



## **Real Estate Commission Policy\***

### **Midcoast Regional Redevelopment Authority**

The Midcoast Regional Redevelopment Authority (MRRA) maintains an “Open Listing” real estate brokerage arrangement. The open listing allows any eligible broker to receive a real estate commission for successfully producing a buyer or lessee of a property at Brunswick Landing and the Topsham Commerce Park. The open listing does not preclude MRRA from marketing its own property and negotiating with any party. The open listing does assure the broker of payment of a commission (the amount of which is determined under the commission schedule set forth below) if the broker produces a party who is ready, willing, and able to negotiate terms of a lease or sale acceptable to MRRA and if the lease or sale arrangement is actually consummated.

The schedule of commissions payable are as follows:

#### **Leases**

For leases of one (1) year or less, or a tenancy at will, the commission will be equal to one month’s base rent or \$500.00, whichever is greater and payable at commencement of lease.

For leases with a base term of more than one (1) year, the commission will be equal to 5% of the base rent payable during the base term, payable at commencement of lease and any renewal terms identified in the lease up to a total of ten (10) years.

It is the policy of MRRA to calculate commissions due for leases based upon the actual base rent payable per square foot.

#### **Sales**

For outright sales, the real estate brokerage commission is 6% of the purchase price up to \$500,000; 5% of that portion of the purchase price between \$500,000 and \$1,000,000; 3.5% for that portion of the price between \$1,000,000 and \$10,000,000; and 2% for any portion of the price in excess of \$10,000,000. The commission is due and payable only when Seller’s title is transferred to the buyer, except that the broker may elect to receive a commission on any portion of a lease payment that is to be credited towards the purchase price, which shall be credited similarly to the total commissions due to the broker. There is no commission payable under a purchase option, unless the option is exercised and the sale is consummated. For a lease with purchase option or for leases pending purchase, the broker is entitled to a commission based either upon the lease revenue or the sale price, whichever yields the greater commission, but not both.

## **General terms**

1. MRRRA is not liable to pay commissions not allowed by law.
2. In addition to the registration of prospective buyer(s) or lessee(s), brokers should be actively involved in the showing and negotiating process and must be instrumental in closing the transaction.
3. Other than as specifically allowed under the provisions of this policy relating to imputed rent, no commissions shall be paid on allowances and concessions.
4. Commissions shall be calculated and paid based only upon base rent, and the calculation shall not consider the value or price of renewal options (except as stated herein), lease periods in excess of ten (10) years, escalations, payments in lieu of taxes, utilities, water and sewer fees, other tenant pass-through expenses, fees for specified services provided by MRRRA, or percentage rent or other revenue-based rent.
5. Unless otherwise stated herein, and subject to different arrangements as may be specifically agreed to in writing by MRRRA and the broker, commissions are due and payable only at the time MRRRA actually receives lease payments called for under the lease or other agreement.
6. This policy does not apply to those properties involved in specific arrangements entered into where MRRRA has engaged a listing brokerage firm. In such instance, the commission schedule, as described in the listing agreement, will be followed.

**Registration of prospective buyer(s) or lessee(s).** In order to avoid possible confusion and to protect the broker's interest and investment, the broker should "register" a prospective buyer or lessee by notifying MRRRA in writing of the broker's intention to procure a particular prospect, and obtaining a dated acknowledgement of MRRRA's receipt of the broker's notification.

\*As adopted on September 21, 2010 by the MRRRA Board of Trustees