

CRCBR

CHARLOTTE | COMMERCIAL
REGION | BOARD OF REALTORS®

2024



Circle of Excellence

A CRCBR AWARD PROGRAM

AWARD PROGRAM RULES

The purpose of the award program is to honor our members who have achieved the highest levels of production and delivered incredible results for their clients and our entire community.

2024 Circle of Excellence Award Program Rules

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1. INTRODUCTION

The Charlotte Region Commercial Board of REALTORS® and Commercial Brokers of the Carolinas (together the “Commercial Board”) recognizes top real estate sales and lease producers in the commercial real estate industry that help shape our community in which we live and work. The Circle of Excellence Award Program (“Award Program”) honors our members who have achieved the highest levels of production and delivered incredible results for their clients and our entire community.

2. ADMINISTRATION

Annually, the President-Elect of the Commercial Board, on or before December 31, will appoint the Circle of Excellence Award Chair. The Chair will appoint the Award Program Review Committee members, which will be comprised of specialists in the following real estate brokerage categories; Investment Property Sales; Industrial Brokerage; Land Sales; Office Brokerage (Tenant and Landlord Representation); and Retail Brokerage. Review Committee members will serve for a two-year renewable term. The Review Committee has the authority to request all pertinent information regarding the potential top producer applicant’s transactions. All members of the Review Committee will execute a nondisclosure form with original copies of each executed form kept in the Commercial Board office.

The Review Committee shall meet to review all Award Program applications and to recommend to the Executive Committee whether an applicant meets the requirements for participation in the Award Program, for final approval. All applications are subject to an audit for accuracy by the Review Committee. If the Review Committee has questions about any application, then a designated member of the Review Committee, shall discuss the question directly with the Applicant and/or the Applicant's Managing Broker (when appropriate) and the Committee Member shall subsequently render its recommendation regarding the application in question.

The Executive Committee has the final authority with respect to the approval or disapproval of any application and will review aggregate totals of each applicant. The Executive Committee is authorized to set an application fee, at its discretion, prior to asking for applications for the Award Program. This fee shall cover the costs of promoting and honoring the Applicants, as well as any plaques or certificates to be given to each recipient. In the event an applicant does not qualify for participation, the application fee will be returned, if appropriate.

3. REQUIREMENTS FOR PARTICIPATION

a. Membership: The Applicant must be:

- 1) a current member in good standing of the Commercial Board (all dues and outstanding balances are paid in full for 2024).
- 2) presently with a firm of which all brokers’ 2024 dues are paid in-full.
- 3) all Award Program Applicant fees are paid-in-full.
- 4) If the applicant is a REALTOR® member, he/ she, as well as all active members in their current firm, must be current with the Code of Ethics triannual training.

Applicant status is verified by the Commercial Board Staff.

b. Production: Applicant must have produced new real estate brokerage business of **\$5 million or more (“Award Credit”)** during 2023 to qualify for the 2024 Circle of Excellence Award Program.

c. Application Fees: Applicant must complete and submit all data electronically using the online application

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available online. The application fee will be paid online via credit card in the amount of \$85, to cover the Award Program Application Fee. **Application fees are non-refundable and non-transferable.**

- d. **Deadline:** The application shall be submitted and approved electronically by the Broker-in-Charge, no later than **Friday, January 19, 2024**. Printed, handwritten, or e-mailed applications will not be accepted.

Any application received after the deadline will not be accepted unless a written request for an exception, addressed to the Review Committee, along with reasoning for submitting after the deadline. It will be at the discretion of the Review Committee, to grant the exception.

- e. **Individual Applicant Submission:** The Applicant shall submit to the Commercial Board, along with the Application, the following:

Submit all Award Program data electronically via the online application portal. No printed nor email applications will be accepted.

