

Region: \_\_\_\_\_

Proposed MC Roster Name: \_\_\_\_\_

## REQUIREMENTS

To apply for a Market Center, the items on the following pages, with accompanying documentation, must be completed and submitted to the Region Representative who will then submit to Keller Williams Realty, LLC ("KW") for review.

**KW will return Market Center applications to the Region without approval in the event any missing documentation or requested information is not provided within 30 days.**

### PART 1

- ☐ Disclosure
- ☐ Initial Information
- ☐ File Data Sheet
- ☐ Multiple Market Center Application (for existing OP's)
- ☐ Franchise Application Questionnaire and Career Visioning
- ☐ Guerrilla Warfare/Competitive Analysis
- ☐ Financial Statement
- ☐ Budget/Forecast
- ☐ Core Group
- ☐ Opening Strength
- ☐ Authorization to Proceed Package

### PART 2

- ☐ Franchisee Entity Documents
- ☐ DBA Information
- ☐ Initial Capitalization
- ☐ Licenses, Memberships, Insurance, and Lease
- ☐ Proposed Site Approval
- ☐ Technology & Training
- ☐ Franchise Fee
- ☐ Review and Submit

NOTE: KW will not approve the new Market Center until there is recommendation from the Regional Representative, and all required new Franchise Agreements and related documents are fully executed. KW will notify the Market Center Operating Principal and the Regional Representative when the process is complete, and the Market Center is authorized to begin operating.

## PART 1

Complete this portion of the application and submit to the Regional Director for Authorization to Proceed.

## DISCLOSURE

A current Franchise Disclosure Document ("FDD") will be sent to all proposed investors in the Market Center.

Review the FDD with your advisors including attorney and/or accountant.

Item 23 (U.S.) or Disclosure Receipt (Canada) will need to be signed, dated, and returned for all proposed investors in order to proceed with this application.

- ☐ Item 23 (U.S.) or Disclosure Receipt (Canada) have been received for all proposed investors.

## INITIAL INFORMATION

The information provided in the following File Data Sheet is used for the preparation of the Franchise Agreements and Roster information. It is important that this information is current and correct, as it will be used as the official information in your Franchise Agreement.

- ☐ The File Data Sheet has been completed in full.
- ☐ The investor/ownership section details the breakdown of all investors or entities with any direct ownership in the Market Center along with the investor's/entity's respective percentages:

(Ex:)	John Doe Enterprises, LLC	75%
	John Doe	70%
	Jane Doe	20%
	Robert Marks	10%
	Jane Smith	25%

*Please note if any shares are held in treasury or undistributed. The total ownership should add up to 100%.*

- ☐ The Franchise Systems Orientation (FSO) / Investor Workshop section indicates the most recent FSO attendance dates of ALL leadership (Operating Principal (OP), Team Leader (TL) and Market Center Administrator (MCA)) and Market Center investors as well as the most recent Investor Workshop attendance dates for all investors (prior to submission of application).

## FILE DATA SHEET

FRANCHISEE INFORMATION	
Region	
Franchisee Entity Name* (Name of Corp, LLC, or Partnership)	<i>*MAY NOT INCLUDE KELLER WILLIAMS, KW, OR ANY REGISTERED TRADEMARK</i>
Market Center Roster Name (Geographic Descriptor – Internal KW Roster Name)	
Market Center DBA (Name MC Presents to Consumers)	
Requested Domain Name(s)	
Market Center Mailing Address	<div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px;"></div>
Phone	
Is this a temporary address?	<input type="checkbox"/> No <input type="checkbox"/> Yes - Rationale and expected date for permanent address: <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 15px;"></div>
Mailing Address for Corporate Notices	<input type="checkbox"/> Same as Market Center Address <input type="checkbox"/> Different Address (list below): <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px;"></div>

LEADERSHIP INFORMATION	
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Operating Principal
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Name		Franchise Systems Orientation <i>(date of last attendance)</i> :
Phone		
Email		
KWUID (if applicable)		

**Team Leader\***

Name		Franchise Systems Orientation <i>(date of last attendance)</i> :
Phone		
Email		

<b>Market Center Administrator*</b>
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Name		Franchise Systems Orientation <i>(date of last attendance)</i> :
Phone		
Email		

