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Rules and Regulations

These Rules and Regulations are subject to change, and this document is updated frequently. For the most recent version of this document, please check our Web site at www.carolinamls.com, and click on the link for CMLS Rules & Regulations under Membership Information.

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SECTION 1: REQUIRED LISTING CHARACTERISTICS 2
SECTION 1.1: REQUIRED LISTINGS 3
SECTION 1.2: OPTIONAL LISTINGS 3
SECTION 1.3: PROHIBITED LISTINGS 4
SECTION 1.4: LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE 5
SECTION 1.5: LIMITED SERVICE LISTINGS 5
SECTION 1.6: ONE LISTING PER PROPERTY 5
SECTION 1.7: RETENTION OF RECORDS 5
SECTION 1.8: CONTACT, MARKETING OR PROMOTIONAL INFORMATION ON LISTINGS SUBMITTED TO THE SERVICE 5
SECTION 1.9: SECURITY OF PROPERTY 6
SECTION 1.10: SELLER'S NAME ON LISTING 6
SECTION 1.11: VERIFICATION OF INFORMATION 6
SECTION 1.12: SUBDIVISION LIST 6
SECTION 1.13: LISTING INPUT FEES 6
SECTION 1.14: CHANGE OF STATUS OF LISTING 6
SECTION 1.15: TEMPORARILY-OFF-MARKET/WITHDRAWAL OF LISTING PRIOR TO EXPIRATION 6
SECTION 1.16: CONTINGENCIES OR CONDITIONS APPLICABLE TO LISTINGS 7
SECTION 1.17: NAMED PROSPECTS EXEMPTED 7
SECTION 1.18: LISTING MULTIPLE UNIT PROPERTIES 7
SECTION 1.19: EXPIRATION OF LISTINGS 7
SECTION 1.20: LISTINGS OF EXPELLED OR SUSPENDED MEMBER PARTICIPANTS 8
SECTION 1.21: LISTINGS OF RESIGNED MEMBER PARTICIPANTS 8
SECTION 1.22: MEDIA 8
SECTION 1.23: CMLS RIGHT TO EDIT OR DELETE A LISTING 8
SECTION 2: SUPRA DISPLAYKEY, EKEY, AND LOCKBOXES 9
SECTION 2.1: UNAUTHORIZED USE OF KEY 11
SECTION 2.2: RIGHT TO SUSPEND USE OF KEY 11
SECTION 3: SHOWINGS AND NEGOTIATIONS 11
SECTION 3.1: PRESENTATION OF OFFERS 12
SECTION 3.2: SUBMISSION OF WRITTEN OFFERS 12
SECTION 3.3: RIGHT OF COOPERATING BROKERAGE IN PRESENTATION OF OFFER 12
SECTION 3.4: RIGHT OF LISTING BROKERAGE IN PRESENTATION OF COUNTER-OFFER 12
SECTION 3.5: REPORTING SALES TO THE SERVICE 12
SECTION 3.6: REPORTING RESOLUTIONS OF CONTINGENCIES OR CONDITIONS 13
SECTION 3.7: ADVERTISING OF LISTINGS SUBMITTED TO THE SERVICE 13
SECTION 4: REFUSAL TO SELL 14
SECTION 5: INFORMATION FOR MEMBER PARTICIPANTS ONLY 14
SECTION 5.1: “FOR SALE” SIGNS 14
SECTION 5.2: “SOLD” SIGNS 14
SECTION 5.3: SOLICITATION OF LISTING SUBMITTED TO THE SERVICE 14
SECTION 5.4: UNAUTHORIZED DISCLOSURE OF LOGIN NAME AND PASSWORD 14
SECTION 6: COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING 14
SECTION 6.1: COMPENSATION OFFERS ARE BLANKET, UNILATERAL, UNCONDITIONAL 15
SECTION 6.2: ACCEPTABLE OFFERS OF COMPENSATION 15
SECTION 6.3: NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY MEMBER PARTICIPANTS 15

SECTION 6.4: MEMBER PARTICIPANT AS PRINCIPAL....16
SECTION 6.5: MEMBER PARTICIPANT AS PURCHASER....16
SECTION 6.6: DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS....16
SECTION 7: SERVICE FEES AND MEMBERSHIP POLICIES....16
SECTION 7.1: SERVICE FEES....16
SECTION 8: APPLICABILITY OF RULES TO USERS AND SUBSCRIBERS....17
SECTION 9: CONSIDERATION OF ALLEGED VIOLATIONS....17
SECTION 9.1: VIOLATIONS OF RULES AND REGULATIONS....17
SECTION 9.2: COMPLAINTS OF UNETHICAL CONDUCT....17
SECTION 9.3: MLS VIOLATION REPORT....17
SECTION 9.4: VIOLATION CATEGORIES....18
SECTION 9.5: COMPLIANCE FEE SCHEDULE....20
SECTION 9.6: FAILURE TO PAY FINES....20
SECTION 9.7: HEARING REQUEST....20
SECTION 9.8: MLS HEARING COMMITTEE....21
SECTION 9.9: REQUESTS FOR DOCUMENTS....21
SECTION 9.10: CONTINUANCE OF HEARING....21
SECTION 9.11: CANCELLATION OF HEARING REQUEST....21
SECTION 9.12: RECORDING THE HEARING....22
SECTION 9.13: HEARING PROCEDURES....22
SECTION 9.14: AMENDING A COMPLAINT....22
SECTION 9.15: HEARING APPEALS....22
SECTION 9.16: HEARING OUTCOME....23
SECTION 9.17: RECORDS....23
SECTION 10: CONFIDENTIALITY OF CMLS INFORMATION....23
SECTION 10.1: CMLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION....23
SECTION 10.2: ACCESS TO COMPARABLE AND STATISTICAL INFORMATION....23
SECTION 11: OWNERSHIP OF CMLS COMPILATION AND COPYRIGHTS....23
SECTION 11.1: OWNERSHIP....24
SECTION 11.2: SUBSCRIPTION LIMITATIONS....24
SECTION 12: DISTRIBUTION....24
SECTION 12.1: DISPLAY....24
SECTION 12.2: REPRODUCTION....25
SECTION 12.3: PROPRIETARY DATA AND CONFIDENTIALITY....25
SECTION 12.4: DISPOSAL....26
SECTION 12.5: OBJECTIONABLE COMPANY AND WEB SITE NAMES....26
SECTION 12.6: USE OF THE TERM MLS....26
SECTION 12.7: INDIRECT ACCESS TO TEMPO™ MLS SYSTEM....26
SECTION 13: LIMITATIONS ON USE OF CMLS INFORMATION....27
SECTION 14: CHANGES IN RULES AND REGULATIONS....27
SECTION 15: BUSINESS CARD ETIQUETTE....27
SECTION 15.1: SIGN-IN SHEETS....27
SECTION 16: ORIENTATION....27
SECTION 17: IDX DEFINITIONS....27
SECTION 17.1: REPUBLICATION OF IDX DATABASE ON INTERNET PERMITTED....28

RULES AND REGULATIONS
OF THE
CAROLINA MULTIPLE LISTING SERVICES, INC.

The services provided to the Member Participants of a Board/Association Multiple Listing Service, are related to the dissemination of blanket unilateral offers of compensation and listing information required thereby, and any other services, such as statistical studies and accumulations ("Service"). The Carolina Multiple Listing Services, Inc. ("CMLS" or "the Service"), is a wholly owned subsidiary corporation of the Charlotte Regional REALTOR® Association, Inc. ("CRRA"). CRRA is the parent company and sole shareholder of CMLS. CMLS may also refer to successors of the Carolina Multiple Listing Services, Inc.

These Rules and Regulations are policies adopted by the CMLS Board of Directors to govern the operation of the MLS. CMLS designed these rules to guide Member Participants and Subscribers while avoiding arbitrary restrictions on business practices.

Member Participants receive participatory rights from the Service.

"Broker in Charge" or "BIC" means a person or entity who is licensed as a real estate broker by the Real Estate Commission (both North and South Carolina) and is designated as the Broker in Charge of any partnership, association, limited liability company, corporation or their business entity who, for compensation or valuable consideration, sells or offers for sale, buys or offers to buy, or negotiates the purchase or sale or exchange of real estate, or who leases or offers to lease, or rents or offers to rent, real estate or the improvements thereon for others. In most instances, but not necessarily, the Broker in Charge is the Member Participant.

"Broker" or "Licensee" means a real estate or appraisal licensee, other than the Broker in Charge in an office or firm.

"Listing Brokerage" means the firm who contracts as the agent of a property owner. For the purposes of these Rules and Regulations, the Listing Brokerage includes the Member Participant (firm) who is a party to the listing agreement with the Seller, as well as the Member Participant's Subscribers.

"Cooperating Brokerage" means the Member Participants (firms) and Subscribers, other than the Listing Brokerage, who attempt to locate or do locate a buyer for the listing. A Cooperating Brokerage may be a subagent, a buyer agent, or a licensee acting in other agency or non-agency capacities defined by law.

"Nonmember" means a Subscriber who is not a member of a Board or Association of REALTORS® but who is under the supervision of a REALTOR® member of a Board or Association of REALTORS®.

"Nonparticipant" means anyone who is not a Member Participant or Subscriber of MLS.

"Realtor®" is a registered collective membership mark which identifies real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS® and subscribe to its strict Code of Ethics. Use of the word "REALTOR®" by non-REALTORS® is prohibited under federal copyright law.

"Service Area" means the official designated service area of CMLS consisting of Alexander, Anson, Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Montgomery, Stanly and Union counties as well as the City of Kannapolis.

LISTING PROCEDURES

SECTION 1: REQUIRED LISTING CHARACTERISTICS: Listings submitted to the MLS shall possess all the following characteristics:

1. The subject of the listing must be real property, for sale, exchange or lease.

2. The listing must belong to a real estate brokerage.

3. The listing must qualify for one of the following property categories: 1) single-family, 2) condo/townhouse, 3) multi-family, 4) land, lots and acreage, 5) commercial or 6) rental.

4. The listing must be subject to one of the following two types of listing agreements as defined by the National Association of Realtors® (NAR):

   - **Exclusive Right to Sell Listing Agreement:** A contractual agreement under which the Listing Brokerage acts as the agent of the Seller(s), and the Seller(s) agrees to pay a commission to the Listing Brokerage, regardless of whether the property is sold through the efforts of the Listing Brokerage, the Seller(s), or anyone else, except that the Seller(s) may name one or more individuals or entities as exemptions in the listing agreement and if the property is sold to any exempted individual or entity, the Seller(s) is not obligated to pay a commission to the Listing Brokerage. *(Amended 1-07)*

   - **Exclusive Agency Listing Agreement:** A contractual agreement under which the Listing Brokerage acts as the agent of the Seller(s), and the Seller(s) agrees to pay a commission to the Listing Brokerage if the property is sold through the efforts of any real estate broker. If the property is sold solely through the efforts of the Seller(s), the Seller(s) is not obligated to pay a commission to the Listing Brokerage. *(Amended 1-07)*

5. The Seller, in the listing agreement, must authorize the Listing Brokerage to offer cooperation and compensation to the other Member Participants of CMLS acting as subagents or buyer agents or in other agency or non-agency capacities defined by law. *(Amended 10-97)*

6. **SIGNATURES OF SELLER(S) ON LISTING AGREEMENT**:

   a. **SIGNATURES OF HUSBAND AND WIFE**: Any listing agreement, when submitted to the MLS, is required to contain the signatures of both husband and wife where the property is either separately owned by one or jointly owned by both at the time of conveyance.

   b. **SIGNATURES OF ALL PROPERTY OWNERS OF RECORD:** All owners having an ownership interest must sign the listing agreement.

   c. **CONSENT OF THE OWNER**: When the Seller of a property does not hold title but has a contract to receive title on the property, the Listing Brokerage must

indicate, “Seller not owner of record,” in the first line of the Remarks field. *(Amended 1-08)*

A “Seller” is defined as the person or entity described as such in an Exclusive Right to Sell listing agreement or an Exclusive Agency listing agreement with respect to the property in question. *(New Section Approved 8-97)*

Entering a listing in the MLS without a valid, signed listing agreement is a Category II violation as described in Section 9.4.2 and carries a fine.

