

The Property Shop Realty & Investments, LLC

Policies and Procedures

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&
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Michael Franklin
Designated Broker and Owner
The Property Shop Realty & Investments, LLC
24654 N Lake Pleasant Parkway #103-426
Peoria, AZ 85383

Welcome: We are excited that you have chosen to join The Property Shop Realty & Investments, LLC to enhance your Real Estate career. Selecting a Realtor® is similar to selecting other professional services (e.g. legal services, tax preparation, financial planning, medical, etc.). Given the financial importance of selling or buying a home today, our clients need the best Realtor® that they can find. We feel there is a better way to approach “The Client”, other Realtors®, and the Real Estate Industry here at The Property Shop Realty & Investments, LLD.

As a Real Estate Professional, we hope you will appreciate the simplicity found within The Property Shop Realty & Investments, LLC and our requirements. We look forward to helping you grow your business and Real Estate Career.

We have streamlined file-reporting requirements and are using a modified SureClose system to accomplish this. We are set-up to help maximize your time and help you fulfill your income potential. This is an Agent-Based Company.

Your Team at The Property Shop Realty & Investments, LLC includes:

Designated Broker/Owner/Realtor® – Michael Franklin’s main goal is to provide a professional working environment to assist your efforts to succeed within our industry. Besides being a broker the past two years at another Real Estate company, he remained active as a Realtor®. This experience will ensure that we work together within the Arizona Revised Statutes, The Arizona Regional Multiple Listing Service (ARMLS), the Local, State and National Association of Realtor®. It is your responsibility to notify the Designated Broker of any and all potential legal matters that may arise from your normal duties as a Realtor® with our office.

Owner/Realtor® – Kimberly Franklin is an active Realtor® with over six years experience. She will assist in handling the day-to-day operations of the Company. These include assisting agents with listing and sales transactions, answering questions related to these transactions, hiring new Realtor®, distribution of commission checks in a timely manner (paid directly from the title company), prepare and collect Realtors® monthly billing, and to supervise the daily operations.

Transaction Coordinator/Realtor® – Erin Weideman will track each and every step in the closing process to reduce the risk of a delayed closing or a failed deal. She assists in handling day-to-day office duties.

Training Coordinator/Realtor® – John McConnell has been an instructor at another Real Estate company for more than two years. He is an active Realtor® with over six years experience and believes in ongoing education. He will assist you in developing a higher level of expertise, which will help you differentiate yourself from other Realtors®.

All Realtors® upon joining The Property Shop Realty & Investments, LLC will be asked to attend a short “New Hire Orientations” to introduce the team, review the requirements for success, and to answer any questions.

File Requirements: We expect that our Realtors®/Agents will use their best judgment when representing their clients and our company. If a property has a pool than the pool safety notice, “Surprise/Luke Air Force Base Map” requirement, if it was built before 1978 then a Lead Base Paint Disclosure, or any other factors that Realtor®/Agent recognized as an issue that needs to be disclosed to a client – The Property Shop Realty & Investments, LLC expects our Realtors®/Agents to do so and have the proper disclosures signed and/or initialed and turned in to our office within the legal timeframe. It is company policy to have the most complete files available to ensure we have complied with the Arizona Department of Real Estate and our “Errors and Omissions” provider. The following items are required (but not limited to) for each individual transaction. All paperwork must be turned within forty-eight (48) hours. Those forms/copies marked with an asterisk (*) require our Broker’s signature and/or his initials; therefore, they must be included as part of your package forwarded to our Broker. All copies need to be clear and legible. Please fax/e-FAX all file requirements to 1-866-929-7520.

Listing Requirements:

- Transaction Cover Sheet – 3 pages
- ARMLS – Full Active Listing Property Report (your ARMLS listing)
- Exclusive Right To Sell – 3 pages*
- ARMLS Profile Sheet: “Class – 1” – 6 pages*
- Seller Advisory (initialed by sellers) – 1 page
- Disclosure Statement (SPDS) – 6 pages
- Insurance Letter – Property Claim History or C.L.U.E Report
- Real Estate Agency Disclosure – 1 page
- Maricopa County Tax Report (from IMAPP) – 1 page
- Comparable Properties (from IMAPP tax records also shows non-mls sales)
- Comparative Market Analysis (flexmls)
- Market Conditions Advisory – 1 page

Additional Information (if required):

- ❑ Lead – Based Paint Hazards (prior to 1978) – 1 page
- ❑ Surprise/Luke Notification Map – 1 page
- ❑ ARMLS Sold/Change – 2 pages*
- ❑ HOA Condominium/Planned Community Addendum – 1 page
- ❑ Seller HOA Condominium/Planned Community Information – 1 page
- ❑ Consent To Limited Representation (if required) – 1 page
- ❑ Any Addendum – 1 page: (1)*, (2)*, (3)*
- ❑ Any Counter Offers – 1 page: (1)*, (2)*, (3)*

Additional Information Required for a Short Sale:

