

Regional Guide for Reviewing OP Transfer Applications



- ☐ Disclose all investors and follow up on Item 23s
- ☐ File Data Sheet
 - a. Licensee matches our current records
 - b. Ownership must total 100%
 - c. Include all sub-entity ownership
 - d. Review the changes from the ownership on file to the changes on the File Data Sheet
 - e. Confirm if Market Center has undistributed shares/treasury
 - f. Date investors participated in Investor Workshop
 - g. Date investors and leadership attended FSO
 - i. Leadership every 3 years
 - ii. Controlling Principals (20%+ ownership) ever 5 years
 - iii. Principals every 10 years or at Renewal
- ☐ Career Visioning Packet
 - a. Needed for first-time OPs.
- ☐ Franchise OP Application Questionnaire (Needed for first-time OPs)
- ☐ Multiple Market Center Application
 - a. Required if OP or Controlling Principal is investor in other Market Centers
- ☐ Financial Statement
 - a. Needed for new Controlling Principals
 - b. Financial Statement is completed in full, including the Contingent Liabilities and General Information sections.
- ☐ Purchase/Sale Documents
 - a. Review the changes from the ownership on file to the changes on the File Data Sheet – Make sure that all changes have supporting documents.
- ☐ Entity Docs (Operating Agreement/Bylaws/Partnership Agreement)
 - a. We will need an amendment to the Operating Agreement / Bylaws / Partnership Agreement reflecting new OP.
 - b. Ownership will need to be updated
 - c. Market Center entity's current Operating Agreement / Bylaws / Partnership Agreement should address the required provisions (see Provisions Checklist)
- ☐ Insurance
 - a. Please submit a Certificate of Insurance (COI/Accord Form)
 - i. General Liability (\$1M limit/\$1M aggregate)
 - ii. Auto Liability for non-owned and hired autos (\$1M)
 - iii. Real Estate E&O (\$1M/\$2M commercial)
 - iv. Worker's Comp (\$500K)
 - v. Should name Keller Williams Realty, Inc. and its designated affiliates 1221 S. Mopac Expwy, Suite 110 Austin, TX 78746 as additional insured under the Market Centers [General Liability, Auto and E&O policies]
- ☐ Regional Overview and Endorsement
 - a. Should be completed in full with written recommendation
- ☐ Application Fully Signed
 - a. If OP is RD: ROP will need to sign the application

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If there is an entity change we will need the additional information:

- ☐ Insurance
 - a. Please include evidence that the required E&O liability insurance policy has been either: (i) extended for a period of at least two (2) years beyond the date KWRI approves the transfer through the purchase of “tail” coverage; or (ii) replaced with a policy maintained by the new licensee entity that expressly covers claims brought in connection with the operation of the Market Center prior to the transfer.
- ☐ Entity Documents
 - a. New Operating Agreement/Bylaws/Partnership Agreement reflecting New Entity
 - b. Submit budget/forecast
 - c. Proof of 3 months reserves or \$150,000 in cash
 - d. Filed Articles of Organization, Articles of Incorporation or Certificate of Limited Partnership
 - e. Letter from the OP candidate stating that the Market Center entity has not conducted business since its formation
 - f. Registration of Trade Name or dba (Keller Williams Realty) with the proper body in your state
 - g. Confirmation documents indicating Tax ID or EIN number