<b>Broker</b>	<b>Market Center Tech Trainer</b>
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<b>Broker</b>	<b>Market Center Tech Trainer</b>
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Name		Name	
Phone		Phone	
Email		Email	

*\*Note, in accordance with the Franchise Agreement, a vacancy of these positions greater than 60 days from launch is a default.*

## INVESTOR INFORMATION

## Investors and their Percentages

For any entities with equity interests in the Franchisee, please provide a full ownership and the investor's respective percentage of ownership within the entity. If any investors hold their equity interest in a Trust, please indicate the type of Trust (living, revocable, etc.). **Irrevocable Trusts are not accepted within ownership groups. A signed acknowledgment for KW's guidelines for revocable trusts must be submitted for each trust.**

[illegible]

*\*Each new investor/staff must attend FSO prior to approval of the application. Attendance date for FSO must be within the last 3 years. The Investor Workshop is required for all investors prior to approval.*

**\*\*Please provide rationale if equity percentage are inconsistent relative to amount of capital invested.**

**Rationale\*\*:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Ownership in other Market Centers and Ancillary Businesses**

Using MC number and Roster Name, and percentages and/or ancillary businesses, i.e., Mortgage, Title, JV, etc. – please list all other ownership, including percentages, for investors below.

Investor Name	MC Name/# or Ancillary Business Name	Percentage Ownership

**TERRITORY INFORMATION**

Proposed Territory Description (Encompassed within the following boundary)	<p><i>MUST BE PERMANENT BOUNDARIES (STREETS, STATE LINES, ZIP/POSTAL CODES, COUNTY LINES, BODIES OF WATER, ETC.) AND CONTIGUOUS. SHOULD MATCH TERRITORY MAP</i></p>	
Four Primary Areas (cities, towns, suburbs, areas, subdivisions, etc.) which the Market Center will service	1.	2.
	3.	4.
Multiple Listing Services to be Utilized by the Market Center		

**MULTIPLE MARKET CENTER APPLICATION**

(For existing OP's and applicable investors)

Multiple Market Center (MMC) criteria applies if: (i) the proposed OP is currently the Operating Principal of an existing Market Center; or (ii) any investor with 20% or more of the outstanding equity interests in the proposed new Market Center also owns a 20% or greater equity interest in another Market Center.

NOTE: THE REGIONAL DIRECTOR MUST HAVE VALIDATED AN EXISTING OP'S KPA AND COMPLETED THE CV PROCESS PRIOR TO SUBMISSION.

The MMC application should be approved by the Regional Representative PRIOR to the submission of this application.

If prior approval has not been given, please complete MMC Application and submit to Region.

☐ A MMC Application has been completed in full and attached; or

☐ A MMC Application does not apply.

## FRANCHISE OP APPLICATION QUESTIONNAIRE

Name	
Address	
Phone	

### REAL ESTATE BACKGROUND

Starting with the present, give a brief description of your real estate background				
DATE	COMPANY	ROLE	INCOME	REASON FOR CHANGE

Have you ever sold or leased residential real estate?	<input type="checkbox"/> Yes	If so, for how long?	
	<input type="checkbox"/> No	In your selected territory?	

Have you ever managed a residential real estate office?		<input type="checkbox"/> Yes (please complete below) <input type="checkbox"/> No		
Company:		Dates:		Location:
Beginning associate count:		Ending associate count:		Average monthly written and closed sales volume:
Average office listing inventory (beginning):		Average office listing inventory (ending):		
Reason for leaving:				

Describe your educational background in real estate:
--

### LEADERSHIP EXPERIENCE

Describe your training experience and abilities with new and experienced agents:
--

Describe your experience with speaking before groups:
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Who is the most important person in a real estate organization and why?			
How would others explain your style of communicating?			
List three examples of your leadership style:			
1.			
2.			
3.			
How would others describe your leadership style?			
What is <u>your</u> definition of leadership?			
List three examples of situations where you have demonstrated leadership:			
1.			
2.			
3.			

  

Do you believe you can build a Market Center to 15%+ of market share in your area successfully and profitably?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Why?	
Are you willing to commit a minimum of three to five years building a real estate company?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Why are you the <u>best</u> candidate to own a KW Market Center in your selected territory?			

