

RULES & REGULATIONS

OF THE

NORTHEAST GEORGIA
BOARD OF REALTORS[®], INC.



MULTIPLE LISTING SERVICE

Adopted February 17, 1987
Revised June 17, 2010

NORTHEAST GEORGIA BOARD OF REALTORS®, INC.
RULES & REGULATIONS OF THE MULTIPLE LISTING SERVICE
(Revised June 17, 2010)

(Reference to the Northeast Georgia Board of REALTORS®, Inc. By-Laws, Article XVIII also)

LISTING PROCEDURES

Section 1. - Listings of real or personal property of the following types, which are listed subject to a real estate broker's license, located within the Multiple Listing Service, and are taken by Participants on form/forms accepted by the service shall be delivered to the Multiple Listing Service within 48 hours after all necessary signatures of seller(s) have been obtained:

- (a) Single family homes for sale or exchange.
- (b) Vacant lots and acreage for sale or exchange.
- (c) Multi-family residential buildings for sale or exchange.
- (d) Commercial/Industrial buildings and lots/acreage.

1. The Service may reserve the right to refuse to accept a listing form, which fails to adequately protect the interest of the public and the Participants.

2. No listing form filed with the Multiple Listing Service establishes, directly or indirectly, any contractual relationship between the Multiple Listing Service and the client (buyer or seller).

The Multiple Listing Service shall accept exclusive right to sell listing contracts and exclusive agency listing contracts, and may accept other forms of agreement which make it possible for the listing broker to offer compensation to the other Participants of the Multiple Listing Service acting as subagents, buyer agent or transaction brokers.

The listing agreement must include the seller's written authorization to submit the agreement to the Multiple Listing Service.

The exclusive right to sell listing is the conventional form of listing submitted to the Multiple Listing Service in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on a blanket unilateral basis, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly distinguished by a simple designation such as a code or symbol from exclusive right to sell listings with no named prospects exempted, since they can present special risks or procuring cause controversies and administrative problems not posed by exclusive right to sell listings with no named prospects exempted. Care should be exercised to ensure the different codes or symbols are used to denote exclusive agency and exclusive right to sell listings with prospect reservations.

Section 1.1. Following are some of the types of properties that may be published through the Service, including types described in the preceding paragraph that are required to be filed with the Service and other types that

may be filed with the Service at the Participant's option provided, however, that any listing submitted is entered into within the scope of the Participant's licensure as a real estate broker:

1. Residential
2. Residential Income
3. Subdivided Vacant Lot
4. Land and Ranch
5. Business Opportunity
6. Motel / Hotel
7. Mobile Homes
8. Mobile Home Parks
9. Commercial Income
10. Industrial
11. Rentals

Section 1.1.1 - LISTING SUBJECT TO RULES & REGULATIONS OF THE SERVICE

Any listing taken on a contract to be filed with the Multiple Listing Service is subject to the Rules and Regulations of the Service upon signature of the seller(s).

Section 1.2 - DETAIL ON LISTING FILED WITH THE SERVICE

A Listing Agreement or Property Data Form, when filed with the Multiple Listing Service by the listing broker shall be complete in every detail, which is ascertainable as specified on the Property Data Form.

Section 1.2.1 – LIMITED SERVICE LISTINGS: Listing agreements under which the listing broker will not provide one, or more, of the following services:

- a. arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with seller(s)
- b. accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s)
- c. advise the seller(s) as to the merits of offers to purchase
- d. assist the seller(s) in developing, communicating, or presenting counter-offers
- e. participate on the seller's(s") behalf in negotiations leading to the sale of the listed property

will be identified with appropriate code or symbol (e.g., LR or LS) in the MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initiating efforts to show or sell the property.

Section 1.3 - EXEMPT LISTINGS

If the seller refuses to permit the listing to be disseminated by the Service, the Participant may then take the listing (office exclusive) and such listing shall be filed with the Service but not disseminated to the Participants. Filing of the listing should be accompanied by certification signed by the seller that he/she does not desire the listing to be disseminated by the Service.

Section 1.4 - CHANGE OF STATUS OF LISTING

Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the Service within twenty-four (24) hours (excepting weekends, holidays, and postal holidays) after the authorized change is received by the listing broker.

Section 1.5 - WITHDRAWAL OF LISTING PRIOR TO EXPIRATION

Listings of property may be withdrawn from the Multiple Listing Service by the listing broker before the expiration date of the listing agreement, provided notice is filed with the Service, including a copy of the agreement between the seller and the listing broker which authorizes the withdrawal.

Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated, the Multiple Listing Service may remove the listing at the request of the seller.

Section 1.6 - CONTINGENCIES APPLICABLE TO LISTINGS

Any contingency or conditions of any term in a listing shall be specified and noted to the Participants.

Section 1.7 - LISTING PRICE SPECIFIED

The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings unless the property is subject to auction.

Section 1.8 - LISTING MULTIPLE UNIT PROPERTIES

All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the Property Data Form. When part of a listed property has been sold, proper notification should be given to the Multiple Listing Service.