7. **DETAILS ON LISTINGS SUBMITTED TO THE SERVICE:** When a listing is submitted to the MLS, the Listing Brokerage shall complete the listing agreement and property data form in every detail which is reasonably ascertainable. The Listing Brokerage shall not enter the listing into the computer unless all required fields on the property data form and listing agreement are filled. When “other” is used in any field of a listing, the Listing Brokerage shall provide an explanation in the remarks field.

8. **LISTING PRICE SPECIFIED:** The Listing Brokerage must include the full gross listing price stated in the listing agreement in the information submitted to the Service, unless the property is subject to auction. If the property is subject to auction, the listing must include an actual list price, assessed value, starting bid or market value in the list price field. *(Amended 5-07)*

9. **TERMINATION DATE OF LISTINGS:** Listings submitted to the Service shall bear a definite and final termination date as negotiated between the Listing Brokerage and the Seller.

SECTION 1.1: REQUIRED LISTINGS: With the exception of commercial and rental listings, all Exclusive Right to Sell listings meeting the requirements of Section 1 and located within the Service Area are required to be submitted to the MLS.

Failure to input a new listing required to be entered into the MLS system is a Category II violation as described in Section 9.4.2 and carries a fine.

SECTION 1.2: OPTIONAL LISTINGS: The Listing Brokerage may, with the informed consent of the Seller/landlord, submit the following types of listings to the MLS.

1. **EXCLUSIVE AGENCY LISTINGS**

2. **PROPERTIES FOR LEASE:** The Listing Brokerage may submit to the MLS real property for lease, listed subject to a written agency agreement between a landlord and real estate broker to procure tenants or receive rents for the landlord’s property, which makes it possible for the Listing Brokerage to offer cooperation and compensation to other Member Participants of the MLS.

3. **EXEMPTED LISTINGS:** If the Seller refuses to permit the listing to be disseminated by the Service, the Listing Brokerage may then take the listing (“office exclusive”). A certification signed by the Seller that he/she does not desire the listing to be disseminated by the Service must accompany the listing. Failure to produce a signed listing agreement indicating that the Seller refuses to permit the dissemination

of the listing by the MLS service when requested by CMLS staff is a Category II violation as described in Section 9.4.2 and carries a fine.

4. CMLS will accept but cannot require listings of property located outside the Service Area. *(Amended 6-17-99)*

5. **COMMERCIAL LISTINGS**

6. **AUCTION PROPERTIES**: CMLS accepts exclusively listed property that is subject to auction (Absolute Auction or Auction With Reserve) or Bid; however, any listing submitted is entered into within the scope of the Listing Brokerage's licensure and in accordance with all other requirements for listing input. Such listings must include an actual list price, assessed value, starting bid or market value in the list price field, and all required fields must be completed. Compensation must be offered. The following information must be included in the Agent Remarks field: auctioneer name, auctioneer license number or bidding Web site, if applicable.

   Absolute Auction: An absolute auction, also known as an auction without reserve, means an auction where the real or personal property offered for auction is sold to the highest bidder (i) without the requirement of any minimum bid; (ii) without competing bids of any type by a seller or agent of a seller; and (iii) without any other limiting condition of sale. (NCAR Standard Form 601)

   Auction With Reserve: An auction with reserve, also known as a sale subject to confirmation (this does not mean confirmation by a court, only acceptance by the seller), means an auction in which a seller reserves the right to establish a minimum bid, to accept or decline any and all bids, or to withdraw the property at any time prior to the announcement of the completion of the sale by the broker. (NCAR Standard Form 601)

   Bid: Offers are submitted using a third-party bidding opportunity, such as with bidselect.com, realtybid.com, HMBIREO.com, etc. *(New Section Approved 5-07)*

SECTION 1.3: PROHIBITED LISTINGS: CMLS does not regulate the type of listings Member Participants may take. However, CMLS does not accept Net or Open Listings.

NET LISTINGS: A brokerage fee arrangement in a listing contract whereby the Seller will receive a fixed price for his property and the broker will receive any amount realized (i.e., the "net") in excess of that price. Net listings are deemed unethical and, in most states, illegal. The Real Estate Commission (both North and South Carolina) strongly discourages the use of Net Listing agreements.

OPEN LISTINGS: A contractual agreement under which the listing broker acts as the agent of the Seller(s), and the Seller(s) agrees to pay a commission to the listing broker only if the property is sold through the efforts of the listing broker. The inherent nature of an Open Listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation. *(Amended 1-07)*

CO-LISTINGS: Listings that are co-listed with other licensees who are not Member Participants or Subscribers of CMLS must not be entered into the MLS.

SECTION 1.4: LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE: All listings taken by Member Participants are subject to these rules. The Listing Brokerage must input each listing required to be submitted to the Service within 48 hours (excluding holidays and weekends) of the beginning date of the term of the listing and after obtaining the Seller's signature on the listing agreement.

SECTION 1.5: LIMITED SERVICE LISTINGS: Listing agreements under which the Listing Brokerage will not provide one, or more, of the following services:

a. arrange appointments for Cooperating Brokerages to show listed property to potential purchasers but instead gives Cooperating Brokerages authority to make such appointments directly with the Seller(s);

b. accept and present to the Seller(s) offers to purchase procured by Cooperating Brokerages but instead gives Cooperating Brokerages 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; or

e. participate on the Seller(s) behalf in negotiations leading to the sale of the listed property

The Listing Brokerage must identify any Limited Service Listing by entering "no" in the "Full Service" field in the system to inform potential Cooperating Brokerages, prior to them initiating efforts to show or sell the property, of the extent of the services the Listing Brokerage provides to the Seller(s), and any potential for the Seller(s) to ask the Cooperating Brokerages to provide some or all of these services.*(New Section Approved 3-03)*

Failure to indicate that a listing is a Limited Service Listing is a Category II violation as described in Section 9.4.2 and carries a fine.

SECTION 1.6: ONE LISTING PER PROPERTY: The Listing Brokerage must not enter more than one listing in the system for a property that is for sale. Properties with multiple parcels may be listed together or separately, but not both. When the seller has indicated in the listing agreement that a single family or condo/townhouse property listed for sale may also be leased, the Listing Brokerage may submit a second listing in the rental section of the MLS.

SECTION 1.7: RETENTION OF RECORDS: The Listing Brokerage must keep on file the originals of all the listing forms in accordance with state licensing law and must make them available to the MLS upon request. *(Amended 6-05)*

Failure to provide CMLS with requested documentation within 48 hours is a Category II violation as described in Section 9.4.2 and carries a fine.

SECTION 1.8: CONTACT, MARKETING OR PROMOTIONAL INFORMATION ON LISTINGS SUBMITTED TO THE SERVICE: The Customer Report of a listing must not

identify the parties to the listing agreement (including the Listing Brokerage and Seller). The Listing Brokerage must not place contact information, marketing or promotional messages in the Photos, Photo Captions, Virtual Tours, Directions, Remarks, or any field available on the Customer Report. Promotional messages may include, but are not limited to, appointment desk phone numbers and Web sites that give reference to the Listing Brokerage, etc. Please note that contact, marketing and promotional information is allowed in the Agent Remarks and Company Remarks, only. *(Effective for new listings beginning June 1, 2004.)*

SECTION 1.9: SECURITY OF PROPERTY: The Listing Brokerage must not put combination lockbox codes or security system codes in any field of the MLS system. An infraction of this rule is a Category III violation and carries a fine. *(New Section Approved 4-06)*

SECTION 1.10: SELLER'S NAME ON LISTING: If Seller(s) (excluding Member Participants and Subscribers of CMLS) indicate on the listing agreement to withhold their names and other contact information, the Listing Brokerage may honor this stipulation and not submit that information to the Service. Member Participants and Subscribers must show their name(s) in the “Seller” field with the words “broker is owner” if they are the owners of or have an ownership interest in the property submitted to the Service. If the owner is not obvious (i.e. ownership by a business entity and the Member Participant or Subscriber has an ownership interest), the Listing Brokerage shall make the disclosure in the agent remarks section.

SECTION 1.11: VERIFICATION OF INFORMATION: CMLS is not responsible for verifying listing information.

SECTION 1.12: SUBDIVISION LIST: The Listing Brokerage must provide verification of any new subdivision or complex name to be added to the system before CMLS will add it to the list. Appropriate forms of verification include a brochure, a copy of a deed, a copy of a plat map or a photograph of the entry monument for the subdivision.

SECTION 1.13: LISTING INPUT FEES: Member Participants and Subscribers may request CMLS staff to enter their listings into the computer for $10 per listing.

The CMLS office can only make changes to the information of a listing if the changes are requested in writing (e-mail is acceptable) by the Listing Brokerage. In order for CMLS staff to withdraw a listing, the Member Participant must complete and sign the CMLS Withdrawal/Temporarily off Market Notice form. *(Amended 11-98)*

SECTION 1.14: CHANGE OF STATUS OF LISTING: The Listing Brokerage must input any change in listed price or other change in the original listing agreement, only when authorized in writing by the Seller(s) and within forty-eight (48) hours (excluding holidays and weekends) after the Listing Brokerage receives the authorized change.

SECTION 1.15: TEMPORARILY-OFF-MARKET/WITHDRAWAL OF LISTING PRIOR TO EXPIRATION: The Listing Brokerage may make a listing temporarily-off-market or withdraw it from the MLS before the expiration date of the listing agreement only when authorized by the Seller(s) and agreed to by the Listing Brokerage in writing. Any listing made temporarily-off-market continues to accrue days on market until the listing expires or the status is updated.

Sellers do not have the unilateral right to require the MLS to withdraw a listing without the Listing Brokerage's concurrence. However, when a Seller(s) can document that he has terminated his exclusive relationship with the Listing Brokerage, the MLS may remove the listing at the request of the Seller. Failure to withdraw a listing upon termination of a listing agreement is a Category II violation as described in Section 9.4.2 and carries a fine.

