

RULES & REGULATIONS
of the
Multiple Listing Service of Chattanooga, Inc.

DEFINITION OF TERMS

MULTIPLE LISTING SERVICE: A multiple listing service is:

- a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and customers and the public;
- a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law);
- a means of enhancing cooperation among Participants;
- a means by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers;
- a means by which Participants engaging in real estate appraisal contribute to common databases.

Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the sale (or lease)

While offers of compensation made by listing brokers to cooperating brokers through MLS are unconditional, a listing broker's obligation to compensate a cooperating broker who was the procuring cause of sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

PARTICIPATION: Participation in the corporation's service is available to the firm, partnership, or corporation of any REALTOR[®] of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Rules & Regulations, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service membership or participation unless they hold a current, valid real estate broker's license and

offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law.

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants.

SUBSCRIBER or USER: The terms "Subscriber" or "User" as used herein includes non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants; affiliated unlicensed administrative and clerical certification as real estate appraiser who are under the direct supervision of an MLS Participant or the Participant's licensed designee.

FILED: The term "filed" as used herein refers to input into the computer.

SUBMITTED: The term "submitted" as used herein refers to delivery to the MLS Department.

Section 1. Listing Procedures. Listings of real or personal property of the following types, which are listed subject to a real estate broker's license, and are located within the territorial

jurisdiction of the MLS of Chattanooga, Inc., and are taken by Participants on an “exclusive right to sell” or “exclusive agency” listing form, shall be entered into the MLS within forty eight (48) hours excluding Saturdays, Sundays and holidays after all necessary signatures of seller(s) have been obtained.

- a. single family homes for sale or exchange
- b. vacant lots and acreage for sale or exchange
- c. two-family, three-family, and four-family residential buildings for sale or exchange

Note 1: The MLS shall not require a Participant to submit listings on a form other than the form the Participant individually chooses to utilize provided the listing is of a type accepted by the service, although a property data form may be required as approved by the MLS. However, the MLS, through its legal counsel:

- may reserve the right to refuse to accept a listing form which fails to adequately protect the interests of the public and the Participants
- assure that no listing form filed with the MLS establishes, directly or indirectly, any contractual relationship between the MLS and the client (buyer or seller)

The multiple listing service shall accept exclusive right-to-sell listing contracts and exclusive agency listing contracts, and may accept other forms of agreement which make it possible for the listing broker to offer compensation to the other participants of the multiple listing service acting as subagents, buyer agents, or both.

The listing agreement must include the seller’s written authorization to submit the agreement to the MLS.

The different types of listing agreements include:

- exclusive right-to-sell
- exclusive agency
- open
- net

The MLS may not accept **net listings** because they are deemed unethical and, in most states, illegal. **Open listings** are not accepted except where required by law because 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.

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

The **exclusive agency listing** also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right-to-sell listings with named prospects exempt should be clearly distinguished by a simple designation such as a code or symbol from exclusive

right-to-sell listings with no named prospects exempt, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right-to-sell listings with no named prospects exempt. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right-to-sell listings with prospect reservations.

The **exclusively listed property that is subject to auction** is a public sale of property to the highest bidder.

Note 2: The MLS does not regulate the type of listings its Participants may take. This does not mean that the MLS must accept every type of listing. The MLS shall decline to accept open listings (except where acceptance is required by law) and net listings, and it may limit its service to listings of certain kinds of property. But, if it chooses to limit the kind of listings it will accept, it shall leave its members free to accept such listings to be handled outside the multiple listing service.

Section 1.1. Types of Properties. Following are some of the types of properties that may be published through the service, including types described in the preceding paragraph that are required to be filed with the service and other types that may be filed with the service at the Participant's option provided, however, that any listing submitted is entered into within the scope of the Participant's licensure as a real estate broker:

- residential
- residential income, including multi-family dwellings accommodating no more than four (4) families
- mobile homes (must include property)
- subdivided vacant lot
- land and ranch, farm

Section 1.1.1. Listing Subject to Rules and Regulations of the Service. Any listing taken on a contract to be filed with the MLS is subject to the rules and regulations of the service upon signature of the seller(s).