Section 1.9 - NO CONTROL OF COMMISSION RATES OR FEES CHARGED TO PARTICIPANTS

The Multiple Listing Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for service to be rendered by Participants. Further, the Multiple Listing Service shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non-participants.

Section 1.10 - EXPIRATION OF LISTINGS

Listings filed with the multiple listing service will automatically be removed from the compilation of current listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed.

If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and filed with the service.

Section 1.11 - TERMINATION DATE ON LISTINGS

Listings filed with the Service shall bear a definite and final termination date as negotiated between the listing broker and the seller.

Section 1.12 - JURISDICTION

Only listings of the designated types of property located within the Multiple Listing Service are required to be submitted to the Service. Listings of property located outside the MLS jurisdiction will be accepted if submitted voluntarily by a participant, but cannot be required by the Service.

Section 1.13 - LISTINGS OF SUSPENDED PARTICIPANTS

When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board bylaws, MLS bylaws, MLS rules and regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the Service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Board (except where MLS participation without Board membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, a Board MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised, in writing, of the intended removal so that the suspended Participant may advise his clients.

Section 1.14 - LISTINGS OF EXPELLED PARTICIPANTS

When a Participant of the Service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board bylaws, MLS bylaws, MLS rules and regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS shall, at the expelled Participant's option, be retained in the Service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Board (except where MLS participation without Board membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, a Board MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised, in writing, of the intended removal so that the expelled Participant may advise his clients.

Section 1.15 - LISTINGS OF RESIGNED PARTICIPANTS

When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listing from the MLS, the resigned Participant should be advised in writing of the intended removal so that the resigned Participant may advise his/her clients.

SELLING PROCEDURES

Section 2. - SHOWING AND NEGOTIATIONS

Appointments for showing and negotiations with the seller for the purchase of listed property filed with the Multiple Listing Service shall be conducted through the listing broker except under the following circumstances:

- (a) the listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or
- (b) after reasonable effort, the cooperating broker cannot contact the listing broker or his representative; however, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.

Section 2.1 - PRESENTATION OF OFFERS

The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

Section 2.2 - SUBMISSION OF WRITTEN OFFERS AND COUNTER OFFERS

The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.

Section 2.3 - RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER

The cooperating broker (subagent, buyer agent(s), or transactions brokers) or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's or lessor's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

Section 2.4 - RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFERS

The listing broker or his/her representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He/She does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except where the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

Section 2.5 - REPORTING SALES TO THE SERVICE

Status changes, including final closings of sales, shall be reported to the multiple listing service by the listing broker within 24 hours after they have occurred. If negotiations were carried on under Section 2(a) or (b)

hereof, the cooperating broker shall report accepted offers to the listing broker within 24 hours after the occurrence and the listing broker shall report them to the MLS within 24 hours after receiving notice from the cooperating broker.

Note: The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its Participant.

Section 2.6 - REPORTING RESOLUTIONS OF CONTINGENCIES

The listing broker shall report to the Multiple Listing Service within 24 hours that a contingency on file with the Multiple Listing Service has been fulfilled or renewed, or the agreement cancelled.

Section 2.7 - ADVERTISING OF LISTING FILED WITH THE SERVICE

A listing shall not be advertised by any participant, other than the listing broker, without the prior consent of the listing broker.

Section 2.8 - REPORTING CANCELLATION OF PENDING SALES

The listing broker shall report immediately to the Multiple Listing Service the cancellation of any pending sale and the listing shall be reinstated immediately.

PROHIBITIONS

Section 4. - INFORMATION FOR PARTICIPANTS ONLY

Any listing filed with the Service shall not be made available to any broker or firm not a Member of the MLS without prior consent of the listing broker.

Section 4.1 - "FOR SALE" SIGNS

Only the "For Sale" signs of the listing broker may be placed on a property.

Section 4.2 - SOLD SIGNS

Prior to closing, only the Sold sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

Section 4.3 - SOLICITATION OF LISTING FILED WITH THE SERVICE

Participants shall not solicit a listing on property filed with the Service unless such solicitation is consistent with Article 16 of the REALTORS® Code of Ethics, its Standards of Practice and its Case Interpretations.

NOTE: This Section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standard of Practice 16-4. This section is intended to encourage sellers to permit their properties to

be filed with the Service by protecting them from being solicited, prior to expiration of the listing, by brokers and salespersons seeking the listing upon its expiration.

Without such protection, a seller could receive hundred of calls, communications, and visits from brokers and salespersons who have been aware through MLS filing of the date the listing will expire and desire to substitute themselves for the present broker.

This Section is also intended to encourage brokers to participate in the Service by assuring them that other Participants will not attempt to persuade the seller to breach the listing agreement or to interfere with their attempts to market the property. Absent the protection afforded by this Section, listing brokers would be most reluctant to generally disclose the identity of the seller or the availability of the property to other brokers.

This Section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to Article 16 of the Code of Ethics.