Any change to a listing agreement shall not constitute a new listing unless the change is made following the expiration. *(Amended 3-03)*

SECTION 1.16: CONTINGENCIES OR CONDITIONS APPLICABLE TO LISTINGS: The Listing Brokerage must specify and provide notice to all Member Participants and Subscribers of any Contingency Provisions or conditions of any term in a listing as follows:

Contingent: Contingent status indicates that a listing is under contract subject to the sale of the Buyer's property (as with the "Contingent Sale Addendum"). The listing remains on contingent status until it is reported as pending, sold, back on market or withdrawn. Contingent status indicates the listing is available for showing and offers are being taken. *(Amended 05-07)*

Conditional: Conditional status indicates that a listing is under contract with other contingencies or conditions (except for a contingency subject to the "Contingent Sale Addendum). Such contingencies or conditions, i.e. financing, cost of repairs, etc. shall be reported to the CMLS as conditional status until the listing is reported as pending, sold, back on market or withdrawn. Conditional status indicates the listing is available for showing and back-up offers are being taken. *(Amended 3-03)*

SECTION 1.17: NAMED PROSPECTS EXEMPTED: Seller(s) may name prospects who are exempt from the listing agreement. If a named prospect exempt from the listing agreement buys the property, the Seller(s) is not obligated to pay a commission to the Listing Brokerage. The Listing Brokerage must clearly distinguish Exclusive Agency and Exclusive Right to Sell listings with named prospects exempted by entering "yes" in the "Named Prospects Exempted" field in the system.

SECTION 1.18: LISTING MULTIPLE UNIT PROPERTIES: The Listing Brokerage may enter Multiple Unit Properties into the MLS as one listing, stating the number and types of units available. When an individual unit has been sold, the Listing Brokerage must enter the unit into the computer for comparable purposes. Multiple Unit Properties include condos, townhouses and single family new construction where multiple units are listed with a single listing.

SECTION 1.19: EXPIRATION OF LISTINGS: Listings submitted to the MLS automatically expire on the expiration date specified in the listing agreement unless prior to that date the Listing Brokerage extends or renews the listing agreement. If the Listing Brokerage renews or extends the listing after it has expired, the Listing Brokerage may either return the listing to active or enter a new listing. The Seller(s) must sign the extension or renewal of listing and the Listing Brokerage must report the extension or renewal to the MLS.

Listings that are in conditional, contingent or pending status remain as conditional, contingent or pending status until the Listing Brokerage changes the status once the contingencies have been met, the sale is closed, the listing is returned to active, or withdrawn. If the listing agreement expires while the listing is in conditional, contingent or

pending status and no sale occurs, and the Listing Brokerage has not extended or renewed the listing agreement, then the Listing Brokerage must withdraw the listing within 48 hours (excluding holidays and weekends). Failure to report a listing's change of status within 48 hours is a Category II violation as described in Section 9.4.2 and carries a fine.

SECTION 1.20: LISTINGS OF EXPELLED OR SUSPENDED MEMBER PARTICIPANTS: When CMLS expels or suspends a Member Participant of the Service for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Charlotte Regional REALTOR® Association, Inc. (CRRA) Association Bylaws or bylaws of the association to which they belong, CMLS Bylaws, CMLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees or charges), CMLS must retain all listings currently submitted to the CMLS by the expelled or suspended Member Participant, at the Member Participant's option, until sold, withdrawn or expired and CMLS must not renew or extend the listings beyond the termination date of the listing agreement in effect when the suspension became effective. If a Member Participant has been expelled or suspended from the CRRA or CMLS (or both) for failure to pay appropriate dues, fees or charges, CMLS is not obligated to provide services, including continued inclusion of the expelled or suspended Member Participant's listings in the CMLS Compilation of current listing information. Prior to any removal of an expelled or suspended Member Participant's listings from the CMLS, CMLS will advise the expelled or suspended Member Participant in writing of the intended removal so that the expelled or suspended Member Participant may advise his/her clients.

SECTION 1.21: LISTINGS OF RESIGNED MEMBER PARTICIPANTS: When a Member Participant resigns from the Service, CMLS is not obligated to provide services, including continued inclusion of the resigned Member Participant's listings in the CMLS Compilation of current listing information. Prior to any removal of a resigned Member Participant's listings from CMLS, CMLS must advise the resigned Member Participant in writing of the intended removal so that the resigned Member Participant may advise his/her clients.

SECTION 1.22: MEDIA: The Listing Brokerage may submit photographs, virtual tours, PDF documents, text files and artist renderings ("Media"). CMLS requires the Listing Brokerage to obtain the necessary rights to use and reproduce the Media from the copyright holder for use by the MLS and all other authorized entities anywhere the MLS data is intended to appear. The Listing Brokerage indemnifies CMLS in the event of any legal proceeding relating to the reproduction of the Media by CMLS or other authorized entities. By submitting Media to the MLS, the submitting Listing Brokerage grants the MLS and the other Member Participants and Subscribers the right to reproduce and display the Media in accordance with these rules and regulations. Member Participants and Subscribers may use Media from the MLS only for purposes of finding buyers for properties listed in the Service or for the preparation of appraisals, consistent with the rules and regulations. CMLS reserves the right to reject or remove any Media submitted that includes any text, personal advertising or promotion as well as people or persons. Before a Member Participant or Subscriber copies the Media submitted by another Listing Brokerage to a new listing, the Member Participant or Subscriber must obtain the written permission of the owner of the Media.

SECTION 1.23: CMLS RIGHT TO EDIT OR DELETE A LISTING: CMLS reserves the right to delete or edit a listing that violates the CMLS Rules and Regulations or any applicable laws upon advice of legal counsel.

SUPRA DISPLAY KEY, EKEY AND LOCKBOXES *(New Section Approved 06-05)*

SECTION 2: SUPRA DISPLAYKEY, EKEY, AND LOCKBOXES: Member Participants and Subscribers must use the Supra DisplayKEY (the standard Key issued by the MLS), eKEY (an alternative to the Display KEY which requires software to be installed on a smartphone or Personal Digital Assistant (PDA) enabling the device to open a Lockbox) and Lockboxes in accordance with the terms and conditions specified by the DisplayKEY Lease and Software Sublicense Agreement, in addition to these additional policies. Any violation of a rule contained in this entire Section 2 is a Category III violation as described in Section 9.4.3 and carries a fine.

A. KEY: Refers to both the Supra DisplayKEY and the eKEY.

B. KEYHOLDER: Means 1) a Member Participant or Subscriber of CMLS in good standing, 2) an individual authorized in writing by a Member Participant of CMLS; or as otherwise approved by the CMLS Board of Directors who is entitled to use the Supra System (includes electronic keys, Lockboxes, KIM Web, KIM Voice, KIM Client and support) in accordance with Keyholder Agreement with Supra, or a lease, sublease or sublicense with CMLS, CMLS Lease and License Terms. All Realtor® Keyholders and CMLS Subscribers described above must hold a valid real estate sales or broker's license or be certified by an appropriate state regulatory agency to engage in the appraisal of real property in North Carolina or South Carolina where the Supra System will be used. Any individual as described in #2 above must have the Keyholder Lease Agreement co-signed by a Member Participant of CMLS as defined in the CMLS Bylaws. *(Amended 10-06)*

C. AFFILIATE KEYHOLDER: Means an affiliate home inspector member of CRRA, or an affiliate home inspector member of another Realtor® association exclusively utilizing the CMLS. Affiliate Keys are programmed to have limited access capabilities.

D. LOCKBOX: Refers to the individual Lockboxes and the iBox system manufactured by Supra leased and sold to Member Participants and Subscribers. The term "Lockbox" May also include combination lockboxes. *(Approved New Section 6-05)*

E. POSSESSION OF KEY: Each DisplayKEY or eKEY holder may possess only one Key (whether a Supra DisplayKEY or an eKEY) at a time. If a Key is lost or requires replacement for any reason, the replacement cost for the Key shall be the replacement price set forth in Membership Policies and Procedures. Each office may have an "emergency" office Key assigned to the Member Participant who is solely responsible for it.

Keyholders must immediately report a stolen Key to the Member Services Department. The Member Services Department will not charge for the stolen Key if a copy of a filed police report is provided to staff within one week of the notice. If the police report is not provided, fees for a replacement Key will apply (See Membership Policies and Procedures).

F. CURRENT UPDATE CODE: The Key has an update code that expires daily to prohibit further use of the Key until a new current update code is obtained from Supra or the Member Services Department and entered into the Key. Update codes shall be issued only to Keyholders in good standing with the MLS. A Keyholder is in good standing if he or she is in full compliance with all obligations related to the Service and Supra System, including, without limitation, the terms of these Rules and Regulations.

G. SECURITY OF EQUIPMENT: Each Keyholder must maintain the security of each Key and the Personal Identification Number ("PIN") of each Key to prevent the use of the Key by unauthorized persons. Each Keyholder, whether such Key is being actively used or not, shall abide by the following conditions:

1. to keep the Key in the Keyholder's possession or in a safe place at all times;
2. not to allow the PIN for the Key to be attached to the Key for any purpose whatsoever or to be disclosed to any third party;
3. not to lend or otherwise transfer the Key to any other person or entity, or permit any other person or entity to use the Key for any purpose whatsoever, whether or not such other person or entity is a real estate broker;
4. not to duplicate the Key or allow any other person to do so;
5. not to assign, transfer or pledge the Key;
6. not to destroy, alter, modify, disassemble or tamper with the Key or knowingly or unknowingly allow anyone else to do so;
7. to notify the Member Services Department immediately in writing of a loss or theft of the Key or any Lockboxes, and of all circumstances surrounding such loss or theft;
8. to pay in full for any lost or stolen Key or cradle or to complete and deliver to the Member Services Department a stolen Key affidavit prior to and as a condition of the issuance of a replacement Key;
9. to follow all additional security procedures as specified by the MLS; and
10. to safeguard the code for each Lockbox from all other individuals and entities, whether or not they are authorized users of the Supra System.

H. AUTHORIZATION: The property owner, as well as any tenant(s) in possession of the property, if applicable, must provide prior written authorization to install or use a Lockbox before a Lockbox is installed or used on any piece of real property. CMLS requires a written agency agreement to install or use an iBox on any real property. Keyholders must use extreme care to ensure that all doors to the listed property and the Lockbox are locked. The Listing Brokerage must inform all owners and tenant(s) of real property that the Lockbox is not designed or intended as a security device. *(Amended 8-05)*

I. STATEMENT OF ADMINISTRATIVE PROCEDURES AND OPERATING STANDARDS: Each Keyholder acknowledges that the use of the Supra System is also subject to the terms and conditions of the Supra Administration Agreement and that failure of Supra or the MLS to perform any of their respective obligations under the Administration Agreement may detrimentally affect such party's use of the Supra System. Each Keyholder expressly waives any right to exercise any right or remedy arising under, relating to or by virtue of any default by any person under the Administration Agreement or under any other agreement executed and delivered in connection with the use or leasing of the Supra System between CMLS and Supra. Each Keyholder further acknowledges and agrees that the MLS may exercise any remedies any of them may have under the Administration Agreement.

J. ACKNOWLEDGMENT: Each party using the Supra System hereby acknowledges that it is not a security system. The Supra System is a marketing convenience key control system, and as such, any loss of Keys or disclosure of Personal Identification Numbers compromises the integrity of the Service and the Supra System, and each party agrees that it will use its best efforts to insure the confidentiality and integrity of all components.

K. LOCKBOXES: Each firm is responsible for maintaining up-to-date records of the location of each Lockbox leased to the firm's Member Participants and Subscribers.