## GUERRILLA WARFARE

### A: MARKET RESEARCH – INDEPENDENT TERRITORY DATA

Access statistical data from a third-party source and ask for a breakdown according to the requirements. Include single family, multi-family and condos/townhomes. Some resources for the information:

- Terradatum, Inc. / BrokerMetrics® at (888) 212-4793 EXT.1 (U.S.); terradatum.com
- IMS, Inc. at (877) 785-4321; restats.com (This company can also access Canadian data)

Independent Territory Data must include the following:

- **Agent Analysis** — Number of agents who conduct business within the territory (**MODEL AGENT COUNT = Minimum 500+ Agents**).
- **Transactions** — Units sold within the territory within the past 12 months, including total volume, units and average sales price (**MODEL UNIT COUNT = Minimum 1,000+ Units**).
- **Office Analysis** — A listing of all the offices in sales volume order within the proposed territory. The analysis should include: the number of agents at each office, phone, address, and sales volume.

Independent Territory Data should be consistent with the data reflected in the Territory Data Summary (Section D).

Proposed Strategic Market Centers will be reviewed on a case-by-case basis.

**NOTE: Market Research is the most time-consuming portion of the application, but it is a crucial element of your due diligence. To complete this section, you must fully evaluate the proposed territory and local competition. This will help you to determine the appropriate territory, value proposition, Company Dollar cap, fees, etc., for the proposed Market Center. This section may require 2-3 people to complete.**

### B: TERRITORY MAP & DESCRIPTION

☐ Include a printed map from an online service or software that clearly indicates the proposed territory along with a detailed description from starting point, back to point of origin.

1. The street names or zip codes on the map must be visible and clear, if applicable.
2. The outlines should create a complete boundary indicating a distinctive market area with the **proposed Market Center location generally at the center of the territory**.

Your Region can provide you with information regarding access to a computerized map, if you do not already have access to one.

**The Regional Director and OP must sign and date the attached map.**

### C: MARKET ANALYSIS (ENTIRE MLS)

MARKET/MLS AND CITY INFORMATION			
Number of licensed residential Realtors® are active in your local Board of Realtors®/MLS			
Number of commercial associates are active in the MLS market area			
Total closed volume in the MLS Market area			
Current population			
5-year projected population			
What is the percentage of the dwellings for sale in the market area for:			
Single Family: _____%	Condominium: _____%	Multifamily: _____%	New Home: _____%
MARKET TRENDS			
	# of Closed Transactions in MLS	Sales Volume	
Five years ago			
Three years ago			
Last year			

### D: PROPOSED MARKET CENTER TERRITORY DATA

Third party data must be submitted to support this information. Data may be obtained from MLS data or third-party source, such as Broker Metrics.

☐ Attached

Provide prior 12 months data for all real estate transactions INSIDE your **proposed territory** for all brokerages.

MLS Area or Zip / Postal Code	Number of Closed Units (Single Side)	Average Sales Price	Closed Sales Volume
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
<b>TOTAL</b>		<b>\$</b>	<b>\$</b>
Total number of agents that have closed transactions in <b>proposed territory</b> :			
Total number of potential cappers in <b>proposed territory</b> :			



## E: COMPETITIVE ANALYSIS

### COMPETITION

Number of competitive real estate firms in the proposed territory: \_\_\_\_\_

Research the top 5 residential real estate companies in the territory.

COMPANY NAME/BROKER	# OF OFFICES	# OF AGENTS	VOLUME	ACTIVE LISTINGS	MARKET SHARE %
1					
2					
3					
4					
5					

<b>Company 1</b>	
<i>Describe the competitor's market position, strengths, weaknesses, and competitive advantages.</i>	
Company/Market Position:	
Strengths/Advantages:	
Weaknesses/Disadvantages:	
Office/Training:	
Start-Up & Other Costs:	
Commission Split	_____ % / _____ %
Cap	\$
Team Cap	\$
Transaction Fee(s)	\$
Desk Fees	\$
Additional Comments:	
<b><i>Attach a photo of office exterior</i></b>	

