2017 Million Dollar Club Rules & Regulations

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2017 Million Dollar Club Rules & Regulations

I. INTRODUCTION

The Atlanta Commercial Board of REALTORS® (the "Commercial Board") in its desire to recognize top real estate sales and lease producers in the commercial real estate industry and to provide an incentive for them to excel in their business, hereby announces the 2017 Million Dollar Club and the Rules and Regulations.

II. ADMINISTRATION

Annually the President-Elect of the Commercial Board shall, on or before December 31, appoint the Million Dollar Club Chairman. The Chairman shall then appoint the Million Dollar Club Review Committee, which shall be comprised of specialists in the following real estate brokerage categories; Investment Property Sales; Industrial Brokerage (Tenant and Landlord Representation); Land Sales; Office Brokerage (Tenant and Landlord Representation); and Retail Brokerage. In addition, annually, an Audit Committee shall be appointed to audit the top producer applications as determined by the Million Dollar Club Committee. The Audit Committee shall consist of the Chairman, Co-Chairman of the Million Dollar Committee, President, Past President and President-Elect of the Board "or other members selected by the MDC Chairman or President". The Audit Committee shall have the authority to request all pertinent information regarding the potential top producer applicant's transactions. All members of the Review Committee and the Audit Committee shall execute a Nondisclosure Form and original copies of each executed form shall be kept in the office of the Board. Only persons who have been or are currently members of the Million Dollar Club shall serve on the Million Dollar Club Committee or Audit Committee.

At the call of the Chairman, the Review Committee shall meet to review all Million Dollar Club applications and to recommend to the Board of Directors whether an applicant meets the requirements for membership in the Million Dollar Club. All applications are subject to an audit for accuracy by the Review Committee or the Audit Committee as determined by the Chairman. If the Review Committee or the Audit Committee has questions about any application then a designated member of the Review Committee or the Audit Committee, as appropriate, shall discuss same directly with the Applicant and/or the Applicant's Designated REALTOR® (when appropriate) and Committee Member shall subsequently render its recommendation regarding the application in question.

The Million Dollar Club Review Committee shall submit a report to the Board of Directors no later than the March meeting of the Board of Directors, providing recommendations with regard to each Applicant. An approval of an Applicant by the Board of Directors shall elect the applicant (the "Member") to membership into the Million Dollar Club.

The Board of Directors has the final authority with respect to the approval or disapproval of any application. The Board of Directors has the right to modify and to amend the herein Rules and Regulations from time to time and/or dissolve the Million Dollar Club at its discretion. The Rules and Regulations shall remain in effect until modified by the Board of Directors.

The Million Dollar Club Committee is authorized to set an application fee, at its discretion, prior to asking for applications for membership in the Million Dollar Club. This fee shall cover the costs of promoting and honoring the Million Dollar Club Members, as well as any plaques or certificates to be given to each recipient. In the event an applicant does not qualify for membership, the application fee will be returned, if appropriate.

III. REQUIREMENTS FOR MEMBERSHIP

1. Any applicant who is (1) licensed by the Georgia Real Estate Commission and who (2) is a current member in good standing of the Commercial Board and (3) whose Designated REALTOR® or Managing Broker is licensed and is also a member in good standing of the Board is eligible for membership.
2. Membership in the Atlanta Commercial Board of REALTORS® will be verified by Board Staff.
3. All MDC applicants must be a REALTOR® member of the Board during 2016 and 2017 with dues paid in full in order to be considered as a Million Dollar Club member. New members of the Board must have submitted a membership application during the qualifying year of 2016 and completed Orientation by February 2017.
4. If a new REALTOR® applicant fails to attend Orientation by February 2017, their application will be denied.
5. 2017 dues must be paid prior to the submission of the 2017 Million Dollar Club application.
6. Applicant and applicant's firm must (1) be a member of the Atlanta Commercial Board of REALTORS® and/or a Board of REALTORS® during the qualifying year, 2016, and (2) must be a current member of the Commercial Board at the time of Applicant's election to the Million Dollar Club by the Board of Directors in 2017 and (3) at the time of presentation of the 2017 Million Dollar Club awards.
7. Applicant must have produced new real estate brokerage business of **$4,500,000 or more ("Million Dollar Club Volume") during 2016 to qualify for the 2017 Million Dollar Club.** **Note: The minimum volume requirement has increased to $4,500,000 dollars in order to qualify for the 2017 Million Dollar Club for sales produced in 2016. Each year thereafter the minimum volume will be increased by half a million dollars until capped at $5,000,000.00. For example the minimum volume for the 2017 MDC will be $4.5 million, and in 2018, $5,000,000 million.**
8. Applicant must submit and print the application using the online application process on the Commercial Board website at www.atlcbr.com. Printed applications must be delivered to the Commercial Board on or before **Wednesday, January 18th, 2017 6:00 pm**. The application shall be in the possession of the Commercial Board located at 5784 Lake Forrest Drive, Atlanta, Georgia, 30328, no later than **Wednesday, January 18th, 2017 6:00 pm**. Postmark dates, handwritten, faxed or e-mailed applications will not be accepted.

