

Real Estate Commission Policy

1. Registration of Project for Commission:

A licensed real estate broker must register his client with the Economic Development Authority of the City of Chesapeake by letter signed by the Client. This registration will relate only to property directly controlled by the Economic Development Authority of the City of Chesapeake and must be validated by having the Authority's Secretary sign and date the registration letter. Additionally, a representative of the Economic Development Department of the City of Chesapeake must be present with the client at the site to verify the client/broker relationship.

2. Registration Period:

The Economic Development Authority of the City of Chesapeake will recognize the client/broker relationship for a period of six months from the date of registration as noted in Paragraph one. The project can be re-registered provided the client is still represented by the broker and the account is still active in the opinion of the Economic Development Authority of the City of Chesapeake.

3. Commission Contract:

The real estate broker must be named as the agent for the purchase in any agreement or option the client enters into with the Economic Development Authority of the City of Chesapeake. Such real estate commissions shall only be paid to a licensed real estate broker when a transaction involving a sale of property directly controlled by the Economic Development Authority has been, in the judgment of the Authority, initiated as a result of the efforts of such licensed real estate broker, settlement of such transaction has been concluded, and such licensed real estate broker is designated by the purchaser to be entitled to such commission.

4. Commission Schedule:

Commissions are paid by the Chesapeake Economic Development Authority on the sale of property owned by the Chesapeake EDA in accordance with the following schedule:

<u>Sales Price</u>	<u>Maximum Cumulative Commission Rate*</u>
\$0 to \$500,000	5%
\$500,001 to \$1,000,000	3%
\$1,000,000 and up	2%

(Example: Commission on \$1,500,000 sale = \$500,000 x 5% plus \$500,000 x 3% plus \$500,000 x 2% = \$50,000)

*Final commission rate will be determined by the Director of Economic Development Department.

5. Exceptions:

No commissions shall be paid on property sold to a person when such property was previously leased from the Authority by the purchaser.

No commission will be paid to any real estate agent or broker who is handling a project and becomes a principal in that project.

