

APPLICATION FOR BROKERAGE LICENCE

Corporation or Partnership

Please complete all sections as indicated. Please print clearly.

PART A – APPLICANT INFORMATION

| | | |
|--|-----------------------------|-------------------------------|
| Full legal name of corporation or partnership | | RECBC Use Only File Number |
| Trade name, if any, under which the brokerage is to be operated | | |
| Applicant is a: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership | Fiscal year end (day/month) | Approval date |
| Category of licence applied for (check all that apply) <input type="checkbox"/> Trading services <input type="checkbox"/> Rental Property Management Services <input type="checkbox"/> Strata Management Services | | Approved by |
| Is the corporation or partnership in good standing with the B.C. Corporate Registry and any other applicable registry? | | BCSC/Ins/FIC |
| Give the full name of and office held by every director, officer and partner of the applicant. If a partner of the applicant is a corporation, give the full name and office of every director and officer of that corporation. <i>If more space is required, attach a separate sheet. If the individuals listed do not correspond with those recorded with the Corporate Registry or other applicable registry, supporting documentation will be required. Note: each director, officer and partner of the applicant must complete a separate Information Respecting Director, Officer or Partner Information form.</i> | | Cond/Restrictions |
| Full name | Office held | |
| Full name | Office held | |
| Full name | Office held | |

PART B – BROKERAGE INFORMATION

| | | |
|--|-------------------------------------|--|
| Office address of brokerage – Suite #/Street | | |
| City, Province | Postal code | Please indicate whether this is a commercial or residential location |
| Phone number for that office | Fax number, if any, for that office | Email address, if any, for that office |
| Mailing address for delivery (this is the address the Council will use for mailing to the brokerage notices required by the Real Estate Services Act). The Council will use the brokerage office address for delivery of these notices unless you provide a different mailing address in this space. | | |
| Names and branch locations of all savings institutions at which accounts will be maintained by the brokerage | | |
| Full name of each proposed managing broker (Note: each proposed managing broker must complete a separate Application for Representative, Associate or Managing Broker Licence form) | | |

PART C – INFORMATION RESPECTING REPUTATION AND SUITABILITY

For any question for which the answer is "Yes", attach complete details as an exhibit.

| | |
|--|--|
| 1. Has the corporation or partnership ever been convicted of, or is it currently charged with, a criminal or other offence under a federal or provincial enactment, or under the law of any foreign jurisdiction? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. Has the corporation or partnership ever been subject to bankruptcy, insolvency or receivership proceedings? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Has the corporation or partnership ever had any court orders or judgments made against it in relation to real estate services, a dealing in insurance, mortgages or securities, or misappropriation, fraud or breach of trust? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4. Has the corporation or partnership ever been refused a licence, or held a licence that was suspended or cancelled, under real estate, insurance, mortgage broker or securities legislation in British Columbia or another jurisdiction, or has the corporation or partnership ever been disciplined by a professional body? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

PART D – FINANCIAL REQUIREMENTS

Total estimated operating and capital expenditures for first 3 months of operation (attach completed Form A Brokerage Operating Expenses, statutory declaration and related schedules)

Form A total \$ _____

PLUS Council requirement \$ 5,000

= Total estimated unimpaired working capital required for the purposes of assessing financial qualification for brokerage licensing \$ _____

PART E – CERTIFICATION

I certify that I am a director, officer or partner of the applicant for licensing, and that the information and statements contained in this application and any attachments are true and complete.

Name of applicant

Signature

Dated MM/DD/YYYY

Title or position

Mailing Address

Real Estate Council of British Columbia
900 – 750 West Pender Street
Vancouver, B.C., Canada V6C 2T8

Enquiries

Telephone: 604.683.9664 Toll-free: 1.877.683.9664
Fax: 604.683.9017
www.recbc.ca

BROKERAGE OPERATING EXPENSES

Form A

ESTIMATE OF EXPENDITURES DURING FIRST 3 MONTHS OF OPERATION

Operating:

