\_\_\_

Signature

Date