- f. **Multi-Broker/Office Submission:** The firm's Broker-in-Charge may elect to submit all firm Applicants via an office submission form. **By January 12, 2024**, the Broker-In-Charge must designate a firm representative to provide a report from the firm internal transaction tracking system, with key required fields, for prior approval by CRCBR. Transaction data submission deadline is **January 19, 2024**, along with full payment of all Application Fees. Requests to submit via an Office Submission should be sent to Paula@crcbr.org. More instructions will be provided.

- g. **All Applicants must:**

- 1) E-mail (to awards@crcbr.org) a digital photo with the application if qualifying in the following areas:

- 1) Over \$15 million of Award Program Volume Credit.
- 2) Broker-to-Watch award.
- 3) 10-year milestone Pinnacle Award Recipient (10, 20, 30, etc.).

- 2) Submit a certification by the Broker-in-Charge of the Applicant's firm, after reviewing and confirming the accuracy of the Applicants submission.

In the event an Applicant wishes to submit a transaction(s) for Award Program Volume Credit which closed or had an effective date during the time Applicant was affiliated with a company other than Applicant's current company, the Applicant's previous Broker-in-Charge shall certify as to transaction(s), by executing a Letter of Certification.

- h. An applicant can be recognized in more than one category. The applications of the top five (5) producers in each real estate category shall be audited by the Review Committee. **If an application needs further documentation, all documentation requested must be provided to the Committee within 48 hours from the time of the request.** If documentation is not provided within 48 hours, then the applicants top producer application will no longer be considered for the top producer award.

4. SPECIAL RECOGNITION AWARD CATEGORIES

PINNACLE AWARD: This award recognizes ongoing participation in the Award Program. A person who has successfully participated in the Award Program for 10+ years will be recognized with a Pinnacle Award each 10 years of participation (e.g. 10, 20, 30 etc.).

BROKER-TO-WATCH AWARD: Applicants must have contributed to the commercial real estate industry for a maximum of four (4) years. The award will be presented to the Applicant with the highest production and/or most transactions. The Applicant must have achieved at least \$5 million in Award Program Volume

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Credit. This award is limited to Office, Industrial and Retail categories. Individuals may only win this award once.

5. TOP PRODUCER AWARDS

The Award Program Top Producers are recognized in the following categories:

Investment – Office & Industrial - The volume consideration associated with a sale of an income-producing for office and industrial properties.

Investment – Multifamily - The volume consideration associated with a sale of an income-producing for multifamily properties.

Investment – Retail - The volume consideration associated with a sale of an income-producing for retail properties.

Industrial - The volume consideration associated with an industrial transaction.

Land - The volume consideration associated with a land purchase or sale.

Office Landlord Representative - The volume consideration associated with an office transaction where the broker represents the Landlord's side of the lease transaction.

Office Tenant Representative - The volume consideration associated with an office deal where the broker represents the tenant's side of the transaction.

Retail - The volume consideration associated with a retail transaction except for an investment sale.

The top four (4) producers in each real estate category shall be recognized in for each special category (e.g., no two categories can be combined for the purpose of this ranking), in the *Charlotte Business Journal* print publication. The first top producer picture will appear with the other three (3) appearing in alphabetical order. EXCEPTION: Investment categories will show top producer and two (2) runners-up.

Due to the complexity of commercial real estate transactions, a transaction could have two brokers representing different sides of the transaction who qualify in different categories. An Applicant is expected to use his/her best judgment in categorizing transactions. An Applicant should call a representative of the Commercial Board Staff if there are any questions regarding the category placement of transactions.

The intent of the Award Program is to recognize the specialty of a member in one of these categories. Included in a member's volume will be leasing and sales to a user (e.g., an entity that occupies the sold or leased property) in the Office, Industrial, and Retail categories. If a member represents a seller who is an investor, the appropriate category on that application would become Investment Property even though the member representing the purchaser, who is a user, would qualify in the Industrial, Office, or Retail categories.