Section 1.2. Detail on Listings Filed with the Service. A listing agreement or property data form, when filed with the MLS by the listing broker, shall be complete in every detail which is ascertainable as specified on the property data form.

Section 1.2.1. Limited Service Listings. Listing agreements under which the listing broker will not provide one, or more, of the following services, as specifically waived in writing by the seller(s):

- a. arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s)

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

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

Section 1.2.2. MLS Entry-only Listings. Listing agreements under which the listing broker will not provide any of the following services:

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

will be identified with an appropriate code or symbol (e.g., EO) in MLS compilations (This type of listing will be indicated on the MLS under Type of Listing) so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' seller(s), prior to initiating efforts to show or sell the property.

Section 1.2.3. Photos. One primary image (i.e., photo, drawing, plat, survey or similar media) is required for each listing filed with the MLS, unless written documentation requesting an image not be submitted is signed by the seller and submitted to the MLS. Said image shall be filed with the MLS within forty eight (48) hours of the listing date.

The branding of images, virtual tours and/or any framing for images or virtual tours with any information or additional images is prohibited. Examples of branding, include but are not limited to visual, verbal or written information; "for sale" signs or promotional signage; names, email address, websites or contact information for any persons or entities; logos; identifiable codes, symbols or colors; and names of any persons.

Images may not be enhanced to present less than a true picture of the listed property. Examples of prohibited enhancements, include but are not limited to, adding or removing permanent or semi-permanent features (i.e., power lines, fire hydrants, landscaping elements); altering the colors or features of the property or its surrounding landscape.

All images and tours submitted to the MLS are considered the property of the original listing agent and shall not be copied or used in any manner without written permission of the original listing agent.

In satisfying these photo requirements contained in these Rules, Participants and Subscribers should be mindful of Article 12 of the REALTOR® Code of Ethics, which requires that “REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, market and other representations.

Failure to abide by any of these Photo rules shall result in a warning that the offense must be corrected within forty eight (48) hours. Failure to make the requested changes shall result in the photo being removed. A second offense of these Photo rules within ninety (90) days of the first offense shall result in the photo being removed and a fifty dollar (\$50) fine assessed to the Subscriber(s). A third offense of these Photo rules within ninety (90) days of the second offense shall result in the photo being removed and a fifty dollar (\$50) fine assessed to the Subscriber(s) and his/her Participant.

Section 1.2.4. Listing Status Definitions.

Active: A listing for which the Participant has a current listing agreement, the property is available for showings, and no offers have been accepted by the seller. An Active listing automatically will change to Expired at midnight on the date of expiration. A listing with contingencies* may remain in Active status only when the purchase and sale agreement is contingent upon the buyer having a first right of refusal should a seller receive and wish to entertain a subsequent offer. Once a first right of refusal has been removed, the listing no longer is eligible to remain in Active status.

Back On Market: This status is available only for listings agreements that have not expired or been cancelled by the listing broker.

Contingent: A listing for which the Participant has a current listing agreement and for which the Seller has accepted an offer with a contingency* and continues to seek back-up offers. Contingent listings are a sub-status of Pending; thus, Contingent listings do not appear when searching for Active listings but are included in syndication feeds.

Expired: A listing for which the property did not sell during the timeframe specified in the listing agreement.

Pending: A listing for which the Participant has a current listing agreement, the Seller has accepted an offer and no longer seeks additional offers, and any contingencies* have

been met. A Pending Listing will not appear when searching for Active listings and will not be included in syndication feeds.

Cancelled: A listing for which the Participant and Seller mutually have agreed to terminate prior to the expiration of the listing agreement.

Withdrawn: A listing for which the Participant has a current listing agreement and the Seller has requested be withdrawn from the market prior to the expiration date of the listing agreement. With the Seller's written permission, the Participant may change the listing to another status at any time prior to the expiration date. A Withdrawn listing automatically will change to Expired at midnight on the date of expiration.

*Contingencies shall be defined in the purchase and sale agreement between seller and buyer and include (a) appraisal value equaling or exceeding the agreed upon purchase price; (b) financial contingency; (c) sale or lease of another property; and/or (d) buyer specified contingencies in the special stipulations.