Section 4.4 – Use of the Terms MLS and Multiple Listing Service

No MLS participant, subscriber or licensee affiliated with any participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that individual or firm is an MLS, or that they operate an MLS. Participants, subscribers and licensees affiliated with participants shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

DIVISION OF COMMISSIONS

Section 5. - COMPENSATION SPECIFIED ON EACH LISTING

The listing broker shall specify, on each listing filed with the Multiple Listing Service, the compensation offered to other Multiple Listing Service Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have know) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

In filing a property with the Multiple Listing Service of a Board of REALTORS®, the Participant of the Service is making blanket unilateral offers of compensation to the other MLS Participants, and shall therefore specify on each listing filed with the Service, the compensation being offered to the other MLS Participants. Specifying the compensation on each listing is necessary because the cooperating broker has the right to know what his/her compensation shall be prior to his/her endeavor to sell.

The compensation specified on listings filed with the Multiple Listing Service shall appear in one of two forms. The essential and appropriate requirement by a Board Multiple Listing Service is that the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transaction unless advised otherwise by the listing broker in writing in advance of submitting an offer to purchase. The compensation specified on listings published by the MLS shall be shown in one of the following forms:

1. By showing a percent of the gross selling price.
2. By showing a definite dollar amount.

MLS's may also, as a matter of local discretion, allow participants to offer cooperative compensation as a percentage of the net sales price, with the net sales price defined as the gross sales price minus the buyers upgrades (new construction) and seller concessions (as defined by the MLS unless otherwise defined by state law and regulation).

The listing broker retains the right to determine the amount of compensation offered to other Participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law) which may be the same or different.

This shall not preclude the listing broker from offering any MLS Participant compensation other than the compensation indicated on any listing published by the MLS provided the listing broker informs the other broker, in writing in advance of submitting an offer to purchase, and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants in the Service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount.

NOTE 1: The Board Multiple Listing Service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the Board Multiple Listing Service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a Participant. The Board Multiple Listing Service shall not disclose, in any way, the total commission negotiated between the seller and the listing broker.

NOTE 2: The listing broker may, from time to time, adjust the compensation offered to other Multiple Listing Service Participants for their services with respect to any listing by advance published notice to the Service so that all Participants will be advised.

NOTE 3: The Multiple Listing Service shall make no rule on the division of commissions between Participants and nonparticipant. This should remain solely the responsibility of the listing broker.

NOTE 4: Multiple listing services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to courts approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they submit an offer that ultimately results in a successful transaction.

NOTE 5: Nothing in these MLS rules precludes a listing participant and a cooperating participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction.

NOTE 6: Multiple listing services must give participants the ability to disclose to other participants any potential for a short sale. As used in these rules, short sales are defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale, and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies. Multiple listing services may, as a matter of local discretion, require participants to disclose potential short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they must, also be permitted to communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between listing and cooperating participants. All confidential disclosures and confidential information related to short sales, must be communicated through dedicated fields or confidential “remarks” available only to participants and subscribers.

Section 5.0.1 – Disclosing Potential Short Sales

Participants may, but are not required to, disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) to other participants and subscribers.

Section 5.1 - PARTICIPANT AS PRINCIPAL

If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any ownership interest in the Property, the listing of which is to be disseminated through the Multiple Listing Service, that person shall disclose that interest when the listing is filed with the Multiple Listing Service and such information shall be disseminated to all Multiple Listing Service Participants.

Section 5.2 - PARTICIPANT AS PURCHASER

If a Participant or any licensee (including licensed and certified appraiser) affiliated with a Participant wished to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed in writing to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

Section 5.3 - DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS

The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/ leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

SERVICE CHARGES

Section 6. - SERVICE FEES AND CHARGES

The following service charges for the operation of the Multiple Listing Service are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed:

INITIAL PARTICIPATION FEE - An applicant for participation in the service shall pay an application fee as established by the Board of Directors of the Northeast Georgia Board of REALTORS® from time to time for each salesperson and licensed or certified appraiser who has access to the use of the Service, whether licensed as a broker, sales licensee, or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such Participant. This fee shall accompany the application with check made payable to the Northeast Georgia Board of REALTORS®. These charges are based on the costs of the overhead of the Service in setting up the proper records and systems.

RECURRING PARTICIPATION FEE - The annual participation fee of each Participant shall be an amount established by the Board of Directors of the Northeast Georgia Board of REALTORS® from time to time for each salesperson and licensed or certified appraiser who has access to and use of the Service, whether licensed as a broker, sales licensee or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such Participant. Payment of such fees shall be made quarterly in advance. The first quarter fee shall accompany the application and the Initial Participation Fee.

NOTE: Additionally, a Participant is not obligated for MLS dues, fees, or charges for individuals with the same firm but who are in a branch office if the Participant does not participate with respect to that branch office.

REINSTATEMENT FEES - The reinstatement fee for a Participant that has left the Service or had service disconnected for non-payment of fees for less than 90 days shall be an amount equal to twelve times fifty (\$50.00) dollars for each Participant and twelve times fifteen (\$15.00) dollars for each salesperson and licensed or certified appraiser associated with the Participant payable in advance. This reinstatement fee will not be considered Participation Fee.