   Any application received after 6:00 pm, **Wednesday, January 18th, 2017 6:00 pm** will not be accepted. (RECOMMENDATION: Applications be hand-delivered rather than mailed.)
9. The Designated REALTOR® or Managing Broker of applicant's firm must have paid his/her 2017 Board dues. The dues must be paid in full for the entire company and the Designated REALTOR® must have submitted the "DR Dues Certification Letter" along with dues payment in order for the Million Dollar Club Applicant to be approved for Club membership.
10. Applicant shall submit to the Commercial Board along with Application the following:
    a. A check or valid credit card information provided made payable to the Atlanta Commercial Board of REALTORS® in the amount of $200 to cover the Million Dollar Club Application fee. **Applications fees are not transferable.**
    b. Submit all MDC data using the online application portal and print the application with the following pages **(Note: E-mailed applications will not be accepted and must be printed and turned in to the Board Office).**

a. Application Cover Sheet

b. Letter of Certification from Designated REALTOR® or Managing Broker (if applicable, include letter from Previous Designated REALTOR® or Managing Broker).

c. Transaction Summaries

c. Transfer Year letter from previous Board of REALTORS®, if any apply (must be attached to front of application).

d. Applicant is required to save or make a copy of his/her application for his/her own records. Applications will only be retained for 6 months after the MDC banquet.

e. E-mail or submit a black & white or color digital photo with your application if you qualify in the following areas: (Photos can be e-mailed to mdc@atlcbr.com). Please do not send a Xerox copy of photo for quality purposes.

1) Phoenix Recipient

2) Silver Phoenix Recipient

3) Million Dollar Club volume above twenty-five million dollars

In the event an Applicant wishes to submit a transaction(s) for Million Dollar Club Volume which closed or had an effective date during the time Applicant was affiliated with a company other than Applicant's current company, the applicant shall have his Previous Designated REALTOR® or Managing Broker certify as to transaction(s) by executing the Letter of Certification for the Previous Designated REALTOR® or Managing Broker.

11. A member can be recognized in more than one category. The applications of the top ten producers in each real estate category shall be audited by the Audit 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 Million Dollar Club application shall be rejected by action of the Million Dollar Club Committee and the application fee will not be returned or refunded.

IV. MEMBERSHIP CATEGORIES

There are four categories of membership as follows:

MEMBER: A person who has been elected to the Million Dollar Club for the year 2017 for business generated in 2016.

LIFE MEMBER: A person who has been elected to the Million Dollar Club for any 5 years.

PHOENIX: A person who has been elected to the Million Dollar Club for any 10 years.

SILVER PHOENIX: A person who has been elected to the Million Dollar Club for any 25 years.

DIAMOND PHOENIX: A person who has been elected to the Million Dollar Club for any 45 years.

V. MILLION DOLLAR CLUB TRANSFER YEARS

Applicants for Million Dollar Club Membership may transfer Million Dollar Club credit years awarded in another Board of REALTORS® toward award recognition with the Atlanta Commercial Board of REALTORS®

Million Dollar Club. Applicant must submit verification of years transferring from another Board of REALTORS® signed by the Association Executive.

Upon acceptance of verification from the other Board of REALTORS®, the transfer credit years shall apply to Million Dollar Club membership categories as follows:

Member: Applicant must qualify in the Commercial Board Million Dollar Club for the year 2017 for business generated in 2016. Transfer years will be accepted.

Life Member: Applicant must qualify in the Atlanta Commercial Board Million Dollar Club for the year 2017 for business generated in 2016. Transfer years will be accepted.

Phoenix: Applicant must qualify in the Atlanta Commercial Board Million Dollar Club for the year 2017 for business generated in 2016. Applicant must qualify in the Atlanta Commercial Board Million Dollar Club for five years and may transfer a maximum of five years from another Board of REALTORS® Million Dollar Club.

Silver Phoenix: Applicant must qualify in the Atlanta Commercial Board Million Dollar Club for the year 2017 for business generated in 2016. Applicant must qualify in the Atlanta Commercial Board Million Dollar Club for ten years and may transfer a maximum of fifteen years from another Board of REALTORS® Million Dollar Club.