| | | |
|---|--------------------------------|---------|
| Rent, property taxes, etc. | 3 months X \$_____ per month = | \$_____ |
| Hydro & utilities | 3 months X \$_____ per month = | \$_____ |
| Telephone & Fax | 3 months X \$_____ per month = | \$_____ |
| Salaries (Admin. & Sales) | 3 months X \$_____ per month = | \$_____ |
| Employee benefits (Employer portion of CPP, MSP, EI, etc.) | 3 months X \$_____ per month = | \$_____ |
| Advertising | 3 months X \$_____ per month = | \$_____ |
| Promotion & Entertaining | 3 months X \$_____ per month = | \$_____ |
| Automobile Expenses | 3 months X \$_____ per month = | \$_____ |
| Office expenses (stationery, supplies, etc.) | 3 months X \$_____ per month = | \$_____ |
| Accounting & Legal expenses | 3 months X \$_____ per month = | \$_____ |
| Interest & bank charges | 3 months X \$_____ per month = | \$_____ |
| Dues & fees relating to memberships, etc. | 3 months X \$_____ per month = | \$_____ |
| Recurring franchise fees | 3 months X \$_____ per month = | \$_____ |
| Insurance & Licence fees | | \$_____ |
| Other (Specify:_____) | | \$_____ |
| Other (Specify:_____) | | \$_____ |

Capital:

| | | |
|--|--|---------|
| Purchase of capital assets, etc. in the first 3 months | | \$_____ |
| Other (Specify:_____) | | \$_____ |

Total: \$_____

**CANADA
PROVINCE OF
BRITISH COLUMBIA**

IN THE MATTER OF

(name of proposed brokerage)

SOLEMN DECLARATION

I, _____, proposed managing broker, of _____
(name of proposed managing broker) *(residential address)*

in the Province of British Columbia SOLEMNLY DECLARE that the Balance Sheet of _____
(name of proposed brokerage)

as at _____, attached as Schedule 1 along with all other relevant schedules, is true and
(date of balance sheet)

correct to the best of my knowledge and belief.

AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at _____)
_____)
in the Province of British Columbia,)
this _____ day of _____)
A.D. 20 _____)

(signature of proposed managing broker)

.....
A Notary Public in and for the Province of British Columbia
A Commissioner for taking Affidavits for British Columbia.

Schedule 1 Showing the
BALANCE SHEET
of

(Name of brokerage)

as at _____
(Date)

Current Assets:

| | | |
|--------------------------------------|----------|-----------------|
| Cash | \$ _____ | |
| Accounts receivable (See Schedule 2) | _____ | |
| Other (Specify _____) | _____ | |
| Total current assets | | \$ _____ |

| | | |
|--|-------|-----------------|
| Investments (See Schedule 3) | _____ | |
| Capital assets (See Schedules 4 and 5) | _____ | |
| Other assets: | | |
| Incorporation costs | _____ | |
| Franchise cost | _____ | |
| Other (Specify _____) | _____ | |
| Total assets | | \$ _____ |

Current Liabilities:

| | | |
|---|----------|-----------------|
| Accounts payable & accrued liabilities (See Schedule 6) | \$ _____ | |
| Other (Specify _____) | _____ | |
| Other (Specify _____) | _____ | |
| Total current liabilities | | \$ _____ |

| | | |
|--|-------|--|
| Directors/Shareholders loan (Covered by Subordination Agreement) | _____ | |
| Long term liabilities (including mortgages, agreements for sale, etc.) | _____ | |

Equity

| | | |
|---------------------------------------|-------|-----------------|
| Share Capital: | | |
| Issued Common/Ordinary shares | _____ | |
| Issued Preference & Other shares | _____ | |
| Retained Earnings (Deficit) | _____ | |
| Total liabilities & equity | | \$ _____ |

Statement of Assets and Liabilities referred to in the attached declaration of: _____
(Name of managing broker)

(Signed)

(Date)

A Notary Public in and for the Province of B.C.
A Commissioner for taking affidavits within B.C.

Schedule 2
ACCOUNTS RECEIVABLE

Supporting Schedule to Balance Sheet

of _____
(Name of brokerage)

as at _____
(Date)

Trade Accounts Receivable are defined as amounts due from clients or customers dealing with you at arms-length and arising from products or services sold within the normal operating activities of the business. List these under Section A.

Please classify the receivables individually according to the period outstanding. Include only the receivables that are current and that are collectable. **Do not include projected receivables.**

Non arms-length, non-current and receivables other than trade receivables (ie. from related parties) should be identified in Section B. Please note the terms and conditions of repayment.

| (A) Trade Accounts Receivables: | | | | | |
|---|---------|---------------------|-------------------|------------------|-------|
| Name of account | Details | Age | | | Total |
| | | Over 90 days amount | 31-90 days amount | 1-30 days amount | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| (B) Non arms-length, non-current and other receivables: (ie. Due from related parties) | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Schedule 5
CAPITAL ASSETS AND AMOUNTS OWING
AGAINST PROPERTY AND EQUIPMENT