REFUNDS - Fees paid by any Participant shall be the immediate property of the Northeast Georgia Board of REALTORS.

1. Resignation from the Service shall not entitle the resigning Participant to a refund of any portion of fees paid prior to resignation.

2. No resigning Participant shall be relieved from any obligation for charges incurred for services or benefits actually rendered by the Service prior to such resignation.

COMPLIANCE WITH RULES

Section 7- Compliance with Rules- Authority to Impose Discipline

By becoming and remaining a participant or subscriber in this MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a. letter of warning
- b. letter of reprimand
- c. attendance at MLS orientation or other appropriate course or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed \$15,000

- e. probation for a stated period of time not less than thirty (30) days nor more than one (1) year
- f. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- g. termination of MLS rights, privileges, and services with no right to reapply for a specified period not exceed three (3) years.

Section 7.1 - COMPLIANCE WITH RULES

The following action may be taken for noncompliance with the rules:

(a) For failure to pay any service charge or fee within one month of the date due, and provided that at least ten days notice has been given, the Service shall be suspended until service charges or fees are paid in full.

(b) For failure to comply with any other rule, the provisions of Section 9 and 9.1 shall apply.

MEETINGS

Section 8. - MEETINGS OF MLS COMMITTEE

The Multiple Listing Service Committee shall meet for the transaction of its business at a time and place to be determined by the Committee or at the call of the Chairperson.

Section 8.1 - MEETINGS OF MLS PARTICIPANTS

The Committee may call meetings of the Participants in the Service to be known as meeting of the Multiple Listing Service.

Section 8.2 - CONDUCT OF THE MEETINGS

The Chairperson or Vice Chairperson shall preside at all meetings or, in their absence, a temporary chairman from the membership or the Committee shall be named by the Chairperson or, upon his/her failure to do so, by the Committee.

ENFORCEMENT OF RULES AND DISPUTES

Section 9. - CONSIDERATION OF ALLEGED VIOLATIONS

The Committee shall give consideration to all written complaints from Participants having to do with violation of the Rules and Regulations.

Section 9.1 - VIOLATIONS OF RULES AND REGULATIONS

If the alleged offense is a violation of the Rules and Regulations of the Service and does not involve a charge of alleged violation of one or more of the provisions of Sections 16 of the Rules and Regulations or a request for arbitration, it may be administratively considered and determined by the Multiple Listing Service Committee, and if a violation is determined, the MLS Committee may direct the imposition of sanction, provided the recipient of such sanction may request a hearing by the Professional Standards Committee of the Board in accordance with the By-Laws of the Northeast Georgia Board of REALTORS®. Alleged violations of Section 16 of the Rules and Regulations shall be referred to the Board’s Grievance Committee for processing in accordance with the professional standards procedures of the Board, except that if the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the Board.

Section 9.2 - COMPLAINTS OF UNETHICAL MISCONDUCT

All other complaints of unethical conduct shall be referred by the committee to the secretary of the association of REALTORS® for appropriate action in accordance with the professional standards procedures established in the association's bylaws.

Section 9.3 - USE OF LOCK BOX KEYS AND LOCK BOXES

1. Any key, programmer, or other device (hereinafter referred to, as "key" by which a lock box can be opened shall be nonduplicative. By "nonduplicative" it is not meant that the key is necessarily covered by a current patent but that it cannot be readily copied in the manner that other types of keys ordinarily are.
2. Keys will be obtained from the original manufacturer, from a recognized vendor of lock box systems or from any other legitimate source. Prior to utilizing previously used keys, lids, or boxes, information shall be obtained from the original manufacturer to determine whether the key's pattern, code or configuration is already in use by other Boards, Multiple Listing Services, or other users in the vicinity. Surrounding Boards and Multiple Listing Services shall also be contacted to determine whether the key's pattern, code, or configuration is currently in use.
3. The lock box system is designated as an activity of a Board-owned MLS. The MLS is a committee of the Board.

The lock box system is a service of the MLS Committee and every MLS Participant and every non-principal broker, sales licensee and licensed or certified appraiser who is affiliated with an MLS Participant and who is legally eligible for MLS access shall be eligible to hold a key subject to their execution of a lease agreement with the MLS or lock box provider.

The MLS Committee may refuse to sell or lease lock box keys, may terminate existing key lease agreements, and may refuse to activate or reactivate any key held by an individual convicted of a felony or misdemeanor if the crime, in the determination of the Board or MLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

The MLS Committee may suspend the right of lock box keyholders to use lock box keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the Board or MLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

Factors that can be considered in making such determinations include, but are not limited to:

- (a) the nature and seriousness of the crime
- (b) the relationship of the crime to the purposes for limiting lock box access
- (c) the extent to which access (or continued access) might afford opportunities to engage in similar criminal activity
- (d) the extent and nature of past criminal activity
- (e) time since criminal activity was engaged in
- (f) evidence of rehabilitation while incarcerated or following release and
- (g) evidence of present fitness

Administration of a lock box system is an activity of the Multiple Listing Service.