- ❑ Short Sale Addendum: To Listing Contract – 1 page*
- ❑ Short Sale Addendum: To Purchase Contract – 2 pages
- ❑ “As Is” Addendum – 1 page
- ❑ Page 8 of Purchase Contract – noted “No SPDS or Clue Report”
- ❑ Borrower Authorization
- ❑ Call Log (if requested)

Additional Information Required for a Real Estate Owned (REO) by a Bank/Lender:

- ❑ Listing Agreement from the Bank/Lender
- ❑ All Price Changes/Extension Forms
- ❑ Maricopa County Tax Report (from IMAPP) – 1 page

Buyer Requirements:

- ❑ Transaction Cover Sheet (add ____ % commission paid) – 3 pages
- ❑ Buyer-Broker Exclusive Employment Agreement – 2 pages
- ❑ Buyer Attachment/Buyer’s Check List – 1 page
- ❑ Purchase Contract – 9 pages*
- ❑ Any Counter Offers – 1 page each: (1)*, (2)*, (3)*
- ❑ Any Addendums – 1 page each: (1)*, (2)*, (3)*
- ❑ Loan Status Report (LSR) – 1 page
- ❑ Earnest Money Receipt/Escrow # _____
- ❑ Final Walk-Through – 1 page
- ❑ Buyer’s Advisory – 9 pages (but last page only required)
- ❑ Real Estate Agency Disclosure & Election – 1 page
- ❑ Disclosure Statement (SPDS) – 6 pages
- ❑ Insurance Letter – Property Claims History or C.L.U.E Report
- ❑ FHA Inspection Notice (OMB Approval No: 2502-0538)
- ❑ Home Inspection Report/Pest Inspection Report (summary pages only)
- ❑ Buyer’s Inspection Notice & Seller’s Response – 2 pages
- ❑ Copy of MLS printout – (listing = pending)
- ❑ Maricopa County Tax Report – 1 page

- ❑ Comparative Market Analysis (flexMLS)
- ❑ Market Condition Advisory – 1 page

Additional Information (if required):

- ❑ Lead-Based Paint Hazards Disclosure (prior to 1978) – 1 page
- ❑ Pool Safety Notice (if pool) – 2 pages
- ❑ HOA Condominium/Planned Communities Addendum – 1 page
- ❑ Consent To Limited Representation – 1 page
- ❑ Surprise/Luke Notification – 1 page
- ❑ Remedial Projects Sites – 1 page

Additional Information Requirements for Short Sales:

- ❑ Short Sales Addendum – 2 pages
 - ❑ “As Is” Addendum – 1 page
 - ❑ Approval Letter From Lender
- Note – no Buyer Inspection Notice and Sellers Response (BINSR) required for this transaction

Additional requirements for Real Estate Owned (REO) by a Bank/Lender:

- ❑ Seller Addendum Packet (fully executed copy)
 - ❑ Page #8 of Purchase Contract – noted “No SPDS or Clue Report available”
 - ❑ “As Is” Addendum
- Note – no Buyer Inspection Notice and Sellers Response (BINSR) required for this transaction

Rental Requirements: All commissions for Rental Properties are to be made out to The Property Shop Realty & Investments, LLC. If you are representing the landlord/owner of the property make sure that the Landlord/Owner receives a check for rents and deposits made out directly to the Owner and a separate check for the full commission you are owed made out to The Property Shop Realty & Investments, LLC. Be aware that the Landlord/Owner is not to collect more than 1.5 of the total monthly rents as a deposit. Deposits are refundable unless otherwise stated. The Property Shop Realty & Investments, LLC will cut the check to its’ Realtors®/Agents within twenty-four hours.

Rental Listings:

- ❑ Transaction Cover Sheet – 3 pages
- ❑ Registration of Maricopa County Residential Rental Property – 2 pages
- ❑ ARMLS – Full Listing Property Report (your ARMLS listing)
- ❑ Exclusive Right To Sell – 3 pages*
- ❑ ARMLS Profile Sheet: “Class – 2” – 6 pages*

- ❑ Seller Advisory (initialed by sellers) – 1 page
- ❑ Disclosure Statement (SPDS) – 6 pages
- ❑ Lock Box Authorization Form
- ❑ Insurance Letter – Property Claim History or C.L.U.E Report
- ❑ Real Estate Agency Disclosure – 1 page
- ❑ Maricopa County Tax Report (from IMAPP) – 1 page
- ❑ Market Conditions Advisory – 1 page

Additional Information (if required):

- ❑ Lead – Based Paint Hazards for Rentals (prior to 1978) – 1 page
- ❑ Surprise/Luke Notification Map – 1 page
- ❑ ARMLS Sold/Change – 2 pages
- ❑ HOA Condominium/Planned Community Addendum – 1 page
- ❑ Consent To Limited Representation (if required) – 1 page
- ❑ Any Addendum – 1 page: (1)*, (2)*, (3)*
- ❑ Any Counter Offers – 1 page: (1)*, (2)*, (3)*

Rental Representing the Tenant Requirements:

