

ASVB ANNUAL AWARDS PROCEDURE

1. The Awards Committee shall be designated by the Board of Directors and shall consist of not less than five members in good standing. The committee shall meet to review the applications for completeness and accuracy, make determinations regarding the value of consultation services, and to select the winners in each category.

2. AWARD CATEGORIES

A. Broker Awards

Broker of the Year - Industrial
Broker of the Year - Investments
Broker of the Year - Land
Broker of the Year - Multiple Category
Broker of the Year - Professional Office
Broker of the Year – Office/R&D
Broker of the Year - Rookie (all categories)
Broker of the Year - Retail

B. Hall of Fame Award

The committee may annually award up to two Hall of Fame Awards. The Committee will make a subjective determination as to a nominee's qualifications; however, the Hall of Fame candidates must have been active in commercial real estate in Silicon Valley for at least 20 years and total transaction consideration of \$1.0 billion or greater. The 20-year period does not need to be continuous. A winner of this award must be a consistent producer in one or more of the Broker of the Year categories listed above. The primary consideration for this award is one's personal transaction activity. Winners of the Hall of Fame Award are eligible to win Broker of the Year Awards.

C. The Mike Murphy Award

The Mike Murphy Award is given to a current or past regular member of the ASVB, either agent or manager, who has made a major contribution to the brokerage community, the business community, and/or the general community at large. Award winners in the category should represent the qualities of leadership, consideration, generosity, and integrity. Nominations for this award are submitted by the ASVB Board of Directors to the Committee for final selection.

D. Deal of the Year Award

The Deal of the Year Award is judged on size, scope and significance of the transaction in Silicon Valley in the year given. The transaction must have closed in the subject year. Nominations for this award are submitted to the ASVB Board of Directors for final selection.

{Note: Each of these awards will only be given when the majority of the voting members of the Committee determine that a performance is deserving of an award. [One winner per award will be selected - except as provided for in Paragraph 4G.] If the committee determines that there is no performance that justifies an award in any given category, it may elect not to present one.}

3. REQUIREMENTS FOR CANDIDATE QUALIFICATIONS AND TRANSACTION QUALIFICATIONS

- A. The candidate must have been an ASVB member for at least 50% of the subject year and must also be a current ASVB member to qualify for the award.
- B. A transaction must be completed in the subject year and within Silicon Valley to qualify. Silicon Valley is defined as Santa Clara County, the cities of Fremont, Newark, Menlo Park, Redwood City, San Carlos, Belmont, and all properties south of Highway 92, plus those parts of San Mateo north of Highway 92 (see shaded area on attached Exhibit I for the area north of Highway 92).
- C. An escrow must close or a lease must be fully signed with no contingencies, within the subject year to qualify.
- D. A transaction must be of the specific product type for which the award is being given to qualify (see Multiple Category below for the only exception).
- E. Sales transactions may be entered as either an Investment transaction or may be entered under the product category of the property. For example – if an agent participates in the sale of an industrial property, the agent may enter their participation in either the Industrial category or the Investment category but not both. Each person involved in the transaction may separately choose to enter what category their participation qualifies for and all participants do not have to enter their participation in the same category.
- F. A Broker of the Year — Rookie candidate must have begun his/her career in commercial real estate brokerage after January 1, of the year before the year of the award.
- G. No more than 70% of the total consideration generated by a Multi-Category award candidate can come from any one deal type. In the event the above condition exists, the committee may eliminate transactions, beginning with the largest transaction, (measured by the candidates participation in said transaction), and proceeding to the next largest transaction until the rule is satisfied. To the extent that the largest transaction is greater than the amount necessary to achieve compliance, the largest transaction shall be reduced by the amount necessary until such level is achieved.

4. BROKER AWARD CALCULATIONS

- A. Each broker award will be based upon three criteria. The criteria will be: the total number of transactions completed during the period, the total square feet completed during the period, and the total lease or sale revenue generated by all qualifying transactions.

- B. A salesperson will receive credit for the percent of each of the three criteria that he or she contributes to each transaction utilizing the following procedure. First, if there is owner or broker representation (meaning a portion of the total fee is paid or credited) on the “other side” of the deal, then each side shall be first be allocated 50% credit regardless of how the fees are split between listing and procuring sides of the deal. Then, the salesperson shall receive credit in the same percentage as the deal was split amongst his or her partners on the deal. For example, if two procuring agents complete a 50,000 square foot transaction worth \$10,000,000, where there is a listing agent involved and where the procuring agents split their share 60/40, then the procuring office will receive credit for one-half of a transaction (\$5,000,000 and 25,000 square feet), and the procuring agents will be credited for 60% (\$3,000,000 and 15,000 square feet) and 40% (\$2,000,000 and 10,000 square feet) respectfully.
- C. 100 points will be awarded for each Broker of the Year Award. These points will be divided between all nominees for each award, based upon the total percentage earned by each salesperson in the three separate categories. Twenty points will be awarded for Number of Transactions, 30 points will be awarded for Square Feet, and 50 points will be awarded for Consideration. The exception shall be the Multiple Category Award where 35 points will be awarded for Number of Transactions, 25 points will be awarded for Square Feet, and 40 points will be awarded for Consideration.
- D. Consultation Services (including Lease Terminations) are to be treated as eligible transactions; however, they will be credited at 50% of the value of the services provided, subject to evaluation and adjustment by the Awards Committee to determine the appropriate and fair magnitude of the contribution made.
- In the case of lease terminations, the transaction consideration shall be equal to the amount of rental savings generated for the tenant over the remaining term of the lease, after any and all lease termination payments made to the landlord. The decision of the Committee will be final.
 - In the case of sales transactions – the broker(s) of record in the transaction shall receive full credit for the transaction. If a buyer hires a broker for consulting services as part of a sales transaction, the broker’s participation shall be credited as Consultation Services.