No one shall be required to lease a key from the MLS except on a voluntary basis.

4. The MLS Committee shall maintain current records as to all keys issued and in inventory. There shall be an audit, at least annually, of all keys, whether issued or in inventory. This requirement may be satisfied by a physical inventory or, alternatively, by receipt of a statement signed by the keyholder and the designated **REALTOR®**, broker of record attesting that the key is currently in possession of the keyholder. This audit requirement does not apply to electronic lock box programmers or keypads, which are sold or leased, provided such devices may be deactivated within thirty (30) days.
5. Lock boxes may not be placed on a property without written authority from the seller. This authority must be established in the listing contract or in a separate document created specifically for the purpose. Inclusion in MLS compilations cannot be required as a condition of placing lock boxes on listed property
6. The MLS Committee shall charge keyholders and their cosignatories with the joint obligation of immediately reporting lost, stolen, or otherwise unaccountable for keys to the MLS Committee. Upon receipt of notice, the MLS Committee shall take any steps deemed necessary to resecure the system.

Lock box keys are not to be used by anyone other than the person who has completed the lock box key application (i.e. no one may loan a key to another agent, and there shall be no “office keys”). Anyone found loaning a lock box key to another individual will be **finned \$500.00 for the first offense**. A second offense will constitute a more severe sanction from the MLS Committee not to exceed \$1000.

Brokers having more than one (1) office location shall not permit the use of the MLS system in additional locations unless “ALL” agents, at those locations, are subscribers of the MLS. If an office is found to have the MLS System activated in the above mentioned situation(s), that Broker will be subject to a **\$500.00 fine for the first offense**. A second offense will constitute a more severe sanction from the MLS Committee and/or the Board of Realtors not to exceed \$1000.

7. All keyholders, whether MLS Members or not, shall agree, as a condition of the key lease agreement, to be bound by the rules and procedures governing the operation of the lock box system.
8. Notwithstanding the foregoing, the Multiple Listing Service Committee may sell electronic lock box programmers or keypads to MLS Participants and others eligible to hold lockbox keys pursuant to these requirements provided that such devices may be deactivated, if necessary, within a reasonable period not to exceed thirty (30) days and that the Participant has authorized the sale in writing. In the event electronic lock box programmers or keypads are sold or leased, a designated **REALTOR®** principal or an office’s broker of record may purchase or lease additional programmers or keypads to be issued on a temporary basis to other keyholders in the same office in the event their programmer or keypad becomes non-functional outside normal business hours or under circumstances where a replacement programmer or keypad is not reasonably available from the issuing Association. When a programmer or keypad is issued on a temporary basis, it shall be the responsibility of the **REALTOR®** principal or the broker of record to advise the Association in writing that the programmer or keypad has been issued, to whom, and the date and time of issuance within forty-eight (48) hours. It shall also be the responsibility of the **REALTOR®** principal or the broker of record to advise the Association in writing within forty-eight (48) hours after possession of the previously issued programmer or keypad has been reassumed.

CONFIDENTIALITY OF MLS INFORMATION

Section 10 - CONFIDENTIALITY OF MLS INFORMATION

Any information provided by the Multiple Listing Service to Participants shall be considered official information of the Service. Such information shall be considered confidential and exclusively for the use of Participants and real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

Section 10.1 - MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION

The information published and disseminated by the Service is communicated verbatim, without change by the Service, as filed with the Service by the Participant. The Service does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

Section 10.2 - ACCESS TO COMPARABLE AND STATISTICAL INFORMATION

Board Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information, other than current listing information, that is generated wholly or in part by the MLS, including “comparable” information, “sold” information, and statistical reports. This information is provided for the exclusive use of Board Members and individuals affiliated with Board Members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations.

OWNERSHIP OF MLS COMPILATIONS AND COPYRIGHTS

Section 11 – By the act of submission of any property listing content to the MLS, the Participant represents that he/she has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

Section 11.1 - All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Northeast Georgia Board of REALTORS, and in the copyrights therein, shall at all time remain vested in the Northeast Georgia Board of REALTORS, Inc.

Section 11.2 - DISPLAY

Each Participant shall be entitled to lease from the Northeast Georgia Board of REALTORS[®] a number of copies of each MLS compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such compilation. The Participant shall pay for each such copy the rental fee set by the Board.*

Participants shall acquire by such lease only the right to use the MLS compilation in accordance with these rules.

Section 12 - DISTRIBUTION

Participants shall, at all times, maintain control over and responsibility for each copy of any MLS compilation leased to them by the association of REALTORS[®], and shall not distribute any such copies to persons other than subscribers who are affiliated with such participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification, and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed or published by an association multiple listing service where access to such information is prohibited by law.

Section 12.1 - DISPLAY

Participants, and those persons affiliated as licensees with such Participants, and those persons affiliated as licensees with such Participants, shall be permitted to display the MLS Compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing and able buyers for the properties described in said MLS Compilation.