<b>Company 2</b>	
<i>Describe the competitor's market position, strengths, weaknesses, and competitive advantages.</i>	
Company/Market Position:	
Strengths/Advantages:	
Weaknesses/Disadvantages:	
Office/Training:	
Start-Up & Other Costs:	
Commission Split	_____ % / _____ %
Cap	\$
Team Cap	\$
Transaction Fee(s)	\$
Desk Fees	\$
Additional Comments:	
<b><i>Attach a photo of office exterior</i></b>	

<b>Company 3</b>	
<i>Describe the competitor's market position, strengths, weaknesses, and competitive advantages.</i>	
Company/Market Position:	
Strengths/Advantages:	
Weaknesses/Disadvantages:	
Office/Training:	
Start-Up & Other Costs:	
Commission Split	_____ % / _____ %
Cap	\$
Team Cap	\$
Transaction Fee(s)	\$
Desk Fees	\$
Additional Comments:	
<b><i>Attach a photo of office exterior</i></b>	

<b>Company 4</b>		
<i>Describe the competitor's market position, strengths, weaknesses, and competitive advantages.</i>		
Company/Market Position:		
Strengths/Advantages:		
Weaknesses/Disadvantages:		
Office/Training:		
Start-Up & Other Costs:		
Commission Split	_____ % / _____ %	
Cap	\$	
Team Cap	\$	
Transaction Fee(s)	\$	
Desk Fees	\$	
Additional Comments:		
<b><i>Attach a photo of office exterior</i></b>		

<b>Company 5</b>		
<i>Describe the competitor's market position, strengths, weaknesses, and competitive advantages.</i>		
Company/Market Position:		
Strengths/Advantages:		
Weaknesses/Disadvantages:		
Office/Training:		
Start-Up & Other Costs:		
Commission Split	_____ % / _____ %	
Cap	\$	
Team Cap	\$	
Transaction Fee(s)	\$	
Desk Fees	\$	
Additional Comments:		
<b><i>Attach a photo of office exterior</i></b>		

## COMPETITIVE COMPENSATION ANALYSIS

Agent Dollar							
Vol.	GCI	CO 1: _____	CO 2: _____	CO 3: _____	CO 4: _____	CO 5: _____	KW
<b>\$1M</b>	\$30,000						
<b>\$2M</b>	\$60,000						
<b>\$3M</b>	\$90,000						
<b>\$4M</b>	\$120,000						
<b>\$5M</b>	\$150,000						
Company Dollar							
<b>\$1M</b>	\$30,000						
<b>\$2M</b>	\$60,000						
<b>\$3M</b>	\$90,000						
<b>\$4M</b>	\$120,000						
<b>\$5M</b>	\$150,000						
Royalty							
<b>\$1M</b>	\$30,000						\$1,800
<b>\$2M</b>	\$60,000						\$3,000
<b>\$3M</b>	\$90,000						\$3,000
<b>\$4M</b>	\$120,000						\$3,000
<b>\$5M</b>	\$150,000						\$3,000
Transaction Fees							

## PROPOSED MARKET CENTER COMPENSATION

Commission Split(s):	_____ % / _____ %	Team Cap:	\$
Market Center Cap:	\$	Transaction Fee(s):	\$

## F: FINANCIAL STATEMENTS

All investors with interests of **20%** or more must include a Financial Statement. Be specific, as if you were applying for a large commercial loan.

A separate Keller Williams Financial Statement form is available for completion, or you may submit a form of your choice. The form should contain all of the information requested in the Keller Williams Financial Statement form and should be acceptable to a bank or financial group. (Alternatively, this information may be submitted directly to Sr. Director, Franchise Systems at KW.)

**NOTE: Financial Statements must be dated within the past six (6) months and signed by the investor.**

## G: BUDGET/ FORECAST

- ☐ Attach Budget Summary and Initial Forecast Executive Summary.

## H: CORE GROUP

Please complete:

- ☐ Opening Strength Worksheet
- ☐ Agent Profiles for 5 Icons
- ☐ Letter(s) for KW Agent Transfers

Unless set to a higher standard by your Region, the Core Group must include a minimum of 20 associates to submit the application. 12 of those 20 associates must be Cappers (not cap equivalents), and at least 5 of the cappers should be Icons.

**NOTE: All new Market Centers are expected to close the month initially with a minimum of 40 associates.**

Include an Agent Profile for each Icon. If production does not back up Icon status, include articles from publications, awards won, etc.

