

HOST MARKET CENTER OPERATING AGREEMENT

The _____ **Expansion Network** and **Host Market Center #** _____ agree to abide by the following Agreement:

1. Commission Policy

- A. **KWRI Royalty.** The Network Agent pays 6% of gross commission income per transaction, up to a total of \$3,000.00, in royalties to the Host Market Center (HMC) for remittance to KWRI per fiscal or anniversary year.
- B. **Host Market Center Commission Split.** The HMC will pay a _____% commission split on all closed commissions generated by the Agent. The split is applied to the portion of the commission retained by the HMC after all referral fees have been deducted.
- C. **Host Market Center Cap for Agent.** The Commission Split is due and payable until the HMC's portion of closed commissions generated by the Agent has reached \$ _____ during the Agent's fiscal or anniversary year with the HMC.
- D. **100% Commission.** When HMC Cap is reached, Agent will be entitled to 100% of commission from all transactions closed and funded during the rest of their fiscal or anniversary year. The HMC will deduct all referral fees or HMC transaction fees before paying the Agent.
- E. **Referral Fee.** HMC will pay the Hub Market Center any referral fee it earns from Agent's closed commissions, according to the agreement between Agent and Network. HMC will pay referral fees to the Hub within 5 business days of Network or Agent completing all closing documents and disclosures as required by the HMC.

2. Expense Allocation

Network Owner agrees to pay for the following Network Agent expenses billed by HMC:

The Agent is responsible for all other expenses as outlined in the standard Independent Contractor Agreement signed by Agent and HMC.

3. Additional HMC Fees

The following fees may apply to HMC transactions: _____

4. Confidential Information

The HMC and Network will keep confidential any proprietary information they learn while working with one another. Confidential proprietary information includes customer and client lists; unpublished financial information; projections and sales data; costs, product and business plans; marketing data, plans and processes; inventions; computer data; computer programs and supporting documentation; and office policy manuals.

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5. Term and Termination

- A. This Operating Agreement will last five years. It will auto-renew for consecutive five-year renewal terms, as long as both Parties are in good standing with this Agreement at renewal time.
- B. The HMC or Network may cancel this agreement if the other party does not comply with its terms and correct the problem within 30 days of receiving written notice of the problem.
- C. The HMC or Network may cancel this agreement by giving written notice to the other party if there is credible evidence that the Agent, Network Business Owner or HMC Leadership has (1) sexually harassed or intimidated anyone; (2) knowingly engaged in racial, ethnic, religious, sexual or other offensive discrimination; (3) knowingly engaged in an activity that HMC or Network reasonably considers detrimental to the reputation of HMC or Network, its associates, employees, or owners, the Keller Williams name or its Market Centers; (4) knowingly engaged in conduct that violates federal, state or local law; or (5) knowingly acted in a way that conflicts with HMC's, Network's or Keller Williams' mission, values or belief statements, whether or not the behavior or conduct constitutes a violation of any law.
- D. If the Network or HMC cancels this Agreement, the HMC will allow the Network continued access to the Agent's rights, title and interest in any intellectual property rights, including copyright, that the Agent had in any of the Agent's property listings posted in or provided to any MLS. The HMC also will allow the Network continued access to the following Network information: memos, notes, lists, records, buyer agreements, social media testimonials and reviews, pipeline reports, email addresses, Google voice numbers, and other documents, including items stored in computer memory, and all emails and other proprietary information.
- E. If the Agent's affiliation with HMC ends, HMC will continue to pay the Agent's commissions according to the existing commission splitting/capping policies and referral arrangement that applied at the end of the Agent's affiliation on any closed transaction that was pending (i.e. under contract) at the time of separation.
- F. If the Agent's affiliation with HMC ends and owes HMC any money on or after termination, HMC will (1) pay the appropriate referral fee to Network, then (2) deduct the outstanding money from any commissions or other amounts due to the Agent, until the account with HMC has been fully paid.

Network Owner

Date

HMC Team Leader

Date