

NOTICE TO REAL ESTATE BROKERS

Listing Broker Services

Date Posted: April 14, 2010

Closing Date: April 28, 2010

Closing Time: 5:00 PM Eastern Standard Time

Late Proposals will not be considered

Harrington, Moran, Barksdale, Inc. (HMBI) is a prime contractor to the Department of Housing and Urban Development (HUD) providing Management and Marketing services of Single Family Housing Programs in Alaska, Idaho, Illinois, Indiana, North Carolina, Oregon, South Carolina, Virginia, West Virginia, and Washington.

This "Notice to Real Estate Brokers" (the "Notice") is being provided to parties who may have an interest in submitting proposals to act as a subcontractor to perform the services of a Listing Broker (LB). The LB will be required to provide wide market exposure for HUD-Owned properties via the appropriate Multiple Listing Services (MLS) and perform other related services for HMBI on behalf of HUD.

HMBI intends to utilize the services of local real estate professionals to list the properties. HMBI encourages teaming, joint ventures and consortiums in a networking of Brokers to achieve optimum marketing efficiencies. Successful proposals must have a participant with a primary place of business within reasonable proximity to the properties that will be listed for sale. The following areas are open for response:

| HOC | Geographic Region |
|---------|-------------------|
| Atlanta | Illinois |
| Atlanta | Indiana |
| Atlanta | North Carolina |
| Atlanta | South Carolina |

Each respondent is required to submit a written proposal for the areas for which they could successfully perform the required services.

HMBI encourages small, disadvantaged, minority-owned, and woman-owned businesses to respond to this Notice. A business Ownership Profile, consisting of three questions listed on the Offer Page contained herein is a required part of each respondent's proposal.

Section C - Work Statement - Scope of Work.

I. Background:

HUD has articulated specific goals for the M&M contract, which are to (1) promote affordable housing; (2) preserve communities; (3) minimize holding times; and (4) achieve the highest possible yield. HMBI is committed to assisting HUD in meeting its goals and believes that it can be achieved by valuing the properties accurately and exposing them to the greatest pool of potential purchasers. The Listing Broker Sub-Contractor must also demonstrate a commitment to HUD's long-term objectives.

II. Description:

The Sub-Contractor shall provide, within the geographic area described in Section B, all facilities, material, supplies, equipment, labor, and services required to successfully place single family (1-4 units) properties owned by the U.S. Department of Housing and Urban Development (HUD) on a local multiple listing service (MLS), answer inquiries regarding the property, and perform all other functions associated with the bidding and listing of properties which are customary to the local real estate regulations as set forth in all HMBI M & M contract areas.

III. Offices, Equipment and Staffing:

In each contracted State, the Listing Broker shall provide and maintain:

- a minimum of one (1) office located in or within a major city of specified coverage area;
- a toll free telephone number available to public use available throughout the contracted area(s);
- an E-mail address and a web-site that provides additional pertinent information related to properties in specified coverage area;
- the standard Fair Housing non-discrimination signs prominently displayed in the offices;
- all necessary supplies, furniture equipment, signs and technology to provide the required services including at least a personal computer system with Internet access to transmit and receive information electronically;
- at all times, seven days a week from 8:00 a.m. to 5:00 p.m., an agent available to take calls from interested parties and real estate agents and give appropriate information on all listed properties;
- at all times, Monday through Friday from 8:00 a.m. to 5:00 p.m., a designated administrative person to take assignments of properties, track the progress of listings, contracts and closings.

IV. Disclosures and Representations:

The Listing Broker shall:

- Not make any warranties or representations concerning the condition of any

- property;
- Make all disclosures concerning dual representation as may be required by state or local law.

V. Specific Tasks:

The tasks outlined below are applicable to each assigned property. The Sub-Contractor shall perform each of the following tasks, which is applicable to each specific property. The Sub-Contractor's actions shall enable timely marketing and sale. The Sub-Contractor's price shall provide the full and entire compensation for all required tasks, including any related sub-contracting costs. The Sub-Contractor must determine the additional needed resources to complete their field responsibilities (those conducted outside the Office).

A. MLS Listing:

The Sub-Contractor will be given a Listing Input Sheet prepared by HMBI, with the basic listing information (address, price, terms, etc.) for each newly assigned property. The Sub-Contractor will, at its own expense:

- Determine the appropriate MLS board for each listing;
- Provide all human resources, MLS memberships, data retrieval services for state/county records, licenses, materials and technical equipment.