The attached form is to be used by managers who make nominations of members involved in consultation services. If a transaction involving a consultation service also involves a brokerage service performed by another broker, the Committee will evaluate the performance of other salespeople involved to determine the magnitude of the credit given.

- E. Renewals will receive 75% credit for each of three criteria as defined in 4A above. A transaction shall be treated as a renewal to the extent that the tenant remains in the same space as previously occupied, regardless of whether new leases are negotiated and whether or not the tenant goes back to market to investigate alternatives to its existing space. Extensions and lease modifications are to be treated in the same way, with the exception that credit is only to be

given for the additional consideration negotiated. Any portion of a transaction that is an expansion shall receive full credit.

F. With the exception of the Multiple Category Award, only transactions that are specific to the selected award category may be included in a nomination for an award. The nomination forms will be reviewed by the Committee to determine the appropriateness of the classification. . If a transaction is classified inappropriately, it will be eliminated from the calculation.

G. In order to discern the winning candidate in each category, the candidates will be measured against each other. A series of cuts will determine the first place agent. The first cut will eliminate all nominees whose scores are not within 10 points of the first place candidate after the first cut or calculation. The remaining candidates' scores will then be recalculated using only the data of the remaining candidates. A series of recalculations will take place whereupon the candidate (and his or her data) with the lowest score will be eliminated after each recalculation. This process will continue until there are three candidates remaining.

The top three candidates' scores will be compared against each other to determine a winner. The winner will be the candidate with the highest score subject to the following conditions:

- 1) If the third place candidate is not within two percentage points of the second place candidate, the third place candidate will be eliminated and the winner will be determined by recalculating the scores of the top two candidates.
- 2) If the third place candidate has been eliminated and there is less than one percentage point separating the scores of the top two candidates, the award will be shared between the top two candidates.
- 3) If the third place candidate is within two percentage points of the second place candidate, and the second place candidate is less than one percentage point behind the first place candidate, the award will be shared among the three.
- 4) In situations where a nominee is unable to provide all of the information on the nomination form due to disclosure agreements, the addresses need not be disclosed; however, information on square footage and consideration must be completed.

H. The Committee will have the right to change the "Type of Building" code for any transaction, if a majority of the Committee feels that a specific transaction is not categorized correctly.

5. MULTIPLE CATEGORY AWARD

Multiple-Category Awards will be given to a salesperson who has exemplified himself/herself in a given year but whose activity is not specific to any product type. To be an award winner of the Multiple-Category Award, the consideration for no more than 70% of his or her transactions may be in one category. To be accepted, a nomination form for this award must list all transactions completed by the agent during the period. Land transactions will be converted to potential buildings square footage by multiplying the total land square footage by 34%, and then allocated over the estimated development period. As a general guideline, if the land size is 10 acres or less, there shall be no further allocation for development period, and if the land size is 10-50 acres, the development period shall be two years, and acreage over 50 acres shall be reviewed and apportioned fairly by the Awards Committee.

6. NOMINATION FORMS

A specific nomination form is available from the ASVB for each of the awards listed above. Each nomination must be made on the appropriate form and signed and dated by an officer of the company that employs the agent. The party signing the nomination will review the information contained therein, and by signing, verify the correctness of the information.

7. DEFINITION OF OFFICE PROPERTY FOR PURPOSES OF OFFICE PROFESSIONAL BROKER AWARD

An office property for the Office Professional Broker Award is defined as a property that is:

- Six or more stories OR
- Garden Style property divided into five or more spaces OR
- Occupied by a non-technology service industry tenant (determination to be approved by the Committee)

8. DEFINITION OF OFFICE/R&D PROPERTY FOR PURPOSES OF R&D/OFFICE BROKER AWARD

Properties for the Office/R&D Broker Award may be located anywhere in Silicon Valley and may be Office and/or R&D of any type, inclusive of those transactions that qualify under the Office Property category.

9. MULTIPLE NOMINATIONS

Individuals may be nominated for an award in more than one category. However, with the exception of the Multiple Category, each transaction may only be included for one award. For example, an individual nominated for both the Office Professional and R&D/Office Awards will have to decide whether to include his/her office transactions on the Office Professional form or the R&D/Office form.

10. A nominee may not withdraw his or her nomination without the approval of the ASVB Board of Directors. This rule is intended to preclude nominees from “pulling their nomination” if they are not a winner.

11. DUE DATES

Due dates for the forms are at the discretion of the Awards Committee, but in no event later than **Thursday, January 26, 2017.**