1. Keyholders must notify the Member Services Department of transfers of ownership of Lockboxes from one firm or individual to another by completing the necessary Lockbox Transfer Form.
2. Keyholders must never attach a Lockbox shackle code to a Lockbox.

SECTION 2.1: UNAUTHORIZED USE OF KEY: The lending of Keys for any reason is prohibited. Each Keyholder must secure the Key to prevent anyone from discovering the PIN number.

Keyholders using electronic Keys from other MLSs or associations that cooperate with CMLS are subject to these Supra DisplayKEY, eKey and Lockbox rules and regulations, penalties and fines on the same terms as all other Keyholders.

SECTION 2.2: RIGHT TO SUSPEND USE OF KEY: The Service may refuse to lease a Key, may terminate an existing Key lease agreement, 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 CMLS Board of Directors (Described under Article VI of the CMLS Bylaws), relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

The Service may suspend the right of Keyholders to use Keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the CMLS Board of Directors, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk.

Factors the CMLS Board of Directors can consider in making such determinations include, but are not limited to:

a) that nature and seriousness of the crime,
b) the relationship of the crime to the purposes for limiting Lockbox access,
c) the extent to which 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.

SELLING PROCEDURES

SECTION 3: SHOWINGS AND NEGOTIATIONS: The Cooperating Brokerage must arrange appointments for showings and conduct negotiations for the purchase of listed property submitted to the Service with the Listing Brokerage except under the following circumstances:

A. The Listing Brokerage gives the Cooperating Brokerage (either subagent or buyer agent) specific authority to show or negotiate directly with the Seller, or

B. After reasonable effort, the Cooperating Brokerage (subagent or buyer agent) is unable to contact the Listing Brokerage. However, the Listing Brokerage may preclude such direct negotiations by the Cooperating Brokerage (either subagent or buyer agent).

An infraction of this rule is a Category II violation as described in Section 9.4.2 and carries a fine.

The Cooperating Brokerage (subagent or buyer agent) must disclose his agency status to the Listing Brokerage at first contact with the Listing Brokerage (in person, by telephone or in writing).

The Cooperating Brokerage must notify the Listing Brokerage in the event an appointment is cancelled.

SECTION 3.1: PRESENTATION OF OFFERS: The Listing Brokerage must make arrangements to present any offer as soon as possible, or give the Cooperating Brokerage a satisfactory reason for not doing so.

SECTION 3.2: SUBMISSION OF WRITTEN OFFERS: The Listing Brokerage must 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 Brokerage. Unless a subsequent offer is contingent upon the termination of an existing contract, the Listing Brokerage 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. *(Amended 10-06)*

SECTION 3.3: RIGHT OF COOPERATING BROKERAGE IN PRESENTATION OF OFFER: The Cooperating Brokerage has the right to participate in the presentation to the Seller of any offer he/she secures to purchase unless the Seller gives written instructions to the contrary. He or she **does not** have the right to be present at any discussion or evaluation of that offer by the Seller and the Listing Brokerage. If the Seller gives written instructions to the Listing Brokerage that the Cooperating Brokerage not be present when an offer the Cooperating Brokerage secured is presented, the Cooperating Brokerage has the right to a copy of the Seller's written instructions. None of the foregoing diminishes the Listing Brokerage's right to control the establishment of appointments for such presentations. An infraction of this rule is a Category II violation as described in Section 9.4.2 and carries a fine. *(Amended 10-97)*

SECTION 3.4: RIGHT OF LISTING BROKERAGE IN PRESENTATION OF COUNTER-OFFER: The Listing Brokerage has the right to participate in the presentation of any counter-offer made by the Seller unless the purchaser gives written instructions to the contrary. He or she **does not** have the right to be present at any discussion or evaluation of a counter-offer by the purchaser (except when the Cooperating Brokerage is a subagent). If the purchaser gives written instructions to the Cooperating Brokerage that the Listing Brokerage not be present when a counter-offer is presented, the Listing Brokerage has the right to a copy of the purchaser's written instructions. An infraction of this rule is a Category II violation as described in Section 9.4.2 and carries a fine. *(Amended 10-97)*

SECTION 3.5: REPORTING SALES TO THE SERVICE: All Member Participants and Subscribers are obligated to report status changes on listings submitted to the Service,

regardless of the level of service or type of listing agreement associated with the listing. Reporting sales information is a condition of submitting any listing to the Service.

a. Pending sales shall be reported to the MLS (pending status) by the Listing Brokerage within forty-eight (48) hours (excluding holidays and weekends) after execution of the purchase agreement.
b. Pending sales with contingencies that will remain on the market shall be reported as such to the MLS (contingent or conditional status) by the Listing Brokerage within forty-eight (48) hours (excluding holidays and weekends) after execution of the purchase agreement.
c. The Listing Brokerage shall report closed sales to the MLS (sold status) within forty-eight (48) hours (excluding holidays and weekends) after the closing.
d. The Listing Brokerage shall report to the MLS the cancellation of any pending sale and, unless it has expired, the listing shall be reinstated (back on market status) within forty-eight (48) hours (excluding holidays and weekends) after the Listing Brokerage becomes aware of the cancellation.
e. The Listing Brokerage shall withdraw any Exclusive Agency listing which the Seller sells without the assistance of either the Listing Brokerage or a Cooperating Brokerage.

Failure to report a listing's change of status within 48 hours is a Category II violation as described in Section 9.4.2 and carries a fine. *(Amended 10-06)*

SECTION 3.6: REPORTING RESOLUTIONS OF CONTINGENCIES OR CONDITIONS: The Listing Brokerage shall report to the MLS within forty-eight (48) hours (excluding holidays and weekends) that a contingency or condition submitted to the MLS has been fulfilled, renewed or the agreement canceled. If the listing contract expires with a contingency or condition in effect, the listing shall remain as conditional or contingent status in the system until the status is updated to pending, sold, back on market or withdrawn. *(Amended 3-03)*

Failure to report a listing's change of status within 48 hours is a Category II violation as described in Section 9.4.2 and carries a fine.

SECTION 3.7: ADVERTISING OF LISTINGS SUBMITTED TO THE SERVICE: No one shall advertise a listing, other than the Listing Brokerage, without prior written consent of the Listing Brokerage.

SECTION 3.8: DISCLOSING THE EXISTENCE OF OFFERS: Listing Brokerages, in response to inquiries from buyers or cooperating brokers or when buyers or cooperating brokers make an offer, shall disclose the existence of offers on the property. The Listing Brokerage shall also disclose whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a Cooperating Brokerage. *(Revised 05-07)*

SECTION 3.9: AVAILABILITY OF LISTED PROPERTY: Listing Brokerages shall not misrepresent the availability of access to show or inspect listed property. *(New Section 10-06)*

REFUSAL TO SELL

SECTION 4: REFUSAL TO SELL: If the Seller of any listed property submitted to CMLS refuses to accept a written offer satisfying the terms and conditions stated in the listing the Listing Brokerage must notify all Member Participants of such fact within 48 hours (excluding holidays and weekends). *(Amended 1-03)*

PROHIBITIONS

SECTION 5: INFORMATION FOR MEMBER PARTICIPANTS ONLY: Member Participants and Subscribers may share a listing submitted to the Service with a Nonparticipant only with the prior written consent of the Listing Brokerage.

SECTION 5.1: "FOR SALE" SIGNS: No brokerage other than the Listing Brokerage may place a "FOR SALE" sign on the listed property. *(Amended 6-02)*

SECTION 5.2: "SOLD" SIGNS: Only the Listing Brokerage may place "Sold, Under Contract, Pending, etc." signs on the property prior to closing, unless the Listing Brokerage authorizes the Cooperating Brokerage to post such a sign.

SECTION 5.3: SOLICITATION OF LISTING SUBMITTED TO THE SERVICE: Member Participants and Subscribers must not solicit a listing on property submitted to the Service unless such solicitation is consistent with Article 16 of the REALTORS®' Code of Ethics.

This rule does not prohibit communications between a Seller who is a party to a Limited Service Listing agreement and a Cooperating Brokerage as long as such communication complies with Section 3: Showings and Negotiations and the Real Estate Commission rules governing agency relationships. *(Amended 10-06)*

SECTION 5.4: UNAUTHORIZED DISCLOSURE OF LOGIN NAME AND PASSWORD: Only Member Participants, Subscribers and unlicensed administrative assistants may have access to the Service, and they shall not disclose a MLS login name or password to anyone. An infraction of this rule is a Category IV violation as described in Section 9.4.5 and carries a fine.*(Amended 7-02)*

DIVISION OF COMMISSIONS

SECTION 6: COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING: The Listing Brokerage must specify, on each listing submitted to the MLS, the compensation offered to other MLS Member Participants for their services in the sale of such listing. Offers of compensation are unconditional except that the Cooperating Brokerage's performance as the procuring cause of sale determines entitlement to compensation. An arbitration hearing panel may excuse the Listing Brokerage's obligation to compensate any Cooperating Brokerage as the procuring cause of sale if through no fault of the Listing Brokerage and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the Listing Brokerage to collect a commission from the Seller pursuant to the listing agreement. The arbitration hearing panel must determine whether the Cooperating Brokerage is entitled to receive the cooperative compensation offered through the MLS based on all relevant facts and circumstances including, but not limited to:

- why it was impossible or financially unfeasible for the Listing Brokerage to collect some or all of the commission established in the listing agreement;

- at what point in the transaction did the Listing Brokerage know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and
- how promptly did the Listing Brokerage communicate to Cooperating Brokers that the commission established in the listing agreement might not be paid.

SECTION 6.1: COMPENSATION OFFERS ARE BLANKET, UNILATERAL, UNCONDITIONAL: In submitting a listing to the MLS, the Member Participant of the MLS is making blanket unilateral offers of compensation to the other MLS Member Participants, and shall therefore specify on each listing submitted to the MLS, the compensation being offered to the other MLS Member Participants. Specifying the compensation on each listing is necessary, because the Cooperating Brokerage has the right to know what his/her compensation shall be prior to his endeavor to sell. The Listing Brokerage retains the right to determine the amount of compensation offered to other Member Participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law) which may be the same or different.

SECTION 6.2: ACCEPTABLE OFFERS OF COMPENSATION: The compensation specified on listings submitted to the MLS by the Member Participants must appear in one of two forms: (Amended 10-97)

1. by showing a percentage of the gross selling price; or

2. by showing a definite dollar amount.

This shall not preclude the Listing Brokerage from offering any MLS participant compensation other than the compensation indicated on any listing published by the MLS, provided the listing brokerage informs the cooperating brokerage, in writing, in advance of the cooperating brokerage producing 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.

The Listing Brokerage may adjust the compensation offered to other MLS Member Participants for their services with respect to any listing by advance published notice to the MLS to advise all Member Participants.

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. *(Amended 10-06)*

SECTION 6.3: NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY MEMBER PARTICIPANTS: The MLS must not fix, control, recommend, suggest or maintain commission rates or fees for services to be rendered by Member Participants. Further, the MLS must not fix, control, recommend, suggest or maintain the division of commissions or fees between cooperating Member Participants or between Member Participants and Nonparticipants.