Supporting Schedule to Balance Sheet

of _____

(Name of brokerage)

as at _____

(Date)

| Description | Cost | Current market value | Net amount <i>(ie. Cost – accumulated amortization)</i> | Details – Monthly debt payments, etc. on capital asset loans |
|---------------------------------------|------|----------------------|--|--|
| <i>Automobile</i> | | | | |
| <i>Office furniture and equipment</i> | | | | |
| <i>Computer equipment</i> | | | | |
| <i>Other property</i> | | | | |

Schedule 6
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Supporting Schedule to Balance Sheet

of _____
(Name of brokerage)

as at _____
(Date)

Include any amounts owing to any person which has not been listed elsewhere

Accounts payable

| Name of creditor | Date of purchase | Amount owing |
|------------------|------------------|--------------|
| | | |
| | | |
| | | |
| | | |
| | | |

Accrued liabilities

| Name of creditor | Type of expense | Amount accrued |
|------------------|-----------------|----------------|
| | | |
| | | |
| | | |
| | | |
| | | |

If a brokerage borrows funds from an individual or corporation to meet the unimpaired working capital requirement for new brokerages, a separate Subordination Agreement must be completed by each party lending funds to the brokerage (ie. one lender per agreement).

In accordance with section 7-8(2)(c) of the Council Rules, the Council may require a brokerage to re-establish itself to a state of solvency. In order to achieve this, the brokerage may be required to borrow funds from an individual or corporation, and as a result, a Subordination Agreement will be required in order to ensure that specific levels of working capital are maintained by the brokerage.

Instructions

- (1) Complete the Name and Address sections for the Lender and Borrower.
- (2) Complete section (2) as to the debt instrument, date of loan and amount of loan.
- (3) Have both the Borrower and the Lender sign the agreement and have the signatures witnessed.
- (4) As indicated in the Subordination Agreement, the Lender will not demand or accept any payment of the debt from the brokerage and the brokerage will not pay any amount in whole or in part until:
 - a. The company has received written permission from the Council to repay a portion of or all of the debt;
 - b. Permission to withdraw funds from the brokerage is granted by the Council any time after the first three (3) months of licensed operations, if the brokerage has sufficient current assets to discharge all of the current liabilities plus the shareholder loan. Permission is usually granted within five (5) business days.
- (5) Failure to comply with the terms of the Subordination Agreement may affect your continued licensing under the Real Estate Services Act.
- (6) In keeping with section 7-7(4) of the Council Rules, a copy of this agreement must be provided to your accountant when he/she is engaged to prepare the Accountant's Report.

THIS Subordination Agreement has been made this _____ day of _____, 20____.

BETWEEN

Name: _____

Address: _____

(herein called the "Lender")

AND

Name of Brokerage: _____

Address: _____

(herein called the "Borrower")

AND

REAL ESTATE COUNCIL OF BRITISH COLUMBIA

900 – 750 West Pender Street

Vancouver BC V6C 2T8

(herein called the "Council")

WHEREAS:

- (1) The Borrower desires to obtain, renew or maintain licensing pursuant to the *Real Estate Services Act* (herein called "the Act").
- (2) The Borrower acknowledges having borrowed from the Lender the following:

| Debt Instrument | Date of Loan | Amount |
|---|--------------|----------|
| (ie. Shareholder Loan, Related Party Loan, Promissory Note, etc.) | | |
| _____ | _____ | \$ _____ |

- (3) The Lender will not demand or accept payment of, and the Borrower will not pay, any amount in whole or partial satisfaction of the Borrower Debt until:
 - (a) Written authorization is obtained from the Council.
 - (b) Permission to withdraw funds from the brokerage is granted by the Council any time after the first three (3) months of licensed operations, if the brokerage has sufficient current assets to discharge all of the current liabilities plus the shareholder loan. Permission is usually granted within five (5) business days.
- (4) Failure to comply with the terms of the Subordination Agreement may affect your continued licensing under the Act.
- (5) The Borrower's Debt is hereby subordinated and postponed to and will hereafter rank subsequent to any claims of General Creditors ("General Creditors" means the persons, other than the Lender, now from time to time having claims against the Borrower).

IN WITNESS WHEREOF the parties hereto have executed the Subordination Agreement on the day and year first above written.

TO BE COMPLETED BY THE LENDER

| | | |
|---------|---------------------------------|---------------------|
| | | |
| Witness | Name of Lender (<i>Print</i>) | Signature of Lender |

TO BE COMPLETED BY THE BORROWER

| | | |
|---------|-----------------------------------|----------------------------------|
| | | |
| Witness | Name of Borrower (<i>Print</i>) | Authorized Signatory of Borrower |