Diamond Phoenix: Applicant must qualify in the Atlanta Commercial Board Million Dollar Club for the year 2017 for business generated in 2016. Applicant must qualify in the Atlanta Commercial Board Million Dollar Club for fifteen years and may transfer a maximum of twenty years from another Board of REALTORS® Million Dollar Club.

VI. SPECIAL RECOGNITION AWARDS

TOP TEN PRODUCERS

In 2009 two new Top Ten Producer Categories were incorporated to allow additional recognition in the following areas: Industrial Brokerage – Tenant and Landlord and Office Brokerage – Tenant and Landlord. Therefore, the 7 Top Ten Categories are as follows:

Investment - *The volume consideration associated with a sale of an income producing property*.

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

Industrial Tenant Representative - *The volume consideration associated with an industrial deal where the broker represents the tenant's side of the 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 Million Dollar Club Committee at its discretion may consider changing the number of top producer awards that will be given based on the number of applications received in each respective category upon approval of the Million Dollar Club Committee and the Board of Directors.

The top ten producers in each real estate category shall be recognized in order of their Million Dollar Club Volume for each special category. (i.e. no two categories can be combined for the purpose of this ranking.)

Due to the complexity of the commercial real estate transaction, a transaction could have two brokers representing different sides of the transaction who qualify in different categories. An Applicant is expected to use his best judgment in categorizing transactions. An applicant should call a representative of the Million Dollar Club Committee if there is any question regarding the category placement of the transactions.

It is the Million Dollar Club's intent to recognize the specialty of a member in one of these 7 areas. Included in a member's volume will be leasing and sales to a user (i.e., 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 Brokerage categories.

After the Committee has audited all the applications and determined the potential Top Producers in all categories, the names of those applicants will be given to the Designated REALTOR® / Managing Broker who signed the original application to verify that all information submitted in the application is correct. Should any errors be found following that verification, the Committee shall have the right to disqualify the transaction in error or should they deem it necessary, disqualify the entire application.

L. FREDERICK GLASS, JR. AWARD
ROOKIE OF THE YEAR - YOUNG COUNCIL OF REALTORS®

The L. Frederick Glass, Jr. "Rookie of the Year" Award is annually presented to the Young Council member who demonstrates excellence during their first full three years in the real estate business. The recipient will be the highest YCR producer within the Million Dollar Club membership who fulfills the foregoing requirements.

1. Must be a REALTOR® Voting Member of the Young Council of REALTORS®.
2. Must have paid YCR dues and joined the Young Council during the qualifying year (2016) and have also paid 2017 YCR dues by January 31st.
3. Applicant must have received its license by the Real Estate Commission no more than forty-two (42) months prior to the end of the qualifying year.
4. Applicant must provide original issue date of license.
5. Applicant may have obtained their license on or after July, 1st, 2013 and would qualify for sales production produced during '14, '15 and '16 years for the award. However, if applicant obtained their license prior to 6/30/2013 they are not eligible for the award.
6. Applicant may only win once.

New volume recognition categories (in bold):

PRODUCTION OVER $20,000,000
The Members who produce over $20,000,000 in MDC volume shall be recognized in advertising and in the MDC Program.

PRODUCTION FROM $15,000,000 UP TO $19,999,000
The Members who produce $15,000,000 up to $19,999,999 in MDC volume shall be recognized in advertising and in the MDC Program.

PRODUCTION FROM $10,000,000 up to $14,999,999
The Members who produce $10,000,000 up to $14,999,999 in MDC volume shall be recognized in advertising and in the MDC Program.

PRODUCTION FROM $5,000,000 up to $9,999,999
The Members who produce $5,000,000 up to $9,999,999 in MDC volume shall be recognized in advertising and in the MDC Program.

PRODUCTION FROM $4,000,000 up to $4,999,999
The Members who produce $4,000,000 up to $4,999,999 in MDC volume shall be recognized in advertising and in the MDC Program. Any volume produced below $4,000,000.00 will not be accepted into the Million Dollar Club unless the grandfather rule applies below in the next paragraph.

As of 2004, the MDC rules changed to provide Million Dollar Club members who had achieved 20 years of membership as of January 1, 2004, to remain under the previous rules with the volume requirement for these individuals remaining at the $1,000,000 production level.

Therefore, the applicant's membership years will be verified in order to qualify with $1,000,000 in volume for 2016.

The $1,000,000 dollar threshold remains fixed for grandfathered MDC Members for future years.