The MLS must not publish the total negotiated commission on a listing that has been submitted to the MLS by a Member Participant. The MLS shall not disclose in any way the total commission negotiated between the Seller and the Listing Brokerage.

SECTION 6.4: MEMBER PARTICIPANT AS PRINCIPAL: A Member Participant or Subscriber with an ownership interest in a property must disclose that interest when the listing is submitted to the MLS.

SECTION 6.5: MEMBER PARTICIPANT AS PURCHASER: A Member Participant or licensee (including any licensed or certified appraiser or appraiser trainee) affiliated with a Member Participant who wishes to acquire an interest in property listed with another Member Participant must disclose his or her status, in writing, to the Listing Brokerage no later than the time an offer to purchase is submitted. *(New Section Approved 10-97)*

SECTION 6.6: DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS: The Listing Brokerage must disclose the existence of a dual or variable rate commission arrangement by entering "yes" in the "Variable Rate Commission" field in the system. CMLS recognizes two types of dual or variable rate commission arrangements:

1. The Seller agrees to pay a specified commission if the Listing Brokerage sells the property without assistance and a different commission if the sale results through the efforts of a Cooperating Brokerage; or
2. The Seller agrees to pay a specified commission if the property is sold by the Listing Brokerage either with or without the assistance of a Cooperating Brokerage and a different commission if the sale results through the efforts of a Seller.

The Listing Brokerage must, in response to inquiries from potential Cooperating Brokerages, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale that results through the efforts of the Seller. If the Cooperating Brokerage represents the buyer, the Cooperating Brokerage must disclose such information to his/her client before the client makes an offer to purchase.

SERVICE FEES AND MEMBERSHIP POLICIES

SECTION 7: SERVICE FEES AND MEMBERSHIP POLICIES: Participation in and subscription to CMLS is governed by Article 4 of the CMLS Bylaws and subject to payment of these applicable fees. Refer to the Membership Policies and Procedures for a full description of all service fees and membership policies. *(New Section 3-05)*

SECTION 7.1: SERVICE FEES: The following Service fees for operation of the MLS are in effect to defray the cost of the Service and are subject to change from time to time in the manner prescribed.

SECTION 7.1.1: INITIAL PARTICIPATION FEE: An applicant for Participation in the Service must pay an Initial Participation Fee of $500, as determined by the CMLS Board of Directors, with such fee to accompany the application. The Initial Participation Fee approximates the cost of bringing the Service to the Member Participant as determined by the Service from time to time with the approval of the CMLS Board of Directors.

SECTION 7.1.2: SUBSCRIPTION FEES: CMLS provides one subscription to the Member Participant upon payment of the Initial Participation Fee and the applicable Subscription Fees of $65 per month, assessed on a quarterly basis as determined by the CMLS Board of Directors. *(Amended 3-05)*

CMLS provides an additional subscription for each individual, employed by or affiliated as an independent contractor (including licensed and certified appraisers and appraiser trainees) with the Member Participant, who has access to and who utilizes the Service. All Subscribers affiliated with a Member Participant must pay a Start Up Fee of $150, as determined by the CMLS Board of Directors and the applicable Subscription Fees of $45 per month, assessed on a quarterly basis, with such fee to accompany the application signed by the Member Participant.

COMPLIANCE WITH RULES

SECTION 8: APPLICABILITY OF RULES TO USERS AND SUBSCRIBERS: Member Participants and Subscribers must sign an agreement acknowledging that access to and use of CMLS information is contingent on compliance with the Rules and Regulations. Individuals authorized to have access to information published by CMLS are subject to these Rules and Regulations and CMLS may discipline them for violations thereof. Further, failure of any user or Subscriber to abide by the Rules or sanction imposed for violations thereof can subject the Member Participant to the same or other discipline. This provision does not eliminate the Member Participant's ultimate responsibility and accountability for all users or Subscribers affiliated with the Member Participant. *(Amended 3-05)*

ENFORCEMENT OF RULES OR DISPUTES

SECTION 9: CONSIDERATION OF ALLEGED VIOLATIONS: CMLS considers all complaints alleging a violation of the Rules and Regulations, including but not limited to complaints initiated by MLS staff or staff of Associations that that have designated CMLS as their primary MLS. CMLS reserves the right to request complaints be submitted in writing. *(Amended 10-06)*

SECTION 9.1: VIOLATIONS OF RULES AND REGULATIONS: If the MLS determines an alleged offense is a violation of Rules and Regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, CMLS staff will process the complaint as described in this Section 9.

SECTION 9.2: COMPLAINTS OF UNETHICAL CONDUCT: CMLS refers alleged violations involving complaints of unethical conduct or requests for arbitration to the Professional Standards Committee of the CRRA for appropriate action in accordance with the usual procedures under terms of the CRRA Bylaws.

SECTION 9.3: MLS VIOLATION REPORT: Anyone may report the discovery of inaccurate or incomplete information in the MLS database. CMLS staff will check the database to confirm the violation. If CMLS cannot verify the complaint alleging a violation of the CMLS Rules and Regulations by checking the database or tax records, then the complainant must submit the complaint in writing. The complainant may send (mail, fax or email) the MLS Violation Report to CMLS staff.

If staff is able to independently verify the violation reported by the complainant, then staff will maintain the confidentiality of the complainant. However, if a complaint goes to a hearing, and the panel requires evidence from a complainant, the respondent is given the opportunity to confront the evidence and the complainant. *(Amended 10-06)*

SECTION 9.4: VIOLATION CATEGORIES: If a violation occurs, it will fall into one of three categories: *(Amended 10-06)*

SECTION 9.4.1: CATEGORY I VIOLATIONS: Considered to be "correctable violations" and do not carry a fine for the first violation.

- **A. Staff Action:** CMLS staff will send "Listing Complaint Notification", by fax or email to the attention of the respondent. CMLS will send a copy to the respondent's Member Participant.
- **B. Fine:** There is no fine for the first Category I violation.
- **C. Compliance:** The Member Participant must correct the violation within 48 hours (excluding weekends and holidays).
- **D. Non Compliance:** If the respondent does not correct the violation within 48 hours (excluding weekends and holidays), and the respondent has not indicated plans to appeal the alleged violation, CMLS will assess a Category I Non Compliance Fine as described in Section 9.5: Compliance Fee Schedule.
- **E. Repeat Violations:** Repeat violations carry fines as outlined in Section 9.5: Compliance Fee Schedule.
- **F. Violations Include:** Any violation of the CMLS Rules and Regulations not specifically addressed by Category II, III or IV.

SECTION 9.4.2: CATEGORY II VIOLATIONS: Considered serious violations. Many are not "correctable" and therefore incur an immediate fine.

- **A. Staff Action:** CMLS staff will confirm a violation in fact. If there is no violation the matter is closed with CMLS staff contacting the person who filed the original complaint when that person has requested notification of the alleged violation outcome. When the respondent has violated the CMLS Rules and Regulations, CMLS staff will send a "Listing Complaint and Fine Notification" to the attention of the respondent and the respondent's Member Participant.
- **B. Fine:** See Section 9.5: Compliance Fee Schedule.
- **C. Compliance:** The respondent must correct the violation (if the violation is correctable) within 48 hours (including weekends and holidays).
- **D. Non Compliance:** If the respondent does not correct the violation (if correction is possible) within 48 hours (including weekends and holidays), and the Member Participant has not indicated plans to appeal the alleged violation, CMLS will assess a Category II Non Compliance Fine as described in Section 9.5: Compliance Fee Schedule.
- **E. Repeat Violations:** Repeat violations carry fines as outlined in Section 9.5: Compliance Fee Schedule.
- **F. Violations include (but are not limited to):**
  1. Failure to input a new listing required to be entered into the MLS system.
  2. Failure to indicate that a listing is a Limited Service Listing as described under Section 1.5.
  3. Failure to produce a signed listing agreement within 48 hours (including holidays and weekends) when requested by CMLS staff indicating that the Seller refuses to permit the dissemination of the listing by the MLS service.
  4. Failure to report a listing's change of status within 48 hours (excluding holidays and weekends), or failure to report a listing's correct status.
  5. Failure to include a Cooperating Brokerage when an offer is made to the Seller except where the Seller prohibits this in writing. The Listing Brokerage must

provide a copy of the Seller's written instructions to the Cooperating Brokerage on request.

6. Failure to include the Listing Brokerage when a counteroffer is made to the purchaser except where the purchaser prohibits this in writing. The Cooperating Brokerage must provide a copy of the purchaser's written instructions to the Listing Brokerage on request.
7. Failure to comply with any of the Internet Data Exchange Rules and Regulations within five days of written notification from CMLS.
8. Entering a listing in the MLS without a valid, signed listing agreement.
9. Failure to remove a listing upon termination of a listing agreement.
10. Making an appointment for a showing or negotiating with the Seller for the purchase of listed property submitted to the Service without the permission of the Listing Brokerage unless after reasonable effort, the Cooperating Brokerage (subagent or buyer agent) is unable to contact the Listing Brokerage or his representative.
11. Failure to make an appointment with the Listing Brokerage prior to entering a listed property submitted to the Service.
12. Failure to provide CMLS with requested documentation within 48 hours.

SECTION 9.4.3: CATEGORY III VIOLATIONS: These violations pertain to possession and use of the Supra DisplayKEY, eKEY and Lockboxes.

A. **Staff Action:** CMLS staff will confirm a violation in fact. If there is no violation the matter is closed with CMLS staff contacting the person who filed the original complaint when that person has requested notification of the alleged violation outcome. When the respondent has violated the CMLS Rules and Regulations, CMLS will send a "Listing Complaint and Fine Notification" to the attention of the respondent and the respondent’s Member Participant.
B. **Fine:** See Section 9.5: Compliance Fee Schedule.
C. **Compliance:** If possible, the respondent must correct the violation within 48 hours (including weekends and holidays).
D. **Non Compliance:** If the respondent does not correct the violation within 48 hours (including weekends and holidays), and the respondent has not indicated plans to appeal the alleged violation, CMLS will assess a Category III Non Compliance Fine as described in Section 9.5: Compliance Fee Schedule.
E. **Repeat Violations:** Repeat violations carry fines as outlined in Section 9.5: Compliance Fee Schedule.
F. **Violations include (but are not limited to):** Any violation of Section 1.9 or Section 2.

SECTION 9.4.4: CATEGORY IV VIOLATIONS: This violation pertains to unauthorized disclosure of login name and password to the MLS system.