Section 1.3. Exempt Listings/Office Exclusive. If the seller refuses to permit the listing to be disseminated by the service, the Participant shall take the listing as an Office Exclusive and such listing shall be filed with the MLS but not disseminated to the Participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the service.

Section 1.4. Change of Status of Listing. Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the service within forty-eight (48) hours except Saturday, Sunday and holidays after the authorized change is received by the listing broker.

Section 1.5. Withdrawal of Listing Prior to Expiration. Listings of property may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement, provided notice is filed with the service, including a copy of the agreement between the seller and the listing broker which authorizes the withdrawal.

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

A listing may not be Released/Cancelled and immediately re-entered as a new listing with the same Participant/Subscriber unless thirty (30) days have passed.

Note: Participants and Subscribers should be mindful of Article 12 of the REALTOR® Code of Ethics, which requires that "REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, market and other representations."

Section 1.6. Contingencies Applicable to Listings. Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants.

Section 1.7. Listing Price Specified. The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings, unless the property is subject to auction.

Section 1.8. Listing Multiple Unit Properties. All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the property data form. When part of a listed property has been sold, proper notification should be given to the MLS.

Section 1.9. No Control of Commission Rates or Fees Charged to Participants. The MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participant or between Participant and non-Participants.

Section 1.10. Expiration of Listings. Listings filed with the MLS will automatically be removed from the compilation of current listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed.

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

Any extension or renewal of a listing must be signed by the seller(s) unless the property is currently under contract and the contract or listing agreement provides for same and noted in MLS.

Section 1.11. Termination Date on Listings. Listings filed with the service shall bear a definite and final termination date, as negotiated between the listing broker and the seller.

Section 1.12. Jurisdiction. Only listings of the designated types of property located within the jurisdiction of the MLS, Hamilton County, Sequatchie County, Tennessee and Walker, Dade, and Catoosa County, Georgia, are required to be submitted to the service. Listings of property located outside the MLS's jurisdiction will be accepted if submitted voluntarily by a Participant, and as long as listing agent/licensee is licensed in the state where property is located, but cannot be required by the service.

Section 1.13. Listing of Suspended Participants. When a Participant of the service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules & Regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became

effective. If a Participant has been suspended from the Association (except where MLS participation without association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an association MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised, in writing, of the intended removal so that the suspended Participant may advise his clients.

Section 1.14. Listing of Expelled Participants. When a Participant of the service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules & Regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the expelled Participant shall, at the Participant's option, be retained in the service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Association (except where MLS participation without association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an association MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised, in writing, of the intended removal so that the expelled Participant may advise his clients.

Section 1.15. Listing of Resigned Participants. When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings from the MLS, the resigned should be advised, in writing, of the intended removal so that the resigned Participant may advise his clients.

Section 1.16. Transferring of Listing to a New Participant. When a listing is transferred from one Participant to another new listing contract must be signed by the seller and filed with new Participant when a listing is transferred to a new Participant.

Section 1.17. Reporting Sold Only Listings. Must be able to provide documentation as to why the listing was not entered in the MLS. All required data must be complete and will be entered as a comp only.

SELLING PROCEDURES

Section 2. Showings and Negotiations. Appointments for showings and negotiations with the seller for the purchase of listed property filed with the MLS shall be conducted through the listing broker, except under the following circumstances:

- a. the listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or

- b. after reasonable effort, the cooperating broker cannot contact the listing broker or his representative; however, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.

Section 2.1. Presentation of Offers. The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

NOTE 1: When presenting offers, listing brokers should be mindful of the Tennessee Real Estate Commission Rule 1260-2-.08, which reads, "Offers to Purchase. A broker or affiliate broker promptly shall tender every written offer to purchase or sell obtained on a property until a contract is signed by all parties. Upon obtaining a proper acceptance of an offer to purchase, or any counteroffer, a broker or affiliate broker promptly shall deliver true executed copies of same, signed by the seller, to both the purchaser and the seller. Brokers and affiliate brokers shall make certain that all of the terms and conditions of the real estate transaction are included in the contract to purchase. In the event an offer is rejected, the broker or affiliate broker shall request the seller to note the rejection on the offer and return the same to the offeror or the offeror's agent."