Provide that all MLS listings shall:

- Contain a statement that the property is offered "as is";
- Provide that cooperating brokers may receive up to 5% commission;
- Contain the standard Fair Housing non-discrimination clause;

Refer potential purchasers to HMBI's web-site for additional information on:

- Lead-Based paint notification;
- Instructions to Selling Brokers and potential purchasers concerning electronic bidding and earnest money procedures;
- Information concerning any defects known to HMBI or the Listing Broker;
- Notice that the potential purchaser may receive upon request the Property Condition Report, and
- Notice whether the property is offered with or without FHA insurance.

B. Initial Assignment:

As soon as possible after the Award Date, HMBI shall furnish Sub-Contractor an initial list of properties. Sub-Contractor shall data enter the initial list of properties within 48 hours from receipt of the Initial List. MLS print-outs confirming entry must be delivered to HMBI on a daily basis.

C. Subsequent Assignments:

Additional property listings shall be assigned to Sub-Contractor on a daily basis. Within 24 hours from receipt of HMBI's listing input sheet:

- Enter property listing information into the appropriate MLS. Only required fields and miscellaneous information in the notes section will be provided;
- Place a HMBI approved "For Sale" sign at each listed property. HMBI and/or

Listing Broker will notify potential purchasers that any broker can assist in the purchase of HUD properties.

- If required by the local MLS, place an approved lockbox on each listing that meets the criteria of local MLS rules and regulations within 2 calendar days of notice by HMBI of a new acquisition and maintain house keys for the property in the lockbox at all times,
- Deliver proof of MLS listing to HMBI in the form of a MLS page for each property within 2 hours of MLS input.
- The property must be accessible at all times to HUD, HMBI, its employees, subcontractors and agents, and Real Estate Agents (regardless of their affiliation to or membership in MLS);
- If property is not accessible to all listed parties for any reason, notify HMBI immediately;
- Increase the exposure of HUD properties by listing the properties on consumer websites or websites that are accessible by the general public or agents who do not belong to the local MLS, such as Craigslist.com, youtube.com, realtors.com etc... The websites will include the same information as the MLS site, i.e., maps, directions, and pictures of the properties;
- Provide a monthly report to HMBI on the additional website listing, excluding the MLS where the HUD properties are listed;
- Participate in a monthly conference call with the Marketing Department;
- Within 24 hours assignment complete a visual inspection and complete a Listing Inspection report on each property to obtain the necessary information necessary to complete the MLS data entry and ensure the property is in “ready to show” condition. The report must be delivered to HMBI within 24 hours of assignment;
- Meet a utility service provider at the property when requested;
- Provide HMBI with a list of sub-brokers and the MLS designated or assigned geographic area assigned to those sub-brokers;
- Provide a monthly report on how opportunities for all licensed brokers to participate in the REO program regardless of membership to the MLS was met;
- Provide information to HMBI as necessary on industry meetings in various locations throughout the year for other brokers and agents;
- Place information on the MLS regarding HMBI’s Industry Training;
- As necessary, Listing Broker may be required upon request from HMBI to retrieve state/county records and licenses;
- Submit all printed materials such as advertising, sales materials, flyers, etc. to HMBI for review and approval prior to distribution;
- Maintain brochures and printed materials regarding the HUD bidding process and HUD’s Affordable Housing Program in the Listing Broker office;
- Maintain a log of all inquiries regarding HUD properties. The log should contain the case number, property address, the name and phone number of the individual making the inquiry, the nature of the inquiry and resolution information;
- Mandate compliance with the Fair Housing Act;
- Assist with monitoring brokers and agents who misrepresent themselves as exclusive agents to list and/or sell HUD properties; and report such instances to HMBI in writing
- Provide a weekly listing of available properties to brokers and agents outside the MLS perimeters via email or fax;

- Retrieve the “For Sale” signage upon notification of the property closing;
- Provide “Competitive Market Analysis” within 48 hours of HMBI’s request;
- Provide exceptional service to prospective purchasers, brokers and agents. Provide information regarding the electronic bidding procedure, how to obtain access to the property and information about the property’s availability and status;
- Be available to show properties to potential purchasers when an agent is unavailable
- Work with the HMBI Marketing staff, as necessary, to develop strategies for hard-to-sell properties and aged inventory;
- Attend real estate and general public trade shows to promote HUD properties;
- Partner with HMBI to provide training on the HUD home selling/buying process to brokers, agents, lenders, investors and homebuyers;
- Participate in Affordable Housing seminars;
- Promote HUD Direct Sales programs to non-profit and community organizations that support affordable housing programs;
- Promote HUD home sales to individual families to increase homeownership for first time buyers and to increase sales to owner-occupants;
- Inform HMBI when any vandalism or damages have occurred to the property;
- Listing Broker will provide written report of activities, meetings attended, etc. each month;
- Listing Broker will provide HMBI with interior and exterior photos that shall emphasize aspects of the property that would be appealing to prospective buyers and be points of interest for marketing purposes;
- Place their signage in vacant lot or properties assigned to them as hard sell
- See attachment for a list of State and County assignment.