A. **Staff Action:** CMLS staff will confirm a violation in fact. If there is no violation the matter is closed with CMLS staff contacting the person who filed the original complaint when that person has requested notification of the alleged violation outcome. When the respondent has violated the CMLS Rules and Regulations, CMLS will send a "CMLS Listing Complaint and Fine Notification" to the attention of the respondent and the respondent’s Member Participant.
B. **Fine:** See Section 9.5: Compliance Fee Schedule.
C. **Compliance:** Must change password within 48 hours (excluding weekends and holidays)

D. **Noncompliance:** If the respondent does not change the password immediately, a Category IV Non Compliance Fine as described in the Compliance Fee Schedule will be assessed.
E. **Repeat Violations:** Repeat violations will be fined as outlined in Section 9.5: Compliance Fee Schedule.
F. **Violations include (but may not be limited to):**
   1. Unauthorized disclosure of login name and password to the MLS system. (Sec. 5.4)

SECTION 9.5: COMPLIANCE FEE SCHEDULE *(Amended 10-06)*

	Category I	**Category II**	**Category III**	**Category IV**
1st Violation	None	$100	$500	$1,000
Additional violations of the same offense by the same individual, whether Member Participant or Subscriber.	2nd $100 3rd $150 4th $200	2nd $150 3rd $200 4th $250	2nd $550 3rd $600 4th $650	2nd $3,000 3rd Expelled from CMLS for a period of one year. Reinstatement requires the approval of the CMLS Board of Directors.
	Fine will increase by $50 for each additional occurrence to a maximum of $500. Thereafter, fines shall be as determined by the CMLS Board of Directors.			
Non Compliance	$100	$200	$300	$500 + Suspension until paid
Non Payment	$200	$200	$200	N/A

SECTION 9.6: FAILURE TO PAY FINES: Failure to pay a fine within 20 days (including weekends and holidays) incurs a Nonpayment Fine as described in the Compliance Fee Schedule. Every 30 days thereafter (including weekends and holidays) another Nonpayment Fine may be levied if the fines are not paid. Failure to pay accumulated fines of $500 or more may result in the termination of MLS services. CMLS will send the respondent a "Notification of Intent to Terminate MLS Services." If the respondent does not pay accumulated fines within 10 days (including weekends and holidays) of the "Notification of Intent to Terminate MLS Services" CMLS will terminate the respondent's services, and service will be reinstated when the fine(s) have been paid. *(Amended 2-03)*

SECTION 9.7: HEARING REQUEST: Any respondent, having reason to believe that the fine imposed on that respondent by the MLS is without merit, may file an "CMLS Compliance Hearing Request" form. The request for a hearing must:

1) Include copies of any relevant documents;
2) Include payment of assessed fine;
3) Include an appearance deposit equal to ½ the assessed fine which will be returned to the respondent as long as the respondent is not deemed "non-appearing"; and
4) Be sent to the CMLS Compliance Administrator within twenty (20) days after the "MLS Complaint and Fine Notification."

If in the opinion of the CMLS staff, the respondent is able to show compliance with all Rules and Regulations and that the fine was erroneous, CMLS will refund the assessed fine and the appearance deposit. If the CMLS staff is not satisfied that the respondent was or is in compliance with all Rules and Regulations the matter must go to the MLS Hearing Committee.

Within 15 days of receiving a "CMLS Compliance Hearing Request" form, CMLS staff will send notice to the respondent requesting a hearing, offering two hearing dates and a list of the MLS Hearing Committee members who may be selected to appear at the hearing.

The respondent then has 15 days (including weekends and holidays) to notify the MLS staff of the preferred date and of any objection to any MLS Hearing Committee member. When the respondent has good cause the respondent may object to a MLS Hearing Committee member who may be selected to sit on the MLS Hearing Panel. The respondent must provide a written detailed explanation for the objection. CMLS staff will review the objection and choose from the remaining MLS Hearing Committee members to serve as Hearing Panel members when appropriate. If the respondent does not respond within the 15 days it will be considered a "non-appearance ". The fine will stand and the respondent forfeits the appearance deposit.

CMLS will fill last minute emergency absences by scheduled panel members with the scheduled alternate. *(Amended 10-03)*

SECTION 9.8: MLS HEARING COMMITTEE: Each year, each participating board/association shall nominate at least two and not more than three MLS Member Participants to serve on the MLS Hearing Committee. The President of the CMLS Board of Directors shall appoint two from each list to serve on the MLS Hearing Committee for a one-year term. Members of the MLS Hearing Committee shall not be:

a. Members of the CMLS Board of Directors.
b. Executives or staff of associations, boards or CMLS.
c. Members of the Board of Directors of any association/board.

CMLS schedules members of the MLS Hearing Committee to serve on panels as primary and alternate participants on a rotating basis. CMLS schedules hearings as required. *(Amended 10-03)*

SECTION 9.9: REQUESTS FOR DOCUMENTS: Members of the panel scheduled for a hearing may request any document(s) they deem relevant and necessary to the determination of the hearing, from the parties to the hearing. The parties to the hearing must provide the documents requested by the hearing panel. CMLS deems any failure to provide requested documents a "nonappearance." CMLS will cancel the hearing, and the respondent shall have no further recourse. If the respondent fails to provide requested documents, the respondent must forfeit the appearance deposit.

SECTION 9.10: CONTINUANCE OF HEARING: If any party fails to appear at the hearing and has not requested a continuance, the hearing shall proceed as scheduled. If the respondent fails to appear he/she forfeits the appearance deposit. CMLS may grant one continuance if there are extenuating circumstances. The parties to the hearing must request the continuance in writing at least 48 hours prior to the hearing date to the CMLS staff. When CMLS grants a continuance, CMLS will coordinate a new date for the hearing. If the respondent fails to appear before the MLS hearing panel for the second scheduled hearing pursuant to the continuance, the respondent forever waives the right to contest that fine which is the subject of said hearing.

SECTION 9.11: CANCELLATION OF HEARING REQUEST: The respondent who requested the "CMLS Compliance Hearing Request" may cancel the request.

The request must be in writing and received (mail, fax or email) by noon of the business day preceding the hearing date. CMLS will refund the appearance deposit in full. The Member Participant forever waives the right to contest the fine that was the subject of said hearing.

SECTION 9.12: RECORDING THE HEARING: The CMLS staff may tape-record the proceeding. Parties to the hearing may at their own expense may have a court reporter present or tape record the proceeding. If transcribed, a transcript shall be sent to CMLS.

SECTION 9.13: HEARING PROCEDURES: The MLS Hearing Committee panel is not bound by the rules of evidence applicable in courts of law, but shall afford all parties a full opportunity to be heard, present witnesses, and offer evidence, subject to its judgment as to relevance.

CMLS conducts all hearings and procedures in accordance with the NATIONAL ASSOCIATION OF REALTORS® Handbook on Multiple Listing Policy and such Rules as promulgated hereunder.

SECTION 9.14: AMENDING A COMPLAINT: At any time during the hearing, the complaint may be amended either by the Subscriber Services Manager or upon motion of the Hearing Panel to add previously uncited violations of the CMLS Rules and Regulations or additional respondents. In such event the hearing, with the concurrence of the respondent to the complaint, may proceed uninterrupted or be reconvened on a date certain, not less than fifteen (15) or more than thirty (30) days from adjournment. If the respondent knowingly waives his or her right to the adjournment, the record should reflect the fact that the respondent was aware of the right to an adjournment but chose to proceed with the hearing without interruption on the basis of the amended complaint. If the hearing is adjourned to be reconvened at a later time, the amended complaint shall be filed in writing, signed by the Chairperson of the Hearing Panel, and shall be promptly served on the respondent as in all other cases provided herein. (Amended 2-03)

SECTION 9.15: HEARING APPEALS: The respondent may appeal a Hearing decision for an alleged violation of the CMLS Rules and Regulations.

Within twenty (20) days of receipt of the hearing outcome, the respondent may petition the MLS Hearing Committee panel for a rehearing solely on the grounds of newly discovered evidence. The petition must include: (1) a summary of the new evidence, (2) a statement of what the new evidence is intended to show and how it might affect the panel's decision and (3) an explanation of why the petitioner could not have discovered and produced the evidence at the original hearing.

Within twenty (20) days of receipt of the MLS Hearing Committee panel's decision, if no petition for rehearing has been filed, or within ten (10) days after denial of a petition for a rehearing, the respondent may file an appeal.

The Executive Committee will hear appeals of determinations by the CMLS Hearing Committee panel. *(Amended 10-06)*

CMLS will charge a $100 deposit for an appeal of a hearing decision. *(Amended 12-03)*

SECTION 9.16: HEARING OUTCOME: CMLS shall return the respondent's appearance deposit in full if the respondent has appeared. The MLS Hearing Committee panel will submit their decision in writing, signed by all panel members to the MLS staff and the parties to the hearing, within 10 days. If a majority of the MLS Hearing Committee panel finds that the respondent violated a rule or regulation the fine stands. If a majority of the MLS Hearing Committee panel finds that the respondent's appeal prevails on its merits, the panel may revoke the fine that is the subject of the respondent's appeal. CMLS will mail a fine refund to the respondent within three weeks of the notification of the fine revocation.

SECTION 9.17: RECORDS: CMLS staff will retain records of all complaints and their disposition and tapes from MLS compliance hearings for seven years.

CONFIDENTIALITY OF MLS INFORMATION

SECTION 10: CONFIDENTIALITY OF CMLS INFORMATION: Any information provided by the MLS to the Member Participants is confidential and exclusively for the use of Member Participants and for each individual, employed by or affiliated as an independent contractor (including licensed and certified appraisers and appraiser trainees) with the Member Participant, who has access to and who utilizes the Service.

SECTION 10.1: CMLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION: CMLS publishes and disseminates information verbatim, without change by the Service, as submitted to the Service by the Member Participant. The Service does not verify the information provided and disclaims any responsibility for its accuracy. Each Member Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Member Participant provides.

SECTION 10.2: ACCESS TO COMPARABLE AND STATISTICAL INFORMATION: REALTOR® associations where CMLS is the primary MLS are the Gaston Association of REALTORS®, Central Carolina Association of REALTORS®, Union County Association of REALTORS®, Lincoln County Board of REALTORS®, and CRRA. Members of these REALTOR® Associations who are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, or building, developing or subdividing real estate 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 REALTOR® Association members and individuals affiliated with REALTOR® Association members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to unauthorized individual, office, or firm, except as otherwise provided in these rules and regulations. *(Amended 08-04)*

OWNERSHIP OF CMLS COMPILATION AND COPYRIGHTS

SECTION 11: OWNERSHIP OF CMLS COMPILATION AND COPYRIGHTS: By the act of submitting property listing content to the MLS, the Member Participant represents that he/she has been authorized to grant and also, thereby, does grant authority for CMLS to include the property listing content in the copyrighted CMLS 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 listing property.

"CMLS Compilation" shall mean any format in which the Service collects property-listing data including, but not limited to, computer database, card file, or any other format. *(Amended 1-07)*

SECTION 11.1: OWNERSHIP: All right, title and interest in each copy of every CMLS Compilation created and copyrighted, and the copyrights therein shall, at all times, remain vested in the copyright holder.

SECTION 11.2: SUBSCRIPTION LIMITATIONS: Each Member Participant is entitled to a number of subscriptions to the Service sufficient to provide the Member Participant and each licensed or certified person affiliated as a licensee with such Member Participant with one subscription. The Member Participant shall pay, for each such subscription, the Subscription Fee described in Section 7 and in the Membership Policies and Procedures.**

Member Participants and Subscribers acquire by such subscription only the right to use the CMLS Compilation in accordance with these rules.