An Icon has:

- Proof of previous recruiting influence
- Positive background check
- Positive local reputation
- Consistently high volume
- Track record of ongoing education

KW Agent Transfers: If an associate is transferring from a Keller Williams office with a different OP, a letter from the OP of that office must be attached indicating approval of transfer.

Market Center where agents are incubating: \_\_\_\_\_

- ☐ Attach Incubation Agreement signed by incubating OP



## OPENING STRENGTH WORKSHEET

List all Associates who will be providing Company Dollar to the Market Center.

Proposed Market Center Cap: \$ \_\_\_\_\_

#	Name	Current Company	Status (I, N, T) *	Current Production	Rating A - Capper B – ½ Capper C – ¼ Capper	Anticipated Company Dollar Contribution First 12 Months
<b>CAPPERS</b>						
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
<b>ALL OTHER ASSOCIATES</b>						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						

TOTAL PROJECTED MARKET CENTER COMPANY \$ (for first 12 months)	\$
LESS: MARKET CENTER PROPOSED OPERATING BUDGET (from forecast/budget)	\$
MARKET CENTER PROJECTED PROFIT	\$

\*Status: I – Incubating at Host MC

N – New associate Commitment (non-KW)

T – Transfer from other KW MC

## AUTHORIZATION TO PROCEED

Regional Director \_\_\_\_\_

Region \_\_\_\_\_

Proposed OP \_\_\_\_\_

Proposed MC Name \_\_\_\_\_

This is our formal request to open a Market Center within the Region. We are including for your review the following documents, as we believe that we have met all the required criteria. Attached please find the following:

A – Market Research – Independent Territory Data

G – Budget/Forecast

B – Territory Map & Description

H – Core Group

C – Market Analysis (Entire MLS)

- Opening Strength Worksheet

D – Proposed Market Center Territory Data

- Agent Profiles

E – Competitive Analysis

- Commitment and Confidentiality Letters

F – Financial Statements

We understand that the Region will review the request, in addition to the attached information, and respond to us within 30 days from the date received. Upon approval, we will then begin Part 2 of the application process. We look forward to a favorable reply.

\_\_\_\_\_  
Proposed OP Signature

\_\_\_\_\_  
Date

Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Reply—From the Region:

- ☐ **Approves the Request**— Complete Part 2 of the Market Center Application Package.
- ☐ **Request Denied**—Please note the conditions and reasons for the denial. Submit updated information with the corrections noted. Partial packages or replacement documents will not be accepted.

\_\_\_\_\_  
Regional Director Signature

\_\_\_\_\_  
Date

Printed Name: \_\_\_\_\_

## PART 2

### FRANCHISEE ENTITY DOCUMENTS

**Include the following (as appropriate):**

- ☐ Copy of corporate formation document as filed with the correct state/ provincial body
- ☐ Letter from the proposed OP stating that the entity has not conducted business since its formation
- ☐ Confirmation documents indicating Tax ID or EIN number
- ☐ W-9 Form
- ☐ Copy of current Operating Agreement, Bylaws or Partnership Agreement (with provisions consistent with the Franchisee's obligations under the Franchise Agreement)

**NOTE: Sample Language to address the Required Provisions, and additional items to consider, are provided in the following pages. Please provide your counsel with this information as soon as you receive it to avoid costly legal review and delays in the processing of your application.**

### OTHER ISSUES FOR CONSIDERATION

**A Market Center should ideally address in its governing documents the following issues in order to prevent possible future conflicts among the Market Center's owners/investors. We encourage you to discuss these topics with the Market Center's counsel to ensure that they are addressed to your satisfaction:**

