

**PORT OF WALLA WALLA
REAL ESTATE COMMISSION POLICY**

1. All real estate brokers with whom the Port conducts business must be licensed by the State of Washington.
2. All contact between the Port and real estate brokers will be through the Port Executive Director.
3. Any Real Estate Commission Agreement between real estate brokers and the Port must be in writing and must be executed by the Port Executive Director, the broker, and approved by the Port Commission.
4. The rate of commission will not exceed five percent of the total lease payments, excluding leasehold tax or other applicable taxes and utilities for the first five years of the lease period, unless otherwise approved by the Port Commission. Payment will be made on an annual basis commencing upon occupancy by the tenant. Commissions will be paid on base rental amount only. Percentage fees, concession fees or amortizations of improvements will not be included.
5. In the event that a tenant fails to make lease payments to the Port due to bankruptcy, insolvency or default of the lease, commission payments will cease, unless and until the bankruptcy, insolvency or default is remedied and lease payments are received.
6. Terms of a Real Estate Commission Agreement will specify that payment of the commission for a term lease will not be paid until occupancy by the tenant occurs. Commission for month-to-month leases will be paid only as monthly rentals are received by the Port.
7. The broker will provide a signed statement detailing any personal or financial interest or potential financial interest he/she may have in the transaction covered by the Commission Agreement, except for the commission itself. In the alternative, a signed statement declaring that there is no conflict of interest shall be provided.
8. A commission will not be paid on leases involving existing Port tenants, existing lease renewals, or options exercised on existing leases unless approved by the Port Commission.
9. Brokers will be required to register prospective tenants with the Port Executive Director by presenting a letter, signed by broker and prospective tenant, stating the relationship between Port, broker and prospective tenant. The letter will state whether the broker is representing the Port or the tenant. To the extent possible, the Port will negotiate on its own behalf and will prefer to negotiate directly with the prospective tenant rather than with or through the broker.
10. A commission will only be paid on annual rental payments to the Port, which exceeds \$5,000, excluding taxes and utilities.