***This section does not require the Member Participant to pay for a subscription to the MLS for any licensee (or licensed or certified appraiser) affiliated with the Member Participant who is engaged exclusively in a specialty of the real estate business other than listing, selling, or appraising the types of properties which are required to be submitted to the MLS and who does not, at any time, have access to or use of the MLS information.*

USE OF COPYRIGHTED CMLS COMPILATIONS

SECTION 12: DISTRIBUTION: At all times, Member Participants must maintain control over and responsibility for:

A. each copy of any CMLS Compilation (including the Comparables Book and any digital form of the CMLS Compilation) provided to them by CMLS, and

B. the information accessed from the online database as allowed by the MLS

and shall not distribute any such copies or information to persons other than Subscribers who are affiliated with such Member 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 the MLS is strictly limited to the activities authorized under a Member Participant's licensure(s) or certification, and CMLS prohibits unauthorized uses. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed or published by the MLS where access to such information is prohibited by law.

SECTION 12.1: DISPLAY: CMLS permits Member Participants, and those persons affiliated as licensees with such Member Participants, to display the CMLS 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 CMLS Compilation.

SECTION 12.2: REPRODUCTION: Member Participants or their affiliated licensees shall not reproduce any CMLS Compilation, any information originating from the CMLS database or any portion thereof except in the following listed circumstances:

Member Participants or their affiliated licensees may reproduce from the CMLS Compilation or the CMLS database, and distribute to prospective purchasers, a reasonable* number of single copies of property listing data contained in the CMLS Compilation or originating from the CMLS database which relate to any properties in which prospective purchasers are, or may, in the judgment of the Member Participants or their affiliated licensees, be interested.

** It is intended that the Member Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Member Participant is seeking to promote interest. The term reasonable, as used herein, permits only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors CMLS must consider in deciding whether the reproductions made are consistent with this intent and thus reasonable in number, include, but are not limited to, the total number of listings in the MLS Compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.*

Provided, however, that nothing precludes any Member 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 Member 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 Member Participant and those licensees affiliated with the Member 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 prevents 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 the MLS has deemed to be nonconfidential 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 the rules and regulations.

SECTION 12.3: PROPRIETARY DATA AND CONFIDENTIALITY: The property data provided to CMLS is proprietary and confidential. All such data is copyrighted by CMLS and CMLS does not relinquish to any party any of the proprietary or copyright privileges vested in it by law or equity. All such information shall be treated as proprietary and confidential and shall not be disclosed to any third party whatsoever except by CMLS or as otherwise approved by CMLS. Such listing data may be sold, transferred, licensed, conveyed, accessed, leased or shared by a CMLS approved third party. *(New Section Approved 12-96)*

SECTION 12.4: DISPOSAL: Upon the end of its useful life, any CMLS Compilations or information accessed from the online data base shall be archived or disposed of in a fashion that would not allow third parties to gain access to this information. *(New Section Approved 11-98)*

SECTION 12.5: OBJECTIONABLE COMPANY AND WEB SITE NAMES: Member Participants and Subscribers must not indicate or imply in any medium that they operate a multiple listing service. CMLS reserves the right to object to any company name or Web site name proposed by a current or potential Member Participant or Subscriber, which name in CMLS' sole discretion is confusingly similar to any name used in commerce by CMLS and that CMLS believes could leave the public confused. Names or phrases that CMLS might find objectionable could include "MLS," "Charlotte Regional," or any combination when used together or in such close proximity to each other anywhere in their Web site address (URL) or their Web site name that it could cause confusion. The use of the words "Multiple" (or "Multi") "Listing" (or "List") or "Service" (or "System") together or in any combination in a Web site address (URL) or Web site name is also prohibited.

CRRA/CMLS staff will record the rejection of a company or Web site name proposed by a current or future Member Participant or Subscriber at the time of membership application or when the member first proposes the use of such company or Web site name.

If a potential new Member Participant or Subscriber refuses to change his/her company or Web site name to something less objectionable, the CRRA/CMLS Member Services Department will advise the applicant that he/she will not be allowed to attend orientation and therefore, he or she will not receive access to Supra Keys or CMLS until the name is reviewed by the CRRA or CMLS Board of Directors at the next regularly scheduled meeting.

When a current Member Participant or Subscriber chooses a new company or Web site name found to be objectionable, the Member Participant or Subscriber (as well as the Subscriber's Member Participant) will be notified that if use of the objectionable name does not cease within five business days, access to MLS will be terminated for the Member Participant or Subscriber. Additionally, the IDX data feed will be terminated for the Member Participant or Subscriber's Member Participant. [Policy approved February 2003] *(Amended 10-06)*

SECTION 12.6: USE OF THE TERM MLS: Member Participants and Subscribers shall not use the term "MLS" "multiple listing service" or any derivatives to represent or imply that the public will have access to the MLS on their own Web sites or on any advertising in any media. The only acceptable use of the term MLS is for a Member Participant or Subscriber to indicate they are a member of the MLS or to describe the services they provide.

SECTION 12.7: INDIRECT ACCESS TO TEMPO™ MLS SYSTEM: Member Participants and Subscribers may not include on their Web sites any link or document that provides indirect access to any part of the TEMPO MLS system. This includes but is not limited to linked access to the Client Gateway and TEMPO full or brief reports.

USE OF CMLS INFORMATION

SECTION 13: LIMITATIONS ON USE OF CMLS INFORMATION: Use of information from the CMLS compilation of current listing information, from CMLS' statistical report, or from any sold or comparable report of CMLS for public mass-media advertising by a Member Participant or in other public representations, may not be prohibited.

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by CMLS 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 Carolina Multiple Listing Services, Inc. for the period (date) through (date) (and the area covered)."* (Amended 3-06)

CHANGES IN RULES AND REGULATIONS

SECTION 14: CHANGES IN RULES AND REGULATIONS: Changes in Rules and Regulations of the MLS require a majority vote of the members of the CMLS Board of Directors present and voting. *(Amended 10-06)*

BUSINESS CARDS

SECTION 15: BUSINESS CARD ETIQUETTE: CMLS requests all Members Participants and Subscribers to present their business cards to owners when showing property. Members may leave a business card in an occupied property when the owners are not at home.

> **SECTION 15.1: SIGN-IN SHEETS**: CMLS suggests that the Listing Brokerage should have a sign-in sheet when the property is vacant.

ORIENTATION

SECTION 16: ORIENTATION: Any applicant for MLS participation and any licensee affiliated with an MLS Member Participant who has access to and use of the MLS-generated information must complete an orientation program of no more than eight (8) classroom hours devoted to the MLS Rules and Regulations and computer training related to MLS information entry and retrieval and the operation of the MLS.

INTERNET DATA EXCHANGE

(FIRST ADOPTED APRIL 2001)

SECTION 17: IDX DEFINITIONS:

A. Internet data exchange (IDX): IDX is a means by which Member Participants subscribing to the IDX program (the "IDX Participant" or "Participant Firm") permits the display of their Active, Contingent, Conditional and Pending listings appearing in the MLS on each other IDX Participant's Internet Web site, subject to the requirements of this Section 17.

In order to be an IDX Participant, the Participant Firm must:

1. Have agents actively representing buyers or Sellers in real estate transactions through exclusive right to sell or exclusive agency listing agreements, or through exclusive or non-exclusive buyer agency agreements or any other form of written buyer agency agreement.
2. Comply with all applicable North Carolina and South Carolina laws, rules and regulations governing real estate. As prohibited by law, an IDX Participant should not advertise listings from another state where the IDX Participant is not licensed.

Note: There shall be only one IDX Participant per office. Companies with multiple offices must designate an IDX Participant for each office. The IDX Participant (principal) may be the same Member Participant or a different Member Participant for each separate office location. *(Amended 4-22-04)*

B. "**INTERNET DATA EXCHANGE BROKER INFORMATION AND TECHNICAL IMPLEMENTATION GUIDE**" is a policy document adopted by the CMLS Board of Directors describing the CMLS Internet Data Exchange program.

C. **"INTERNET DATA EXCHANGE DATABASE"** (IDX Database) is the current aggregate compilation of all Active, Contingent, Conditional and Pending listings submitted to the MLS by all IDX Participants except those listings where: a) the CMLS Member Participant Firm has opted out of Internet Data Exchange, or b) listings or property addresses of Sellers who have directed their Listing Brokerages to withhold their listing or property address from display on the Internet (including, but not limited to, publicly-accessible Web sites). Those listings described under (a) and (b) of this paragraph shall not be accessible via IDX sites (notwithstanding this prohibition, Listing Brokerages may display on their IDX sites or their other Web sites(s) the listing or property addresses of consenting sellers). *(Amended 1-08)*

SECTION 17.1: REPUBLICATION OF IDX DATABASE ON INTERNET PERMITTED: Display of listing information pursuant to IDX is subject to the following rules:

SECTION 17.1.1: REPUBLICATION OF IDX DATABASE ON INTERNET PERMITTED: An IDX Participant may republish all or a portion of the IDX Database on the Internet in accordance with the following provisions and in keeping with any policies that CMLS may adopt from time to time. Unless expressly contravened by the provisions of this Section 17, all other rules and regulations remain in full force and effect.

SECTION 17.1.2: Participants must notify the MLS of their intention to establish an IDX site and must make their site directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies.

SECTION 17.1.3: IDX WEB SITE END USER LICENSE AGREEMENT: The IDX Participant/Participant Firm that owns the Web site shall require all Web site users to click to acknowledge and consent to the "IDX Web Site End User License Agreement" contained in Appendix D of the *CMLS IDX Broker Information and Technical Implementation Guide*. *[This rule is not yet effective.]*

SECTION 17.1.4: IDX PARTICIPANT/PARTICIPANT FIRM WEB SITE BRANDING: The IDX Participant/Participant Firm that owns the Web site shall include brokerage branding at the top of any page within the Web site where any portion of the IDX Database is displayed or where visitors may initiate a search that may display any portion of the IDX Database. Such brokerage branding shall be visible when being framed by an agent Web site or secondary brokerage Web site. The brokerage's branding shall consist of either the brokerage firm's full name or its logo including its full name, with all text displayed at least 10 points high, and with a hyperlink from the brokerage's name or logo to the brokerage's Web site. Brokerage firm name here means the full name of the firm as registered with CMLS (e.g. "Century 21" or "RE/MAX" is not enough; it must include the entire firm name). *(Amended 10-06)*

SECTION 17.1.5: DISPLAYING LESS THAN THE ENTIRE IDX DATABASE: An IDX Participant who chooses to display less than the entire IDX Database is responsible for reconfiguring the IDX Database as necessary for this use and any costs associated with the reconfiguration. IDX 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 (e.g., uptown, downtown, etc.), list price and type of property (e.g., condominiums, single-family, multi family). Selection of listings displayed on any IDX site must be independently made by each IDX Participant. *(Amended 2-07)*

SECTION 17.1.6: REPUBLICATION OF ANOTHER IDX PARTICIPANT'S LISTINGS: Except as otherwise contained herein, an Internet republication of another IDX Participant's listings shall not contain more (but may contain less) information than is contained in CMLS' customer report, which excludes certain listing information. The fields available are set forth in Appendix B of the *CMLS IDX Broker Information and Technical Implementation Guide.* At a minimum, the IDX listings must include the MLS number. Listings under conditional and pending status must display the words "under contract." An IDX Participant may display all information relating to its own listings if it chooses; this limitation applies only to listings belonging to other IDX Participants. *(Amended 10-07)*

SECTION 17.1.7: IDX INFORMATION UPDATES: The IDX Participant shall update the information on its Internet Web site at least every 72 hours.