Section 12.2 - REPRODUCTION

Participants or their affiliated licensees shall not reproduce any MLS Compilation or any portion thereof except in the following limited circumstances:

Participants or their affiliated licensees may reproduce from the MLS Compilation, and distribute to prospective purchasers, copies of property listing data contained in the MLS Compilation which relate to any properties which the prospective purchasers have physically inspected with the Participants or their affiliated licensees, be interested.

Nothing contained herein shall be construed to preclude any Participant from utilizing, displaying, distributing, or reproducing property listing sheets or other compilations of data pertaining exclusively to properties currently listed for sale with the Participant.

Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the Participants and those licensees affiliated with the Participant who are authorized to have access to such information. Such information may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm.

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, "sold" information, "comparables", or statistical information from utilizing such information to support an estimate of value on a particular property for a particular client. However, only such information that a Board or Board-owned Multiple Listing Service has deemed to be non confidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules and Regulations.

USE OF MLS INFORMATION

Section 13 - LIMITATIONS ON USE OF MLS INFORMATION

Use of information from MLS Compilation of current listing information, from the Board's "Statistical Report," or from any "sold" or "comparable" report of the Board or MLS for public mass-media advertising by an MLS Participant or in other public representations may not be prohibited.

However, any print or non-print forms of advertising or other forms of public representation based in whole or in part on information supplied by the Board or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar notice:

"Based on information from the Board/Association of REALTORS (alternatively, from the Northeast Georgia Board of REALTORS® MLS) for the period (date) through (date)."

CHANGES IN RULES AND REGULATIONS

Section 14 - Amendments to the rules and regulations of the service shall be by a 50% plus one vote of the member of the multiple listing service committee, subject to approval by the board of directors of the association of REALTORS®.

ARBITRATION OF DISPUTES

Section 15 - By becoming and remaining a Participant in the MLS, each Participant agrees to arbitrate disputes involving contractual issues and questions, and specific non-contractual issues and questions defined in Standard of Practice 17-4 of the Code of Ethics with MLS Participants in different firms arising out of their relationships as MLS Participants subject to the following qualifications.

(a) If all disputants are members of the same Board of REALTORS®, or have their principal place of business within the same Board's territorial jurisdiction, they shall arbitrate pursuant to the procedures of that Board of REALTORS®.

(b) If the disputants are members of different Boards of REALTORS, or if their principal place of business is located within the territorial jurisdiction of different Board of REALTORS, they remain obligated to arbitrate in accordance with the Georgia Association of REALTORS.

INTERBOARD ARBITRATION PROCEDURES:

In instances where the State Association does not provide interboard arbitration, the arbitration shall be conducted in accordance with any existing interboard agreement or, alternatively, in accordance with the Interboard Arbitration Procedures in Part Seven of the Code of Ethics and Arbitration Manual of the National Association. Nothing herein shall preclude Participants from agreeing to arbitrate the dispute before a particular Board of REALTORS®.

SECTION 16 STANDARDS OF CONDUCT FOR MLS PARTICIPANTS

Section 16.1 - MLS Participants shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other MLS Participants have with clients.

Section 16.2 – Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without consent of the seller/landlord.

Section 16.3 – MLS Participants acting as subagents or as buyer/tenant representatives or brokers shall not attempt to extend a listing broker's offer or cooperation and/or compensation to other brokers without the consent of the listing broker.

Section 16.4 – MLS Participants shall not solicit a listing currently listed exclusively with another broker. However, if the listing broker, when asked by the MLS Participant, refuses to disclose the expiration date and nature of such listing (i.e., an exclusive right to sell, and exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client) the MLS Participant may contact the owner to secure such information and may discuss the terms upon which the MLS Participant might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing.

Section 16.5 - MLS Participants shall not solicit buyer/tenant agreements from buyer/tenants who are subject to exclusive buyer/tenant agreements. However, asked by an MLS Participant, the brokers refuses to disclose the expiration date of an exclusive buyer/tenant agreement, the MLS Participant may contact the buyer/tenant to secure such information and may discuss the terms upon which the MLS Participant might enter into a future buyer/tenant agreement or, alternatively, may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement.

Section 16.6 – MLS Participants shall not use information obtained from listing brokers through offers to cooperate made through multiple listing services or through other offers of cooperation to refer listing brokers' clients to other brokers or to create buyer/tenant relationships with listing brokers' clients, unless such use is authorized by listing brokers.

Section 16.7 – The fact that an agreement have been entered into with a MLS Participant shall not preclude or inhibit any other MLS Participant from entering into a similar agreement after the expiration of the prior agreement.

Section 16.8 – The fact that a prospect has retained an MLS Participant as an exclusive representative or exclusive broker in one or more past transactions does not preclude other MLS Participants from seeking such prospect's future business.

Section 16.9 - MLS Participants are free to enter into contractual relationship or to negotiate with seller/landlords, buyers/tenants or others who are not subject to an exclusive agreement but shall not knowingly obligate them to pay more than one commission except with their informed consent.

