

BC MODEL

Select one: ☐ Model 1 ☐ Model 2**

Model	Description
1	Market Center Owned (Standard) Market Center pays 100% of the proposed expense. Factors such as Operating Principal track record, age, agent strength and financial status of the Market Center will be considered.
2	Joint Venture Model (No Market Center Financial Liability)* This model is best described as a joint venture (by contract) between the Market Center and another entity (LLC, etc.). The new entity will provide all additional required capital, fund all expenses and share in the profits. The entity could be owned by associates who will operate out of the Business Center, associates who are active in the Business Center, owners of the Market Center and/or a combination. **Additional information required

** It must be clearly understood that there is no actual ownership or separate license for a Business Center. Its authority to operate is completely dependent on the continuing effectiveness of the host Market Center's Franchise Agreement with KW and its decision to continue the Business Center.*

**MODEL 2 REQUIREMENTS (if applicable)

If the proposed Business Center is a Model 2, please include the following:

- ☐ Provide the formation documents for the Business Center profit participation entity
 - Note - Profit Participation Entity cannot use KW Trademark in corporate name
 - Articles of Incorporation
 - Tax ID
- ☐ Ownership Breakdown of Profit Participation Entity
- ☐ Copy of the agreement between the profit participation entity and the host Market Center (see Model 2 Considerations document).
 - This agreement must address the operational and economic plans for the Business Center and must clearly state the following:
 - The Business Center's authority to operate is dependent on the effectiveness of the host Market Center's Franchise Agreement, and the Business Center Addendum, between the host Market Center entity and KW
 - The Business Center will be operated in accordance with the host Market Center's Franchise Agreement, as amended by the Business Center Addendum, and the Manuals incorporated therein

CRITERIA

The following are minimal criteria for approval of a proposed Business Center. The OP must check the box next to each item, certifying that these criteria have been met.

	Y	N
Market Center has been open at least one year.		
Market Center has been consistently profitable and profit sharing for the past three months.		
Market Center minimum reserve account balance is three times the total monthly expenses.		
Market Center accounts payable are no more than 30 days old.		
Market Center has no agent receivables.		
Market Center has provided proof of \$50,000 minimum new capital.		
Team Leader has developed a training and communication plan in support of the Business Center and has agreed to travel as necessary to the Business Center to implement this plan.		
Business Center will use the same cap/split structure as the Market Center.		
MCA agrees to review and understand all Business Center Accounting procedures described in the knowledge base at www.leadershipanswers.kw.com .		
Projected Company Dollar for the Business Center is at least three times the projected monthly operating expenses.		

- ☐ Attach Most Recent
- a. Vital Signs Scorecard
 - b. Balance Sheet
 - c. P&L

If any of these criteria are not met, you must provide your rationale for approval with the application. Any deviation from these criteria must be recommended in writing by the Region and approved by KW.

Rationale:

LOCATION AND MAP

☐ Include a map that clearly indicates the following:

1. Market Center's Awarded Area
2. Location of the Market Center
3. Location of the proposed Business Center
4. Signed by Operating Principal and Regional Director

If the proposed Business Center is located outside of the Market Centers Awarded Area, Regional recommendation and rationale are required. Term may be no more than 24 months. If the proposed location is near another Keller Williams Market Center or their awarded area, a statement from the neighboring OP of the Market Center(s) acknowledging the proposed location should be submitted.

If located outside the Market Center's Awarded Area, the recommended term is _____ months.