The IDX site must include a disclaimer indicating the frequency with which it is updated or the date of the last update. Either of the following two forms of disclaimer satisfies this rule: "Data is updated as of [date];" or, "This data is updated every 72 hours."

SECTION 17.1.8: NO MODIFICATION OR MANIPULATION OF DATA RELATING TO ANOTHER IDX PARTICIPANT'S LISTING: An IDX Participant may not modify or manipulate the data relating to another IDX Participant's listing (his is not a limitation on the design of the site, but refers to the actual data). The IDX Participant may, consistent with Sections 17.1.10 and 17.1.12, display generic links or "buttons" (such as "Map" or "Tax Info") on listings of other IDX Participants. If the IDX Participant wishes to display data from other sources, such as property tax records, sales histories, etc., the IDX Participant must segregate that data on the page from the other IDX Participants' listings and clearly identify its source.

SECTION 17.1.9: CMLS IDX DATABASE ICON AND EXPLANATION: The CMLS-approved icon and an explanation that those properties marked with the icon come from the CMLS IDX Database must appear on the first page that displays listing data.

The following disclosure or any substantially similar disclosure, accompanied by the CMLS-approved logo for IDX, will satisfy the requirements of this Section 17.1.9:

> "The data relating to real estate for sale on this Web site comes in part from the IDX Program of the Carolina Multiple Listing Services, Inc. Real estate listings held by brokerage firms other than [insert your firm's name here] are marked with the IDX logo or the IDX thumbnail logo (a little black house) and detailed information about them includes the name of the Listing Brokerage."

SECTION 17.1.10: BRANDING ON OTHER PARTICIPANTS' LISTINGS: The IDX Participant/Participant Firm that operates the Web site cannot display its name, contact information, branding, logo, advertisement or offer for itself or for any of its agents, or any third party, within the body of the listing data on any display of another IDX Participant's listing. "Branding" refers to any marks or language referring to the Web site-owning IDX Participant repeated in the display of another IDX Participant's listing. Any association of such information or branding with the listing data is a violation of this rule. The "body" is defined as the rectangular space whose borders are delimited by the utmost extent in each direction of the listing text and photo data.

SECTION 17.1.11: CMLS-APPROVED ICON OR THE CMLS-APPROVED THUMBNAIL ICON: A thumbnail display of another IDX Participant's listing is one that includes no more than two horizontal lines of text and no more than one photo, which must be 150 pixels or less in height. A thumbnail display must include a link to a detailed display. Any other display is a detailed display. Any search result identifying another IDX Participant's listing in a brief or "thumbnail" format shall bear the CMLS-approved icon or the CMLS-approved thumbnail icon immediately adjacent to the property information to identify the listing as a CMLS listing. The CMLS-approved icon shall be at least 95 x 35 pixels. The CMLS approved thumbnail icon shall be at least 27 x 21 pixels.

SECTION 17.1.12: THUMBNAIL DISPLAY: A thumbnail display may only include the following: text data about the listing property, a photo of the listing property, the logo of the Listing Brokerage or CMLS-approved icon, and "buttons" providing links for other information. The CMLS-approved icon and CMLS-approved thumbnail icon are available for download from CMLS' Web site at www.carolinahome.com. If the CMLS-approved thumbnail icon is used, the disclosure required under subsection 17.1.9 must indicate that both the CMLS-approved icon and the CMLS-approved thumbnail icon refer to listings of other IDX Participants.

SECTION 17.1.13: DETAILED DISPLAY OF ANOTHER IDX PARTICIPANT'S LISTING: A search result producing a detailed display of another IDX Participant's listing shall bear that IDX Participant's name, the CMLS-approved icon, and CMLS' copyright notice immediately following the property information. The IDX Participant's name, CMLS-approved icon, and copyright notice shall be at least 10-point size in Arial, Times New Roman or Courier font, and must be as clearly legible as the listing data. *(Amended 9-01)*This notice must appear exactly as in one of these two options:

Option A: “Copyright nnnn Carolina Multiple Listing Services, Inc.” [Where nnnn is indicates the current year.]

Option B: “© nnnn Carolina Multiple Listing Services, Inc. All rights reserved.” [Where nnnn is indicates the current year.] Note, you may not substitute a “c” in parentheses – “(c)” – for the copyright symbol – “©”. If your Web site cannot display the copyright symbol, you must use option A and spell out the word “Copyright.”

SECTION 17.1.14: REQUIRED DISCLAIMER: Any result identifying another IDX Participant’s listing shall include the disclaimer, “Information deemed reliable but not guaranteed,” or any similar language indicating both that the IDX Participant believes the data provided to be accurate and that it does not guarantee the data.

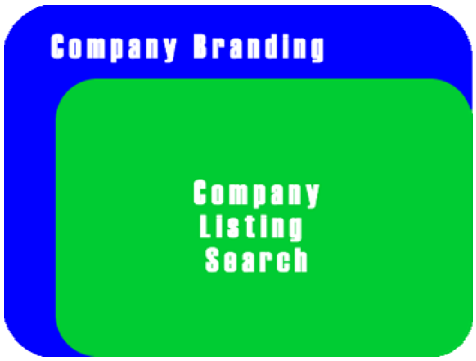
SECTION 17.1.15: INTERNET WEB SITE PUBLICATION: The IDX Participant must have both actual and apparent control of the site, and each such IDX Participant may have only one Web site displaying the IDX database or any portion thereof. Actual control means that the IDX Participant either has built the Web site for its own use with internal resources or has obtained technology for the Web site under an agreement with a third party that provides the IDX Participant final say over how the Web site is operated. Apparent control means that a reasonable consumer viewing the site would understand that it is under the control of the IDX Participant. Indicia of apparent control include that the IDX Participant’s branding is more prominent than that of any other entity. *(Amended 10-06)*

SECTION 17.1.16: SECONDARY BROKERAGE AND AGENT SITES: All CMLS Member Participants and Subscribers with secondary brokerage and agent Web sites (“secondary sites”) must frame their IDX Participant’s Web site in order to display IDX listings, and only with their IDX Participant’s permission. All such displays are subject to Section 17.1.15. Secondary sites may not modify the display of IDX data appearing within the IDX Participant’s primary IDX site, including re-sorting data, adding email links, etc. The secondary site may frame the Member Participant’s or Subscriber’s inventory displayed on the IDX Participant’s Web site. However, a Web site vendor cannot use IDX data to create an inventory list for a Member Participant or Subscriber whose company does not have an IDX Web site or uses another IDX vendor. *(Amended 10-06)*

In all cases, the brokerage branding on the IDX Participant’s Web site shall be equal to or larger than the branding present on a secondary site (excluding the agent’s photograph) that may frame the IDX Participant’s Web site.

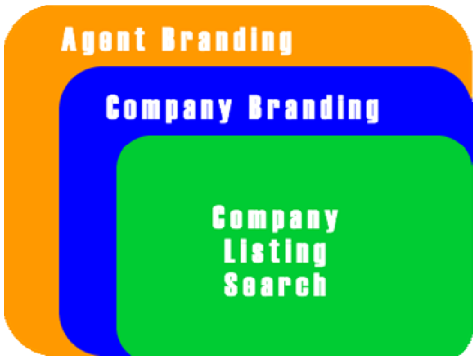
The following graphics serve as examples of acceptable approaches in which secondary sites may frame the IDX Participant’s Web site, but are not exhaustive of the options available, with the condition the secondary site complies with this Section and Section 17.1.15.

Internet Data Exchange Web Site Standards



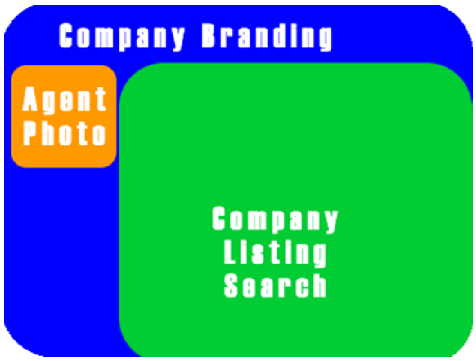
Brokerage Web site (Permitted)

This is an example of a typical brokerage Web site. Standard information and links across the top and left side. The listing search frame appears in the green area as shown.



Example 1: Agent Web site (Permitted)

This agent's Web site contains an outer layer of information about the agent. When a visitor to this site clicks a link for listings, the agent's site frames the brokerage site.



Example 2: Agent Web site (Permitted)

This agent has smart framed his/her brokerage's site by adding his/her name to the brokerage's Web site URL. For example, www.abcrealty.com/johnsmith or www.johnsmith.abcrealty.com. The agent's photo and contact information appear on the brokerage's Web site.

SECTION 17.1.17: AVOIDING SCRAPING: An IDX Participant displaying the IDX Database or any portion thereof shall make reasonable efforts to avoid "scraping" of the data by third parties or displaying of that data on any other Web site. Reasonable efforts shall include but not be limited to:

a) Monitoring the Web site for signs that a third party is "scraping" data, and
b) Prominently posting notice that any use of search facilities of data on the site, other than by a consumer looking to purchase real estate, is prohibited.

SECTION 17.1.18: REPORTING SUSPECTED SCRAPING: If an IDX Participant suspects "scraping" of the data has occurred, the suspicion and any evidence must be reported to CMLS immediately for investigation and action. CMLS may monitor any IDX Participant's Web site for scraping.

SECTION 17.1.19: CHANGES NECESSARY TO CURE VIOLATIONS: An IDX Participant must make changes to an Internet site to cure a violation of CMLS' IDX Rules immediately (but in no event longer than five business days) following notice from CMLS of the violation. CMLS reserves the right to discontinue the data feed without further

notice for failure to comply with this requirement or Section 12.5. The IDX Participant or Consultant may also be subject to fines or other sanctions from CMLS. (Amended 3-04)

SECTION 17.1.20: NO THIRD PARTY DISTRIBUTION: CMLS expressly prohibits distribution of the IDX Database or any portion of it for ANY purpose other than those expressly permitted by these Rules. This includes distribution to other IDX Participants. Specifically, an IDX Participant or Consultant cannot sell, provide or otherwise make available access to the IDX Database to other brokers, agents or any other businesses, whether or not they are participants in CMLS. (Amended 4-22-04)

SECTION 17.1.21: NO IDX DATABASE CO-MINGLED: No portion of the IDX Database shall be co-mingled with any non-MLS listings on the IDX Participant's Internet Web site. If the property in question appears in an MLS other than CMLS, it may be co-mingled.

SECTION 17.1.22: USING A THIRD PARTY TO DEVELOP/DESIGN WEB SITES: Any IDX Participant using a third party to develop/design its Web site will have a written agreement with that third party in the form prescribed by CMLS. IDX vendors must not provide IDX data to anyone without FIRST verifying that CMLS has signed the Access to IDX Data Feed Contract. Providing an MLS password to an unauthorized recipient is a serious violation of CMLS' rules, punishable by a fine of $1,000 for each such violation.

SECTION 17.1.23: VIRTUAL TOURS: An IDX Participant's Web site may contain links to virtual tours included in the IDX Database. The virtual tour link text may not display the actual virtual tour URL; the link must be opened in a new browser window (`target=_blank`), and the domain address displayed in that window must be the same as the domain address of the IDX Participant's Web site. *(Amended 7-07)*