OTHER RECOGNITION
All Members of the 2017 Million Dollar Club shall receive Million Dollar Club certificates stating the amount of business produced in million dollar increments.

VII. AUDIT REVIEW

For a transaction to qualify for Million Dollar Club Volume credit the real estate commission or fee paid must be reported on the transaction's closing statement, lease or in a valid commission agreement. The Review and/or the Audit Committees shall have the right to review with any Applicant the documents relating to a transaction, which are deemed relevant by the Review and/or the Audit Committees including company pay vouchers. Any Applicant shall promptly cooperate with the Review and/or the Audit Committee regarding documents when requested by either committee. 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 Million Dollar application fee.

VIII. RULES FOR CALCULATING MILLION DOLLAR CLUB VOLUME CREDIT

1. General

a. ***Full credit will be allowed during the year the sale is closed or lease is fully executed without contingencies by all required parties during the qualifying year.***

b. Any transaction in which the Applicant (either individually or as a principal of partnership, corporation or co-tenancy) owns more than a 10% interest in the property shall not be used for Million Dollar Club Volume credit.

c. Million Dollar Club Volume credit shall be 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 credit shall be allowed for appraisals, referral fees, evaluations, consultations or fee based non-contingent income.

d. No Million Dollar Club 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.

e. **All real estate agents including out of town agents that referred the deal and were paid a commission MUST be listed along with their percentage of commissions earned in order to qualify.**

f. **All commission percentages listed must add up to 100%.**

g. **The full address of the property or land tract involved in the deal must be listed or the deal will be disqualified.**

h. Applicant receiving salary/bonus compensation must provide certification from their Designated REALTOR® that at least 50% of Applicant's annual compensation was earned directly from contingent commissions resulting from Applicant's direct involvement in brokerage transactions. Applicant receiving salary/bonus compensation must provide from their Designated REALTOR® verification of Applicant’s percentage share involvement.

i. It is acceptable for two individuals within the same real estate company to represent different parties in a transaction and thus each claim full credit for a sale or lease transaction. To do so, a written disclosure statement executed by all parties must be submitted with the application. In no event may an individual claim more than the transaction value for a single transaction. (Explanation: An individual, even with a signed disclosure statement, representing both parties in a transaction, may not claim credit for representing the Buyer (full transaction value) and also claim credit for representing the Seller (full transaction value), thus receiving two times the full value.)

j. An Applicant may apply for membership in the Million Dollar Club even though a portion of Applicant's Million Dollar Club Volume is residential. However, in order to be eligible for membership in the Commercial Million Dollar Club, an applicant's Million Dollar Club Volume must be at least 75% commercial.

A residential transaction is considered to be the following:

1) A transaction involving any property or properties occupied as a primary residence at closing, or immediately thereafter, which contains 2 or less units involved.
2) A transaction involving any property zoned residential at closing which contains 5 or less unimproved, subdivided building lots.
3) 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.

k. A Commercial transaction is any transaction that is not residential.

l. 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.

m. If more than one individual (either within the same firm or with different firms) represents the same party within any sale or lease, the Million Dollar Club 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 Million Dollar Club Volume credit of the Applicant. *Example: If two agents from the same firm represent the seller and close a $2,000,000.00 million dollar transaction, each individual will be able to claim $1,000,000.00 on the transaction summary form (assuming the commission split is 50/50). The percentage of commission claimed is in direct proportion of the commission split i.e., 50/50, 60/40 etc.*

n. **Million Dollar Club Volume is not assignable or transferable**. If a transaction has two or more Agents/Brokers involved and one or more of the Brokers do not submit the transaction or apply to the Million Dollar Club for Million Dollar Club Volume, 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 Million Dollar Club Volume 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 organization **shall be deducted** from the overall commission so as to reflect the actual percentage commission or contingency fee paid.

o. If an Applicant sells shares of ownership in a property (or in a partnership, corporation or co-tenancy owning property) through syndication, then Million Dollar Club Volume credit shall be calculated by multiplying the percentage interest of the entity sold by the total sales price of the entity sold.

p. 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 Million Dollar Club Review Committee shall at its sole discretion, determine whether the Broker is entitled to receive credit for both transactions.

q. 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 MDC level of production. i.e. if the team produced $2M gross and the team member was paid $200K, then there would be a deduction of 10% off the MDC applicant's level of volume production.