After the Review Committee has audited all applications and determined the potential Top Producers in all categories, the application forms of the top five (5) applicants will be given to the certifying Broker-In-Charge, to verify that all information submitted in the application is correct. Should any errors be found following the verification, the Committee has the right to disqualify the transaction-in-error or, if deemed necessary, disqualify the entire application.

VOLUME RECOGNITION

Volume recognition shall be promoted (with level names only) in the *Charlotte Business Journal*, the event program, Commercial Board social media and other marketing outlets. Production levels include:

- Platinum - Over \$30 million
- Gold - \$20 to \$30 million

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- Silver - \$10 to \$20 million
- Bronze - \$5 to \$10 million

Any volume produced below \$5 million (for 2024 with sales produced in 2023 only) will not be accepted into the Award Program.

Applicants may opt-out of *Charlotte Business Journal* and Commercial Board social media recognition, when submitting the Application.

OTHER RECOGNITION

All Applicants for the 2024 Award Program will receive certificates stating the level of recognition. Applicants may order a wall or desktop recognition plaque, for an additional fee. The first top producer in each category will be presented with an award.

6. APPLICATION REVIEW

For a transaction to qualify for Award Program Credit, the real estate commission or fee paid must be reported on the transaction's closing statement, lease or in a valid commission agreement. To verify volume, the Review Committee shall have the right to review with any Applicant the documents relating to a transaction, which are deemed relevant including leases, closing statements or company pay vouchers. Any Applicant shall promptly cooperate with the Review Committee regarding documents when requested. If the applicant does not cooperate within a timely manner, the application will be denied and returned to the applicant. Additionally, the Board will retain the Applicants Award Program application fee.

7. RULES FOR CALCULATING AWARD VOLUME CREDIT

a. General

- 1) Full Volume Credit will be allowed during the year when the sale is closed or a lease is fully executed without contingencies by all required parties during the qualifying year.
- 2) Any transaction in which the Applicant (either individually or as a principal of partnership, LLC, corporation, or co-tenancy) owns more than a 10% interest in the property shall not be used for Volume Credit.
- 3) Volume Credit is allowed for any transaction in which an installment commission is collected or paid, and such commission is not contingent upon the actual closing of the transaction. No Volume Credit shall be allowed for appraisals, referral fees, evaluations, consultations, or fee-based non-contingent income.
- 4) No Volume Credit shall be allowed for any transaction for which the commission or brokerage fee paid is not reflected on a closing statement, lease agreement, valid commission agreement or disclosure statement.
- 5) **ALL REAL ESTATE BROKERS, including out-of-town agents that referred the deal and were paid a commission, MUST be listed along with their percentage of commissions earned to qualify.** Out-of-town agents may be listed by office, rather than individually.
- 6) All commission percentages listed must add up to 100%.
- 7) The full address of the property or land tract involved in the deal must be listed or the deal will be disqualified.

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- 8) Applicants receiving salary/bonus compensation must provide certification from their Broker-in-Charge that the transaction volume of the applicant was earned directly from the applicant's direct involvement in brokerage transactions and that at least 50% of applicant's annual compensation was earned directly from brokerage transactions.
- 9) To claim dual agency for a transaction (thus claiming Volume Credit for both parties in a transaction), an executed agreement, signed by both parties including language that both parties agree you may act as a dual agent in this transaction. Broker must receive compensation paid by either party above what they would have made only representing one of the parties. If broker can represent this, the Volume Credit will be calculated based on twice the transaction value. A broker may not claim credit for both sides as a dual agent if one of the parties is simply unbrokered.
- 10) An Applicant may apply for Volume Credit even though a portion of Applicant's volume is residential. However, to be eligible for recognition in the volume recognition award, the Applicant must be at least 75% commercial.