Section 16.10 - When MLS Participants are contacted by the client of another MLS Participant regarding the creation of an exclusive relationship to provide the same type of service, and MLS Participants have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternatively, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement.

Section 16.11 - In cooperative transactions, MLS Participants shall compensate cooperating MLS Participants (principal brokers) and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other MLS Participants without the prior express knowledge and consent of the cooperating broker.

Section 16.12 – MLS Participants are not precluded from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another MLS Participant. A general telephone canvass, general mailing, or distribution addressed to all prospects in a given geographical area or in a given profession, business, club, or organization, or other classification or group is deemed "general" for purposes of this rule.

The following types of solicitations are prohibited:

Telephone or personal solicitations of property owners who have been identified by a real estate sign, multiple listing compilation, or other information service as having exclusively listed their property with another MLS Participant; and mail or other forms of written solicitations of prospects whose properties are exclusively listed with another MLS Participant when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, “for sale” or “for rent” signs, or other sources of information intended to foster cooperation with MLS Participants.

Section 16.13 – MLS Participants, prior to entering into a representation agreement, have an affirmative obligations to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service.

Section 16.14 - MLS Participants, acting as buyers or tenant, representative or brokers, shall disclose that relationship to the seller/landlord’s representative or broker at first contact and shall provide written confirmation of that disclosure to the seller/landlord’s representative or broker not later than execution of a purchase agreement or lease.

Section 16.15 - On unlisted property, MLS Participants acting as buyer/tenant representatives or brokers shall disclose that relationship to the seller/landlord at first contact for that buyer/tenant and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement.

MLS Participants shall make any request for anticipated compensation from the seller/landlord at first contact.

Section 16.16 – MLS Participants, acting as representatives or brokers of sellers/landlords or as subagents of listing brokers, shall disclose that relationship to buyers/tenants as soon as practicable, and shall provide written confirmation of such disclosure to buyers/tenants not later than execution of any purchase or lease agreement.

Section 16.17 - MLS Participants are not precluded from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage) or from offering the same type of service for property not subject to other brokers’ exclusive agreements. However, information received through a Multiple Listing Service or any other offer of cooperation may not be used to target clients of other MLS Participants to whom such offers to provide services may be made.

Section 16.18 - MLS Participants, acting as subagents or as buyer/tenant representatives or brokers, shall not use the terms of an offer to purchase/lease to attempt to modify the listing broker's offer of compensation to subagents or buyer/tenant representative or brokers, or make the submission of an executed offer to purchase/lease contingent on the listing broker’s agreement to modify the offer of compensation.

Section 16.19 - All dealings concerning property exclusively listed or with buyer/tenants who are subject to an exclusive agreement shall be carried on with the client’s representative or broker, and not with the client, except with the consent of the client’s representative or broker or except where such dealings are initiated by the client.

Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospects, MLS Participants shall ask prospects whether they are a party to an exclusive representation agreement. MLS Participants shall not knowingly provide substantive services concerning a prospective transaction to prospects who are parties to exclusive representation agreements, except with the consent of the prospects’ exclusive representatives or at the directions of prospects.

Section 16.20 - Participants, users, and subscribers, prior to or after their relationship with their current firm is terminated, shall not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm. This does not preclude participants from establishing agreements with their associated licensees governing assignability of exclusive agreements.

Section 16.21 – These rules are not intended to prohibit ethical, albeit aggressive or innovative business practices and do not prohibit disagreements with other MLS Participants involving commission, fees, compensation, or other forms of payment or expenses.

Section 16.22 – MLS Participants shall not knowingly or recklessly make false or misleading statements about competitors, their businesses, or their business practices.

ORIENTATION

Section 17. - Any applicant for MLS Participation and any licensee affiliated with an MLS Participant who desires access to MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS Rules and Regulations and the operation of the MLS within thirty (30) days after access has been provided.

INTERNET DATA EXCHANGE (IDX)

Section 18 – IDX Defined: IDX affords MLS Participants the option of authorizing display of their ~~active~~ listings on other Participants' Internet web sites.

Section 18.1 – Participants' consent for display of their listings by other Participants pursuant to these rules and regulations must be established in writing. If a Participant withholds consent on a blanket basis to permit the display of that Participant's listings, that Participant may not download or frame the aggregated MLS data of other Participants. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis as instructed by the seller.

Section 18.2 – Participation in IDX is available to all MLS Participants who are REALTORS® who are engaged in real estate brokerage and who consent to display of their listings by other Participants.

Section 18.2.1 - Participants must notify the MLS of their intentions to establish an IDX site and make their site directly accessible to the MLS for the purposes of monitoring/ensuring compliance with applicable rules and policies.

Section 18.2.2 –MLS participants may not use IDX-provided listings for any purpose other than display on their websites. This does not require participants to prevent indexing of IDX listings by recognized search engines.

Section 18.2.3 – Listings or property addresses or sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to publicly-accessible Web sites or VOW's) shall not be accessible via IDX sites.

Section 18.2.4- Participants may select the listings they choose to display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography or location (“uptown”, “downtown”, etc.), list price, type of property, (e.g., condominiums, cooperatives, single-family detached, multifamily), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right to sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed on any IDX site must be independently made by each Participant.