Section 2.2. Submission of Written Offers and Counter-offers. The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

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

Section 2.3. Right of Cooperating Broker in Presentation of Offer. The cooperating broker(subagent or buyer agent) or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker has secured is presented, the cooperating broker has the right to a copy of the seller's or lessor's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

Section 2.4. Right of Listing Broker in Presentation of Offer. The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the

listing broker not be present when a counter- offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

Section 2.5. Reporting Sales to the Service. Status changes, including final closing of sales shall be reported to the MLS by the listing broker within forty-eight (48) hours after they have occurred. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report accepted offers to the listing broker within forty-eight hours (48) after occurrence and the listing broker shall report them to the MLS within forty-eight (48) after receiving notice from the cooperating broker.

Note 1: The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its Participants.

Note 2: In disclosure states, if the sale price of a listed property is recorded, the reporting of the sale price is required by the MLS.

In states where the actual sale prices of completed transactions are not publicly accessible, failure to report sale prices can result disciplinary action only if the MLS:

1. categorizes sale price information as confidential and
2. limits use of sale price information to participants and subscribers in providing real estate services, including appraisals and other valuations, to customers and clients; and to governmental bodies and third-party entities only as provided below.

The MLS may provide sale price information to governmental bodies only to be used for statistical purposes (including use of aggregated data for purposes of valuing property) and to confirm the accuracy of information submitted by property owners or their representatives in connection with property valuation challenges; and to third-party entities only to be used for academic research, statistical analysis, or for providing services to participants and subscribers. In any instance where a governmental body or third-party entity makes sale price information provided by the MLS available other than as provided for in this provision, a listing participant may request the sale price information for a specific property be withheld from dissemination for these purposes with written authorization from the seller, and withholding of sale price information from those entities shall not be construed as a violation of the requirement to report sale prices.

Note 3: As established in the Virtual Office Website ("VOW") policy, sale prices can only be categorized as confidential in states where the actual sale prices of completed transactions are not accessible from public records.

Section 2.6. Reporting Resolution of Contingencies. The listing broker shall report to the MLS within forty-eight (48) hours excluding Saturdays, Sundays and holidays, that a contingency on file with the MLS has been fulfilled or renewed, or the agreement cancelled.

Section 2.7. Advertising of Listings Filed with the Service. A listing shall not be advertised by any Participant other than the listing broker without the prior consent of the listing broker.

Section 2.8. Reporting Cancellation of Pending Sale. The listing broker shall report immediately to the MLS the cancellation of any pending sale, and the listing shall be reinstated immediately.

Section 2.9. Disclosing the Existence of Offers. Listing brokers, in response to inquiries from buyers or cooperating brokers, shall, with sellers' approval, disclose the existence of offers on the property. Where disclosure is authorized, the listing broker shall also disclose, if asked, whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating broker.

Section 2.10. Availability of Listed Property. Listing brokers shall not misrepresent the availability of access to show or inspect listed property.

Section 2.11. Promotional Materials. Promotional materials, including brochures, business cards or flyers may not be left when previewing listing, visiting an open house or showing property. A sign-in sheet may be provided by the listing agent for the visiting agent to register name and company.

REFUSAL TO SELL

Section 3. Refusal to Sell. If the seller of any listed property filed with the MLS refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the service and to all Participants.

PROHIBITIONS

Section 4. Information for Participants Only. Any listing filed with the service shall not be made available to any broker or firm not a member of the MLS without the prior consent of the listing broker.

Section 4.1. For Sale Signs. Only the for sale sign of the listing broker may be placed on a property.

Section 4.2. Sold Signs. Prior to closing, only the sold sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

Section 4.3. Solicitation of Listing Filed with the Service. Participants shall not solicit a listing on property filed with the service unless such solicitation is consistent with Article 16 of the REALTORS[®] Code of Ethics, its Standards of Practice and its Case Interpretations.

Note: This section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standard of Practice 16-4. This section is intended to encourage sellers to permit their properties to be filed with the service by protecting them from being solicited, prior to expiration of the listing, by brokers and salespersons seeking the listing upon expiration.