2. Rules for Calculating Million Dollar Club Volume Credit for Sales:

a. In a sales transaction the broker or brokers representing each party to the transaction may each claim Million Dollar Club 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 Million Dollar Club Volume. (Explanation: The broker(s) representing the Buyer may claim the full transaction value [sales price]).

b. If more than one real estate company participates in any one sale on behalf of the same party (two firms jointly represent the Buyer or have a joint listing), the Million Dollar Club Volume credit for each company will be in direct proportion to the division of the commission payable to the firms jointly representing the party.

c. The Effective Credit Date for a sales transaction shall be the date on which the title is passed or contract has been signed by both parties.

d. 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.

e. 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.

3. Rules for Calculating Million Dollar Club Volume for Leases:

If a lease prior to 2010 provides that either the landlord or the tenant, or both may terminate the lease and the termination does not take effect, the Applicant may use the remaining firm term of the lease for credit in the year such right to terminate is not exercised. If a lease, prior to 2010, contains more than one option to terminate, such period shall be treated in this same manner.

For leases signed in 2010 going forward the applicant may claim credit for the full term of the lease.

a. 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 (2016) and then signed by the opposite party in the following year (2017), then the transaction cannot count for the qualifying year (2016), but can be applied the following year in (2017).

b. In a lease transaction the Broker or Brokers representing each party to the transaction (Landlord or Tenant) may each claim Million Dollar Club credit equal to the aggregate rental called for in the lease. Credit shall be allowed for expansions and renewals that are signed in 2016.

c. If more than one real estate company participates in any one lease on behalf of the same party (two firms represent the Tenant or have a joint listing) the Million Dollar Club 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.

d. If a lease contains an option to purchase, the amount of the Gross Aggregate Rental Amount used for Million Dollar Club Volume credit, shall be subject to the following conditions:

   1) 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.

   2) 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.

e. If a lease prior to 2010 provides that either the landlord or the tenant, or both may terminate the lease and the termination does not take effect, the Applicant may use the remaining firm term of the lease for credit in the year such right to terminate is not exercised. If a lease, prior to 2010, contains more than one option to terminate, such period shall be treated in this same manner.

f. In each lease transaction, the Million Dollar Club Volume as defined in Section VIII, Paragraph 3 (a) will be available to the Broker or Broker's representing each party (Landlord or Tenant) to the lease transaction. ***Full Credit will be allowed during the year the lease is fully executed by all required parties during the qualifying year.***

g. Land Leases of longer than ten years will be valued by averaging the annual lease income for the first ten years and applying a cap rate of 8% (example - average annual income of $100,000 capped at 8% produces a Lease value, for the purposes of their Million Dollar Club application, of $1,250,000)

4. Rules for Categorizing Transactions:

Industrial Transaction: A transaction which first complies with all the General Rules for calculating credit contained herein 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. See additional descriptions below:

a. 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."

b. If there is income on the property of more than 12 months in place and an investor buys it, then it is an Investment.

c. 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.

d. The sale of a Landlord/User building which falls under the industrial category versus investment then will fall under industrial tenant representative or industrial landlord representative, determined by the applicant.

Investment Property Sale: A transaction which qualifies for submission for Million Dollar Club credit shall be categorized by the Applicant as an *Investment Property Sale* if the transaction is described within the following conditions:

a. 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

b. 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 other, 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 Million Dollar Club Committee acknowledges that certain transactions are not easily defined and by their complexity might not be described above. (By way of example, 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 Audit Committee shall have the sole discretion in defining any transactions not absolutely defined herein.

Land Transaction: A transaction which first complies with all the General Rules for calculating credit contained herein shall qualify as production in the "Land" category. Land is land whether 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 MDC 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 which first complies with all the General Rules for calculating credit contained herein 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.

a. 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."

b. If there is income on the property of more than 12 months in place and an investor buys it, then it is an Investment.

c. 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".

d. 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.

e. 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 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 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.

a. 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".

b. 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.

IX. PROMOTION OF MILLION DOLLAR CLUB MEMBERSHIP

1. Members of the Million Dollar Club are authorized to use the Million Dollar Club seal and insignia adopted by the Commercial Board for use in business cards, letterheads, or other printed matter only during the year in which they are members of the Million Dollar Club. (Exception- if year of election is listed on card, letterhead, etc.) Life Members of the Million Dollar Club shall be eligible to use such seals and insignia, in gold, as long as they live provided they are at the time of usage members in good standing of the Board.

2. Members of the Million Dollar Club (as appropriate) may promote their membership on business cards, letterheads or other printed matter as follows:

   - Life Member-Million Dollar Club
   - 2017 Member-Million Dollar Club
   - Phoenix Award Winner - Million Dollar Club
   - Silver Phoenix Award Winner - Million Dollar Club
   - Diamond Phoenix Award Winner – Million Dollar Club
   - Top Ten Volume Producer - 2017 Million Dollar Club