1. Are the expectations of owners/investors established and documented with respect to participation in training and other licensing requirements? If there is a limited voting role for "non-liability" owners/investors (if any), do the corporate documents establish the expectations of these "non-liability" owners/investors under the Franchise Agreement?
2. What is the process for establishing "cash calls"? What happens to the ownership interests of an owner/investor that does not meet cash calls?
3. What is the method of valuation of ownership interests that are offered for sale by owners/investors, including interests that are required to be sold by non-performing or non-compliant owners/investors?
4. Following KW's right of first refusal, who has the successive rights to purchase ownership interests that are offered for sale, and what are the valuation rules for these ownership interests?
5. Are valuation methods and terms of sale for "voluntary" offers of ownership the same as those for "involuntary" offers of ownership?
6. How are ownership interests treated upon retirement or death of an owner/investor?
7. How will the company treat a repurchase of ownership interests? Are these interests held in reserve or distributed to existing owners/investors?
8. How can the owners/investors remove its OP for non-performance? What are the criteria for removal, and how is it accomplished?
9. What is required to amend the company's governing documents? Are all owners/investors required to approve any amendment or a certain type of amendment?
10. Does the Market Center require a tax referral from a CPA (U.S) or CA (Canada) prior to any ownership transfer or repurchase?

## SAMPLE LANGUAGE FOR REQUIRED PROVISIONS

The following language is intended as a sample for reference purposes only and is not intended as legal advice. You are not required to use this specific language and should consult your own attorney regarding our requirements and your entity documents. Please note that any use of all or a portion of the sample language is at your sole risk, and we make no representations or warranties regarding the sample language.

- 1. Definition of Operating Principal.** Operating Principal shall mean an individual who is a [Sole Manager] [Chief Manager] [Principal Manager] designated by the Company and approved by KW to serve as the Company's Operating Principal and will have full authority to operate and manage the Market Center.
- 2. Designation of Operating Principal.** The Company shall designate and retain an individual to serve as Operating Principal of the Market Center, as defined in the Franchise Agreement. The Operating Principal shall meet the qualifications and criteria established in the Franchise Agreement and Manuals and shall be acceptable to KW. Unless otherwise approved in writing by KW, the Operating Principal shall devote his or her substantial energy and best efforts to the supervision and operation of the Market Center. Unless the Company has otherwise secured the services of a real estate broker, the Operating Principal shall be a real estate broker, licensed under the laws of the state or province.
- 3. Authority and Control.** Notwithstanding anything in this Operating Agreement to the contrary, the Operating Principal shall have substantial authority and control over the management and operation of the Market Center. The Operating Principal shall be fully authorized without further approval of the members to take or omit any action that Company is required to take or not take under the Franchise Agreement.
- 4. Replacement.** Any replacement Operating Principal shall be subject to all requirements [this Agreement] [these Bylaws] places on the original Operating Principal.
- 5. Sole Purpose.** The sole and exclusive purpose of the Company is to operate a Keller Williams Realty Market Center, providing real estate brokerage and core real estate services and products as are permitted by the Franchise Agreement.
- 6. Conflict Resolution.** The Market Center Franchise Agreement with KW may contain provisions that impose other or additional requirements on the Company or its members. In case of conflict, between the Franchise Agreement and this Agreement [or these By-laws], the provisions of the Franchise Agreement will govern and control the conflict's resolution, so long as the interpretation does not violate applicable law.
- 7. KWRI Consent to Transfer / Right of First Refusal.** Pursuant to the terms of the Franchise Agreement, neither the Company nor any successor to any part of the Company's interest in the Franchise Agreement, nor any [Member] [Shareholder] that directly or indirectly owns an interest in the Company, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in the Franchise Agreement, in the Market Center or in the Company without KW's prior written consent. Further, pursuant to the terms of the Franchise Agreement, KW has the first right of refusal on a proposed sale or transfer of any interests in the Company.
- 8. Non-Competition; Surrender of Ownership Interests.** Any [Member] [Shareholder] [Partner] of the Company who owns, maintains, operates, engages in, or has any interest, or will own, maintain, operate, engage in, or have an interest during the Term of the Franchise Agreement in any real estate business that competes directly or indirectly with KW, including any real estate business that involves (i) the real estate brokerage business; or (ii) the offer, sale or operational support of businesses in the real estate brokerage business (whether as a franchisor, regional representative, area director or other similar service provider capacity); or who affiliates with a non-Keller Williams company that diverts or attempts to divert any business or customer of a Keller Williams Franchisee to any competitor by direct or indirect inducement or otherwise, must promptly transfer his or her interests in the Company according to the buy-sell provisions described in this Agreement in order to comply with the non-competition provisions in the Franchise Agreement.