D. On-Going Tasks:

- Replace house keys in lockboxes within 24 hours of notice that the key is missing;
- Sign-In on the Sign-In sheet every time the Listing Broker and/or its staff and sub-contractors enter a property;
- Be professional and responsive to the public and other procuring broker calls, providing current information as to each property’s availability, status and how to obtain access to each listed property. This includes explaining the method of electronic bidding and other terms of programs available to all callers;

Receive "change in status" notices from HMBI and enter such changes within 4 hours into the MLS when:

- a property is pulled from the market;
- an offer is accepted by HMBI;
- a property closes escrow;
- an escrow fails and the property is put back on the market;
- there is a new listing amount as determined by HMBI;
- there are new escrow repair conditions; and
- any other status changes deemed necessary by HMBI.
- Periodically reconcile MLS Listings with the Listings advertised on HMBI's Internet Site and report any differences;
- Date and time stamp all information provided by HMBI to the Listing Broker at receipt;

- Maintain a close working relationship with HMBI's marketing staff to ensure submitted contracts are complete, accurate and presented on the correct forms;
- Attend HMBI training programs and meetings to remain updated on current policies;

Listing Broker Sub-Contract HMBI-001

- Prepare for HMBI's execution any disclosure statement required by state or local law;
- Provide all HOA/Condominium documents to potential purchasers as required by state or local law.
- Subcontractor shall maintain sufficient amount of HUD Keys in his local offices and shall distribute keys only to HUD approved real estate brokers when so requested.
- Subcontractor shall maintain a log for distributed keys – This log should include the following information: date supplied, name of broker and signature of authorized person who received it.

From time to time the Scope of Work as described above may be modified, expanded or narrowed at the discretion of HMBI. Prior to incurring any expenses not expressly included in the Scope of Work above, the Listing Broker must get written approval from HMBI. Failure to obtain this approval may result in the expenses not being reimbursed.

Proposal Evaluation

All proposals submitted in response to this Notice to Real Estate Brokers must contain information to adequately demonstrate the respondent's ability to successfully perform the requirements of the Scope of Work. This includes but is not limited to the respondent's experience, adequacy of personnel and facilities and financial capability. Responses that fail to include such information will be deemed non-acceptable and rejected. Please be cognizant of the HUD articulated goals for the contract when submitting the proposal.

All proposals will be evaluated taking the following weighted technical factors into consideration. Each factors relative weight percentage is below.

- a. Development of a strategic plan / operations plan that meets/exceeds HUD's objectives 35%
- b. Development of a Quality control Plan describing how accuracy, timeliness, and adequate performance will be ensured. Specifically address how inquiries and/or complaints from the public and other brokerage companies will be monitored, managed and resolved 15%
- c. Evidence of prior experience performing responsibilities similar to those found in the Scope of Work 30%
- d. Character and integrity – Please provide three (3) letters of reference containing contact information from previous clients; one of which should be from the previous M&M contractor if you were a sub-contractor under the most recent contract 20%

While price is an important consideration, HMBI will consider all factors when making a final determination and may award the Listing Broker contract(s) to a respondent that does not offer the lowest price for performing the Scope of Work. Nonetheless, if two or more competing responses are nearly identical based upon the above criteria, price may be the determining factor.

In NO event will any offer be considered if the Listing Broker fee exceeds one percent (1%).

Instructions to Respondents

1. Submit two (2) copies of the proposal in one envelope or package. Please staple the pages of each copy. Do not use binders of any kind. Deliver by a service that provides a tracking system so that the receipt of the package will be provided to respondent with delivery date and time noted. The delivery address is as follows:

Harrington, Moran, Barksdale, Inc.
ATTN: Latricia Milligan
2000 East Lamar BLVD
SUITE 710
Arlington, Texas 76006

2. Faxed or electronic submittals are NOT allowed and will not be accepted. Please do not telephone with inquiries. It is the responsibility of respondents to check the web site frequently for information. No individual notices or replies will be sent.