A residential transaction is considered to be the following:

- A transaction involving any property or properties occupied as a primary residence at closing, or immediately thereafter, which contains 2 or less units involved.
 - A transaction involving any property zoned residential at closing which contains 5 or less unimproved, subdivided building lots.
 - A transaction involving any property that is 20 acres or less that is zoned residential at closing which is not subdivided and which the highest and best use of same is for one single family.
- 11) A Commercial transaction is any transaction that is not residential.
 - 12) The effective credit date for sales transactions shall be the date on which title is passed. The Effective Credit Date for lease transactions shall be the date of a fully executed lease or in the case of lease termination or contingency provisions, the date in which all lease terminations are waived or expired.
 - 13) If more than one individual (either within the same firm or with different firms) represents the same party within any sale or lease, the Volume Credit allowed to that party's agent shall be in the same proportion as the percentage of the commission or contingent fee paid to the individuals representing that party. Credit for referral fees paid shall be deducted from the Volume Credit of the Applicant (*e.g.: If two agents from the same firm represent the seller and close a \$2 million transaction, each individual will be able to claim \$1 million of the seller side of the transaction on the summary form. The percentage of the Volume Credit claimed is in direct proportion of the commission split i.e., 50/50, 60/40 etc.*)
 - 14) **Award Volume Credit is not assignable or transferable.** If a transaction has two or more Agents/Brokers involved and one or more of the Brokers does not submit the transaction or apply for the Volume Credit, the Broker who does apply can only claim the percentage of the volume that matches the Broker's portion of the commission or contingent fee paid. **In every submitted transaction, the Volume Credit claimed by each Broker shall reflect the actual percentage participation in the commission or contingent fee paid.** Commissions paid to licensed support personnel, as well as to referral brokers inside or outside the Applicant's firm **shall be deducted** from the overall commission to reflect the actual percentage commission or contingency fee paid.
 - 15) If an Applicant sells shares of ownership in a property (or in a partnership, corporation or co-tenancy owning property) through syndication, then Volume Credit shall be calculated by multiplying the percentage interest of the entity sold by the total sales price of the entity sold.

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- 16) In the event of a sale – leaseback transaction in which two interdependent transactions occur simultaneously, whereby an Owner sells a property and the same party or one of its related entities becomes a Tenant of the purchaser, then the Broker may only claim credit for the sale transaction and may not claim credit for the lease. In specific cases in which the Broker can identify with specific documentation that two separate transactions took place resulting in two separate contingent commissions payable to the Broker, then the Review Committee shall at its sole discretion, determine whether the Broker is entitled to receive credit for both transactions.
- 17) Income Stacking – If there is more than one person in place on a team, wherein one of the members of that team assists or plays a role in completing or working on the deal as in a “broker type role” and is paid a salary and all bonuses, then the following rule applies: Take the salary and all bonuses of the team member, figure the prorated portion of the total aggregate production and deduct that amount from the Volume Credit level of production (i.e. if the team produced \$2 million gross and the team member was paid \$200K, then there would be a deduction of 10% off the Applicant’s level of Volume Credit).

b. Rules for Calculating Award Volume Credit for Sales:

- 1) In a sales transaction the broker or brokers representing each party to the transaction may each claim Volume Credit equal to the sales price, or in the event there is no fixed or stipulated sales price (as in the case of an exchange), then the value on which the commission is based may be claimed by each party as the Volume Credit (e.g.: The broker(s) representing the Buyer may claim the full transaction value [sales price]).
- 2) If more than one real estate firm participates in any one sale on behalf of the same party (two firms jointly represent the Buyer or have a joint listing), the Volume Credit for each company will be in direct proportion to the division of the commission payable to the firms jointly representing the party.
- 3) The Effective Credit Date for a sales transaction shall be the date on which the title is passed, or a contract has been signed by both parties.
- 4) If the purchaser of an improved property or related entity occupies 50% or more of the premises, then the transaction will fall into the appropriate category, Office, Industrial, or Retail. If the purchaser occupies less than 50% of the premises, then it will be considered a user sale.
- 5) Firm and irrevocable take-out commitments will be counted at full value upon execution of the document. No future contemplated take outs for future phases which are not firm or are not irrevocable will be allowed in the volume total until such future contemplated commitments become irrevocable.