- ❑ Transaction Cover Sheet (add ____ % commission paid) – 3 pages
- ❑ Buyer-Broker Exclusive Employment Agreement – 2 pages
- ❑ Tenant Attachment/Tenant’s Check List – 1 page
- ❑ Residential Lease Agreement – 8 pages*
- ❑ Rental Application
- ❑ Move-In and Move-Out Inspection Form – 4 pages
- ❑ Tenant Credit Report
- ❑ Copy of identification – Drivers License
- ❑ Copy of all checks or Receipts For Deposit on the Landlord’s behalf for move-in
- ❑ Final Walk-Through – 1 page
- ❑ Buyer’s Advisory – 9 pages/last page only
- ❑ Real Estate Agency Disclosure & Election – 1 page
- ❑ Disclosure Statement (SPDS) – 6 pages
- ❑ Insurance Letter – Property Claim History or C.L.U.E Report
- ❑ Copy of Active MLS printout
- ❑ Maricopa County Tax Report (IMAPP) – 1 page
- ❑ Market Condition Advisory – 1 page

Additional Information (if required):

- ❑ Lead-Based Paint Hazards Disclosure for Rentals (prior to 1978) – 1 page
- ❑ Pool Safety Notice (if pool) – 2 pages
- ❑ HOA Condominium/Planned Communities Addendum – 1 page
- ❑ Consent To Limited Representation – 1 page
- ❑ Surprise/Luke Notification – 1 page

- Remedial Projects Sites – 1 page

The majority of the above forms are available from ZipForms at www.zipformonline.com. This system is available to you as an active Realtor®. Once you log in you must change your Realty Company to The Property Shop Realty & Investments, LLC. You must set up all new templates to get your new company's name listed on each form. All your old transactions will still have your previous company name on them, but you should save them as part of your clients file history.

Independent Contractors: All Realtors®/Agents are categorized as "Independent Contractors" as it relates to the Internal Revenue Code of U.S. Government. You must enter into a written Independent Contractors Agreement as provided by The Property Shop Realty & Investments, LLC. This agreement will be in effect on the date your license is transferred and will be in force for one year. The company reserves the right to adjustments from time to time to the agreement at the company's sole and absolute discretion. The independent contractor will be able to review the adjustments and sign for any new changes.

Withholding Taxes, Social Security Taxes and Workman's Comprehension: As an independent contractor with The Property Shop Realty & Investments, LLC, it is your responsibility to file and pay income tax, social security payments and workman's comprehensive insurance. You will be provided with an annual statement of earnings. The Property Shop Realty & Investments, LLC will not deduct any withholdings from your commissions.

Licensing: All Realtors®/Agents must maintain an active Arizona Real Estates License. All Realtors®/Agents will be responsible for maintaining continuing education hours and pay for those fee classes.

Boards and Association Membership: Board and Association membership is required to maintain an active license with The Property Shop Realty & Investments, LLC. Those associations consist of one of the local associations such as West Maricopa Association of Realtors® (WEMAR), the Arizona Association of Realtors® and the National Association of Realtors®. All associations are hereby governed by the Arizona Department of Real Estate, the Rules and Regulations of the Arizona Department of Real Estate, and are expected to adhere to those laws and standards of practice. You are responsible to be familiar with those requirements and conduct your business legally and ethically at all times. Any willful violation of any applicable State or Federal laws or

regulations is cause for immediate dismissal from The Property Shop Realty & Investments, LLC. Further more you agree to act in accordance and compliance with the National Association of Realtors® “Code of Ethics and Standards of Practice”.

Legal Claims and Lawsuit Policy: The cost of The Property Shop Realty & Investments, LLC “Errors & Omission” Policy will be paid through a transaction fee when you have successfully closed escrow. The Policy carries a deductible for each occurrence and the independent contractor will be fully responsible for the deductible payment on any and all claims that may rise from a real estate transaction.

You May Not Obligate the Broker: It is not permissible for the independent contractor to establish vendor relationships that result in changes being made to The Property Shop Realty & Investments, LLC. Vendor billing must not be sent to the office. The Property Shop Realty & Investments, LLC must not be the named party on the bill. The independent contractor should have bills sent directly to him/her. Independent contractors have no authority to bind The Property Shop Realty & Investment, LLC or the Broker by any promise of representation, unless specifically authorized in writing by the Broker/Owner or Owner. No independent contractor shall have the right to use The Property Shop Realty & Investments, LLC name for billing purposes for expenses arising from a real estate transaction, i.e. repairs, utilities bills, etc.

Receipt and Acknowledgement: The undersigned has received and read this copy of The Property Shop Realty & Investments LLC. Policy and Procedures Manual and agrees to all terms and conditions within the Policy and Procedures Manual.

Name

Date

Street Address

Home Telephone Number

City, Arizona Zip Code

Mobile Telephone Number

We are excited about you joining The Property Shop Realty & Investment, LLC team. We know there are many choices out there and we are honored that you have chosen us. Please feel free to contact us at anytime.

Michael Franklin
Broker/Owner

Kimberly Franklin
Owner