Section 18.2.5 – Participants must refresh all MLS downloads and refresh all MLS data at least once every three (3) days.

Section 18.2.6 – Except as provided in these rules, and IDX site or a participant or user operating an IDX site may not distribute, provide, or make any portion of the MLS database available to any person or entity.

Section 18.2.7 – When displaying listing content, a participant’s or user’s IDX site must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.

Section 18.2.8

Any IDX site that

a. allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or

b. displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing,

shall disable or discontinue either or both of those features as to the seller’s listings at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all participants’ websites. Except for the foregoing and subject to Section 18.2.9, a participant’s IDX site may communicate the participant’s professional judgment concerning any listing. Nothing shall prevent an IDX site from notifying its customers that a particular feature has been disabled at the request of the seller.

Section 18.2.9- Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property displayed on the IDX site. Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 18.3 – **Display:** Display of listing information pursuant to IDX is subject to the following rules:

Section 18.3.1 – Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS participants and users (e.g., cooperative compensation offers, showing instructions, property security information, etc) may not be displayed on IDX sites.

Section 18.3.2 –Participants shall not modify or manipulate information relating to other participants’ listings. (This is not a limitation on site design but refers to changes to actual listing data.) MLS data may augmented with additional data not otherwise prohibited from display so long as the source of the additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields.

Section 18.3.3 – All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data.

Section 18.3.5 – Non-principal brokers and sales licensees affiliated with IDX Participants may display information available through IDX on their own websites subject to their Participant's consent and control and the requirements of state law and/or regulation.

Section 18.3.6 – All listings displayed pursuant to IDX shall show the MLS as the source of the information.

Section 18.3.8 – Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information is provided exclusively for consumers' personal, non-commercial use and may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that the data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect participants and/or the MLS from liability.

Section 18.3.10 – The right to display other Participants' listings pursuant to IDX shall be limited to a Participant's office(s) holding participatory rights in this MLS.

Section 18.4 – **Service Fees and Charges:** Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

Section 19 – VIRTUAL OFFICE WEBSITES (VOWS)

Section 19.1 VOW DEFINED (a): A Virtual Office Website (“VOW”) is a Participant’s Internet website, or a feature of a Participant’s website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant’s oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant may, with his or her Participant’s consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant’s oversight, supervision, and accountability.

(b) As used in Section 19 of these Rules, the term “Participant” includes a Participant’s affiliated non-principal brokers and sales licensees – except when the term is used in the phrases “Participant’s consent” and “Participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner (“AVP”) on behalf of a Participant.

(c) “Affiliated VOW Partner” (“AVP”) refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to the Participant’s supervision, accountability and compliance with the VOW Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to MLS Listing Information is derivative of the rights of the Participant on whose behalf the AVP operates a VOW.

(d) As used in Section 19 of these Rules, the term “MLS Listing Information” refers to active listing information and sold data provided by by Participants to the MLS and aggregated and distributed by the MLS to Participants.

Section 19.2 (a): The right of a Participant’s VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.

(b) Subject to the provisions of the VOW Policy and these Rules, a Participant's VOW, including any VOW operated on behalf of a Participant by an AVP, may provide other features, information, or functions, e.g. Internet Data Exchange ("IDX").

(c) Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate permission from other MLS Participants whose listings will be displayed on the Participant's VOW.

Section 19.3 (a): Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:

(i) The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.

(ii) The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.

(iii) The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.

(b) The Participant must assure that each Registrant's password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant's password.

(c) If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.

(d) The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a "Terms of Use" provision that provides at least the following:

i. That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;

ii. That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;

iii. That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;

iv. That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;

v. That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.

(e) The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement entered into at any time

between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.

(f) The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the VOW. The Agreement may also include such other provisions as may be agreed to between the Participant and the Registrant.

Section 19.4: A Participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the Participant to ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principal broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

Section 19.5: A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of MLS Listing Information. A Participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

(NOTE: MLSs may adopt rules requiring Participants to employ specific security measures, provided that any security measure required does not impose obligations greater than those employed by the MLS.)

Section 19.6 (a): A Participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.

(b) A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision:

Seller Opt-Out Form

1. Please check either Option a or Option b

a. I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.

OR

b. I have advised my broker or sales agent that I do not want the address of the listed property to be displayed on the Internet.

2. I understand and acknowledge that, if I have selected option a, consumers who conduct searches for listings on the Internet will not see information about the listed property in response to their search.

initials of seller

(c) The Participant shall retain such forms for at least one year from the date they are signed, or one year from the date the listing goes off the market, whichever is greater.

Section 19.7: (a) Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing

(b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 19.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

Section 19.8: A Participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 48 hours following receipt of a communication from the listing broker explaining why the data or information is false. The Participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 19.9: A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

Section 19.10: Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.

Section 19.11: A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

Section 19.12: A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR®.

Section 19.13: A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

Section 19.14: A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the Participant.