PROPOSED BUDGET

Expense Description	Monthly	Yearly
Accounting/Tax Preparation		
Advertising Expenses		
Computer Software		
Contract Labor/Consulting		
Copy Machine/Copying Expense		
Dues and Subscriptions		
Depreciation/Amortization		
Insurance – Office/Other		
Legal Expenses		
Internet		
Maintenance/Repair		
Printing Services		
Postage/Freight/Delivery		
Rent - Office/Occupancy		
Rent – Other		
Rent – Equipment		
Salaries - Assistant TL		
Salaries - Call Coordinator		
Salaries - Other		
Payroll Service Fees		
Signs		
Supplies		
Taxes – Payroll		
Taxes - Federal Income		
Taxes – Property		
Telephone Service		
Other Expenses		
Gross Monthly Expenses		
Other Income		
Other Income - Desk Fees		
Other Income – Copier – B&W/Color		
Other Income – E & O Insurance		
Other Income – Miscellaneous		
Mortgage Revenue – JV/MSA/Desk Fee		
Closing Entity – JV/MSA/Desk Fee		
Home Warranty Revenue – JV/MSA/Desk Fee		
Insurance Revenue – JV/MSA/Desk Fee		
Less Other Income		
KW APPROVED COSTS		

NOTE: Company Dollar should be 3x the monthly approved costs.

This is an initial budget. Once the Business Center is approved, ensure that all revenue and expenses are booked through the host Market Center according to the Keller Williams Realty Chart of Accounts.

OPENING STRENGTH WORKSHEET

List all Associates who will be operating from the Business Center.

Market Center/Business Center Cap: _____

Name	Current Company or Market Center	New or Current KW Assoc	Current Production	Associate Rating A - Capper B – ½ Capper C – ¼ Capper	Anticipated Company Dollar Contribution First 12 Months

TOTAL PROJECTED BUSINESS CENTER REVENUE	\$
LESS: BUSINESS CENTER PROPOSED OPERATING BUDGET	\$
PROJECTED BUSINESS CENTER GROSS PROFIT	\$

CAPITALIZATION AND FEE

CAPITAL

- ☐ Minimum capitalization required is \$50,000 and must be in the form of cash in the bank in the Market Center corporate accounts. Letters of credit, stocks/bonds, C/Ds on file, credit lines, etc. are not acceptable forms of capitalization.

FEE

- ☐ I acknowledge that the \$2,500 Business Center Fee will be drafted via ACH from the Market Center by Keller Williams Realty, LLC upon execution of the Business Center Addendum. If a Business Center is awarded, the fee is fully earned and nonrefundable.

OFFICE NAME & SIGNAGE

Proposed office name: _____

*Upon KW approval, state registration may be required

Note – any DBA (doing business as) name or website domain name using Keller Williams trademarks (KW, Keller Williams, etc.) must be approved in writing by KW prior to usage.

Please provide a color proof indicating the complete dimensions, type font, colors, wording, etc. of proposed signage. The signage should indicate the Business Center is associated with Keller Williams Realty with standard trademarks licensed for use by KW. Prior to being installed, this proof must be approved by the Market Center, Region and KW in writing. The Market Center is responsible for ensuring all state and local signage requirements are met.

☐ Attach a proof of proposed signage.

LICENSES, MEMBERSHIPS AND INSURANCE

Though some memberships cannot be obtained until you are licensed with KW and/or the applicable State or Province, all of your applications should be ready to submit at the earliest opportunity.

Please check with your state or provincial Real Estate Commission to determine what additional documents may need to be completed.

Consult your attorney and the county where you will be doing business to determine if an additional business license will be needed.

Determine how the Business Center office will be added to the Market Center's insurance policies, or otherwise be insured for its activities and provide documentation.

Submit lease and insurance when the application has been approved and executed by KW.

REVIEW & SUBMIT

By signing below, I hereby certify that all of the information provided above is true and correct to the best of my knowledge. I acknowledge and agree that the Market Center will be responsible to KW with respect to the operation of the Business Center.

MC Operating Principal Signature

Date: _____

Printed Name: _____

By signing below, I hereby confirm that to the best of my knowledge, the Market Center is in good standing with KW, and that there are no unresolved defaults, incomplete applications, or outstanding disputes about the Market Center's territory, culture, or economics. I recommend that the Market Center be authorized to open the Business Center at the location submitted in this application.

Regional Director Signature

Date: _____

Printed Name: _____