**\*Note: You should review and consider the buy-sell provisions in your corporate documents and discuss them with your ownership group.**

## DBA INFORMATION

Proposed DBA name: \_\_\_\_\_

\*Upon KW approval, state registration will be required. Do not register until approved.

Does your state or province real estate commission or bureau require that you include the words "Realty" or "Real Estate" or some other term in advertising – from signs to websites, etc.?

☐ Yes ☐ No

## INITIAL CAPITALIZATION

☐ Include a statement/letter from the corporate entity's bank listing account name(s), number(s), and balance(s). Show proof of the required capitalization amount (minimum \$150,000 in the form of cash only) specified by the Regional Director, as appropriate for your geographic area. The account(s) should be held by the corporate entity.

## LICENSES, MEMBERSHIPS, INSURANCE & LEASE

Verify you have all of the licenses necessary to run and protect a real estate office in your state/province.

Some memberships cannot be obtained until you are licensed with KW and/or your state/province or municipality. However, all applications should be ready to submit at the earliest opportunity.

Contact each office and include copies of the forms listed below. The forms do not need to be completely filled out and should be sent to the pertinent office only after the application has been approved.

- ☐ State/Provincial Real Estate Commission Application
- ☐ Local Real Estate Board Application
- ☐ Application for MLS Service
- ☐ County and/or City Business License

The following will be required **upon approval** of the Market Center Application and should be submitted within 30 days of executed Franchise Agreement:

- Insurance certificates with required coverage. (The certificate should name Keller Williams Realty, LLC and Keller Williams Realty Holdings LLC, 1221 S. Mopac Expressway, Suite 110, Austin, TX 78746 as an additional insured.)
  - Comprehensive General Liability (\$ 1 million per occurrence)
  - Auto Liability (for non-owned and hired autos) (\$1 million combined single limit)
  - E&O Insurance (\$1 million per occurrence / \$2 million for commercial)
  - Workers Compensation (\$500,000 minimum annual)
- Lease for Market Center

## PROPOSED SITE APPROVAL

I have provided and discussed the following information with the Regional Director, with the intent of providing a world class customer experience for the Market Center's clients and associates:

- ☐ Photographs of the interior and exterior
- ☐ Paint chips, fabric swatches, photographs of furniture, etc.

## TECHNOLOGY & TRAINING

Acknowledge the training facility you are responsible for establishing at your Market Center and commit to use the most current technology.

**NEW TECHNOLOGY:** We agree to purchase only new computer hardware, which meets or exceeds the technology recommendations from KW. \_\_\_\_\_ (initial)

**TRAINING FACILITY IN THE MARKET CENTER:** We commit to providing a training room with recommended technology to deliver in-person and remote KWU and Regional training. \_\_\_\_\_ (initial)

## FRANCHISE FEE

- ☐ I acknowledge that the \$35,000 Franchise Fee will be drafted via ACH by KW upon execution of the Franchise Agreement. If you are awarded a franchise, the initial franchise fee is fully earned and nonrefundable.

## REVIEW & SUBMIT

Review and ensure all documents are included and in order. If further explanation is needed for any items required in this application, please include attachment. Once completed, please submit to your Region.

Applications are only submitted to KW by the Region. Please do not forward these directly to KW, as it requires Regional review, recommendation, and signature.

**By signing below, I am submitting this application for a new Market Center and hereby certify that all of the information provided above is true and correct to the best of my knowledge.**

\_\_\_\_\_  
Proposed MC OP Signature

\_\_\_\_\_  
Date

Printed Name: \_\_\_\_\_

## TO BE COMPLETED BY REGION

The Regional Director will complete the Career Visioning process with the OP candidate, including an in-person validation of the KPA and Comprehensive Interview. This information will be submitted separately by the Region.

Please submit:

- ☐ Approval for MMC Application (If applicable)
- ☐ The Career Visioning package for OP candidate completed in Part 1 of the application

**By signing below, I hereby confirm that I have reviewed the application and recommend that the proposed new Market Center be authorized to open at the location submitted in this application.**

\_\_\_\_\_  
Regional Director Signature

\_\_\_\_\_  
Date

Printed Name: \_\_\_\_\_

\_\_\_\_\_  
KW Signature

\_\_\_\_\_  
Date

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_