3. Provide a cover page that contains ONLY the following information:

- Geographic area for which respondent is submitting a proposal (List By County)
- Name of the person authorized to represent the respondent
- Company name, address, telephone number, fax number and e-mail address
- Company Tax ID Number
- HUD Name and Address Identifier (NAID)
- Real Estate Broker's License Number and state where issued

4. Limit proposal to a maximum of five (5) typed and numbered pages, excluding the cover page, offer page and exhibits described in section 5, on 8 ½ by 11" white paper. Margins may not be smaller than one inch and type font may not be smaller than 12-point size. Note: Only the first 5 pages will be evaluated. The 6th page MUST be the Offer Page.

5. In addition to addressing the considerations identified in the Proposal Evaluation, responses must contain the following exhibits:

- A copy of the current Broker's License for the Area and a copy of the Real Estate license history from the Real Estate Commission in form of a Certification of Licensure.
- Names and contact information for each MLS membership
- Name and contact information for the state real estate licensing authority
- A brief resume of each of the key personnel who will be involved in performing the responsibilities identified in the Scope of Work. Please indicate whether the individuals are full-time or part-time and what percent of their time will be allocated to this contract
- A current, signed statement of the respondent's financial capability
- A description of the respondent's office facilities and equipment
- Certificate of Business Insurance that reflects at least \$1,000,000 for Comprehensive General Liability and \$500,000 for combined Motor Vehicle Liability and Property Coverage. In accordance with state and local laws, the Listing Broker must also have Worker's Compensation insurance. Minimum of \$500,000 of professional E&O Insurance is required of respondents.

6. The final page of the proposal must contain the respondent's offer price to perform the responsibilities in the Scope of Work. This offer price is to be given as a fixed

percentage (%) of the net closing price per property, not to exceed one percent (1%). Please Note: Listing Brokers fees will not be paid at closing. HMBI will pay Listing Brokers upon receipt of payment by HUD.

All respondents must conduct an independent analysis of the potential volume and price of properties. HMBI makes no statement regarding trends for the future, and nothing contained in this Notice should be relied upon by the respondent in determining whether or how much to offer.

HMBI may award the Listing Broker Contracts without discussion or negotiation; however, HMBI reserves the right to hold informal discussions with closely competitive respondents to clarify points of information. HMBI also reserves the right to negotiate the offer price with any respondent that submits a qualified technical proposal and further reserves the right to award or not award the Listing Broker Contract(s) to the respondent(s) with whom discussions and negotiations occurred.

Please make certain your proposal is complete and the price submitted is adequate for the scope of work required.

VI. Disincentives

In order to ensure that HMBI receives the highest quality from the Listing Brokers they employ the following schedule of disincentives will be in effect for the contract

Failure to submit accurate, timely and complete MLS sheets listed in the proper Multiple Listing Service for the county as recognized by the local Association of REALOTRS© will result in a 100% forfeiture of the fees earned for that property.

Example – 20 listings closed in the month of March and a review of the 20 listings shows that 2 of the properties were never placed in the MLS. You would only be paid for the 18 listings that meet the requirements of your contract.

Failure to remit information showing that alternative means of advertising are being used by the listing broker to achieve the objectives of reaching broad market exposure will result in a 100% forfeiture of the fees earned for that listing.

OFFER PAGE

A copy of this page must be the last page in your proposal. If your proposal is five (5) pages this must be page 6. HMBI will not review any information beyond page 6.

In the blanks below, type or write legibly the price at which you will perform the Scope of Work and the County for which you are submitting a proposal. The price must be expressed a percentage of the net sales price of each property that will be listed according to the Listing Broker Agreement, not to exceed 1%. (If submitting for multiple counties please place one of these sheets for each county you are applying for)

Place your price and indicate the Area here:

_____ % County of _____
 _____ % County of _____
 _____ % County of _____
 _____ % County of _____
 _____ % County of _____

Business Ownership Profile

Check all that are applicable:

- Small Business
- Veteran Owned Small Business
- Service-Disabled Veteran-Owned Small Business
- HUBZone Small Business
- Small Disadvantaged Business Concern
- Women Owned Small Business
- Minority Owned
- Large Business

Type of Organization:

- Individual/Sole Proprietor
- Corporation
- LLC
- Limited Liability Partnership
- Limited Partnership

Signature

Print Name: (Authorized Signatory

Title

Date