c. Rules for Calculating Award Volume Credit for Leases:

- 1) The Effective Credit Date for a lease transaction shall be the date on which the lease is fully executed by all required parties during the qualifying year. For leases that are signed by the Tenant/Landlord during the qualifying year (2023) and then signed by the opposite party in the following year (2024), then the transaction cannot count for the qualifying year (2023) but can be applied the following year in (2024).
- 2) In a lease transaction the Broker or Brokers representing each party to the transaction (Landlord or Tenant) may each claim Volume Credit equal to the aggregate rental called for in the lease. Credit shall be allowed for expansions and renewals that are signed in 2023.
- 3) If more than one real estate company participates in any one lease on behalf of the same party (two

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firms represent the Tenant or have a joint listing) the Volume Credit for each company will be in direct proportion to the division of the commission payable to the firms representing the same party to the lease.

- 4) If a lease contains an option to purchase, the amount of the Gross Aggregate Rental Amount used for Volume Credit, shall be subject to the following conditions:
 - If the option to purchase is exercised during the term of the lease, then additional credit may be claimed in the year of closing if the purchase price is greater than the credit previously claimed. Such additional credit shall be limited to the difference, if any, between the purchase price and the credit previously claimed.
 - If an option to purchase is exercised after the expiration on the lease term, then the amount of the purchase price may be claimed as full credit in the year of closing.
- 5) In a lease transaction involving a coworking group whether as a traditional lease or management operating agreement for the use of office space, the Broker or Brokers representing each party to the transaction (Landlord or Tenant) may each claim Volume Credit equal to the aggregate rental calculated to determine the actual commission paid or to be paid so long as all contingencies for the transaction has been fully satisfied.
- 6) All lease transactions submitted to qualify for Award Program must have satisfied all contingencies for the commission to be paid to be counted for Volume Credit for the application year. If a contingency may not be satisfied until a future calendar year, the Volume Credit may be counted in the year the contingency was fully satisfied. For example, if a lease occurred as a prelease to a new construction building and the lease included construction contingencies to be met before the transaction is fully consummated, then the lease volume cannot be claimed as Volume Credit until such construction contingency is satisfied.
- 7) A lease transaction involving a data center group whether as a traditional lease or management operating agreement for the use of data center space, the Broker or Brokers representing each party to the transaction (Landlord or Tenant) may each claim Volume Credit equal to the aggregate rental calculated to determine the actual commission paid or to be paid so long as all contingencies for the transaction has been fully satisfied. However, if such lease is a lease for data usage and is not on actual data center space, the transaction does not qualify for Volume Credit.

d. Rules for Categorizing Transactions:

Industrial Transaction: A transaction shall qualify as production in the “Industrial” category when a member has represented either Landlord or Tenant in an industrial lease or has represented either the seller or purchaser in the sale of a property, 50% or more of which will be occupied by the purchaser, or a related entity, as industrial space.

If less than 50% is occupied by the purchaser, or related entity, and the balance of the space is occupied by or will be offered to other prospective tenants, such transaction shall qualify as “Investment Property Sales.”

- 1) If there is income on the property of more than 12 months in place and an investor buys it, then it is an Investment transaction.
- 2) If there is less than 12 months of income and an investor buys it with the intent to lease it out, then the seller’s Broker may choose to take this as an industrial sale and the buyer’s Broker may claim the transaction as an Investment sale.
- 3) The sale of a Landlord/User building which falls under the industrial category versus investment then

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will fall under industrial tenant representative or industrial landlord representative, determined by the applicant.

Investment Property Sale: A transaction shall qualify as production in the category as an “Investment Property Sale” if the transaction is described within the following conditions:

- 1) The transaction is a sale of a real property interest that is evidenced by a conveyance of title and a closing statement. The property is purchased by the Buyer for investment purposes based upon an investment yield from existing income of more than 12 months at the time of closing or the near-term expectation of income from rents from the existing building on the property. A sale/leaseback by an owner/occupant to an investor is an Investment Property Sale; or
- 2) The property is sold by a Seller who previously held the property for investment purposes, whether or not it is producing income at the time of closing.

Regardless of the property use, Office, Industrial, Retail, or Multifamily, a transaction purchased or sold as described above shall be an *Investment Property Sale* and shall not be classified as the property type regardless of the primary activity of the applicant.

The Award Program Review Committee acknowledges that certain transactions are not easily defined and by their complexity might not be described above. (e.g.: the purchase of a long-term ground lease or capital lease for the margin to be earned by sub-leasing is not defined above, is not evidenced by a transfer of fee title, but could be defined as an Investment Property Sale.) The Review Committee shall have the sole discretion in defining any transactions not absolutely defined herein.

Land Transaction: A transaction shall qualify as production in the “Land” category if the land is unimproved or improved. In the event of improvements on the land that are changed from their current use, then the purpose of the acquisition should define the category where Volume Credit is to be given for the Buyer’s Broker. If the property is improved and the intent of the Buyer is to change the zoning or use of the land is for a higher and better use, then the Seller’s Broker must define this as a Land sale.

Office Transaction: A transaction shall qualify as production in the “Office” category when a member has represented either Landlord or Tenant in an office lease or has represented either the seller or purchaser in the sale of a property, 50% or more of which will be occupied by the purchaser, or a related entity, as office space.

- 1) If less than 50% is occupied by the purchaser, or related entity, and the balance of the space is occupied by or will be offered to other prospective tenants, such transaction shall qualify as “Investment Property Sales.”
- 2) If there is income on the property of more than 12 months in place and an investor buys it, then it is an investment.
- 3) If space in an office building is leased to a retail tenant for the purpose of conducting retail business at that location, such transaction shall qualify as “Retail Brokerage.”
- 4) If there is less than 12 months of income and an investor buys it with the intent to lease it out, then the seller’s Broker may choose to take this as an office sale and the buyer’s Broker may claim the transaction as an investment sale.
- 5) The sale of a Landlord/User building which falls under the office category versus investment then will fall under office tenant representative or office landlord representative, determined by the applicant.

Retail Transaction: The transaction shall qualify as production in the “Retail” category when a member has represented the sale or lease of property to a business engaging in the retail sale of merchandise or rendering of services within the property. These properties may be in an enclosed shopping mall, open air

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mall, strip center, street level or free-standing building. Some examples of retail business include home improvement, soft goods - clothing, grocery, restaurant, dry cleaner, banks, beauty salons, etc.

- 1) Examples of retail leases would be ABC, Inc. "Landlord" leases 10,000 square feet in a Clothing store "Tenant" or XYZ "Landlord" leases a free-standing building to a coffee shop "Tenant".
- 2) Examples of a retail sale would be XYZ Corporation sells a former ABC's Pizza building to Financial Bank to be used for a retail bank. The sale of a building leased to XYZ Corporation to an investor would NOT be classified as a retail sale but as an Investment Property Sale.

8. PROMOTION BY AWARD WINNERS

- a. Award Program winners are authorized to use the Award Program seal and insignia adopted by the Commercial Board for use on business cards, letterheads, electronic signatures, or other printed matter only during the year in which they are participants of the program. However, the seal may be used perpetually if the year in which the Applicant wins appears with the seal. Pinnacle Award winners shall be eligible to use such seals and insignia during their lifetime as long as they remain members in good standing of the Commercial Board.
- b. Winners of the Award Program (as appropriate) may promote their participation on business cards, letterheads or other printed and electronic matter as follows:
 - Recipient – Circle of Excellence Award
 - 2024 Circle of Excellence Award Recipient
 - Top Producer - 2024 Circle of Excellence