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

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

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

Section 4.4. System Access. It is prohibited for any person having legitimate access to the MLS to loan, share or disclose their password with any other person. Alleged violations of this rule shall be referred to the Chief Executive Officer for appropriate action in accordance with the professional standards procedures established in the Code of Ethics and Arbitration Manual. Sanctions which may be imposed on users include suspension of MLS rights and privileges and a fine not to exceed fifteen thousand dollars (\$15,000).

DIVISION OF COMMISSIONS

Section 5. Compensation Specified on Each Listing. To be effective, any change in compensation offered for cooperative services must be communicated to the other REALTOR[®] prior to the time that REALTOR[®] submits an offer to purchase/lease the property. The listing broker shall specify, on each listing filed with the MLS, the compensation offered to other MLS Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In

such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

In filing a property with the MLS, the Participant is making a blanket unilateral offer(s) of compensation to the other Participants, and shall therefore specify on each listing filed with the service, the compensation being offered to the other Participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.

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

1. by showing a percentage of the gross selling price
2. by showing a definite dollar amount

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

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

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

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

Note 3: The MLS shall make no rule on the division of commissions between Participants and non-Participants. This should remain solely the responsibility of the listing broker.

The MLS shall not include listings that do not include an offer of compensation expressed as a percentage of the gross selling price or as a definite dollar amount or shall they include general invitations by listing brokers to other Participants to discuss terms and conditions of possible cooperative relationships.

Section 5.0.1. Disclosing Potential Short Sales. Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing table to cure all deficiencies) when reasonably known to the listing Participants.

Section 5.1. Participant as Principal. If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any ownership or personal interest in a property, the listing of which is to be disseminated through the MLS, that person shall disclose that interest when the listing is filed with the MLS and such information shall be disseminated to all MLS Participants.

Section 5.2. Participant as Purchaser. If a or any licensee (or licensed or certified appraiser) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

Section 5.3. Dual or Variable Rate Commission Arrangements. The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the listing broker or the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their buyer before the buyer makes an offer to purchase or lease.

SERVICE CHARGES

Section 6. Service Fees and Charges. The following service charges for operation of the MLS are in effect to defray the costs of the Service and are subject to change from time to time with the final approval by the MLS Board of Directors.

Section 6.1. Initial Participation Fee. An applicant for participation in the service shall pay an application fee as determined by the MLS Board of Directors with such fee to accompany the application.

Note: The initial participation fee shall approximate the cost of bringing the service to the Participant.

Section 6.2. Recurring Participation Fee. The annual participation fee of each Participant shall be an amount determined by the MLS Board of Directors for each salesperson and licensed or certified appraiser who has access to and use of the service, whether licensed as a broker, sales Subscriber, or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such Participant. Subscribers may provide the MLS with a valid credit card or debit card to be stored by the MLS for payments in the future as directed by the Subscriber.

Payment of such fees shall be made on or before the first day of the fiscal year of the multiple listing service. Fees are non-refundable and shall be prorated on a monthly basis.

Section 6.3. Assessment of MLS Fees, Dues and Charges. All MLS Fees, dues and charges, including, but not limited to initial participation fees, recurring participation fees, lockbox related charges, and REALTOR® Store charges, etc., shall be assessed only to MLS Participant. Payment of such fees may be accepted from the MLS Participant and/or from non-principal brokers sales Subscribers affiliated with the Participant. None of the foregoing is intended to preclude the MLS Participant from being reimbursed by affiliated Subscribers for fee or charges incurred on their behalf pursuant to any in-house agreement that may exist. The recurring participation fee may be assessed to non-principal brokers or sales Subscribers affiliated with the Participant at the discretion of the MLS Board of Directors.

COMPLIANCE WITH RULES – AUTHORITY TO IMPOSE DISCIPLINE

By becoming and remaining a participant or subscriber in this MLS, each Participant and Subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions.

Discipline that may be imposed may only consist of one or more of the following:

- a. letter of warning
- b. letter of reprimand
- c. attendance at MLS orientation or other appropriate courses or seminars which the Participant or Subscriber can reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed fifteen thousand dollars (\$15,000)
- e. suspension of MLS rights, privileges and services for not less than thirty (30) days nor more than one (1) year
- f. termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.

Note: A Participant and Subscribers can be placed on probation. Probation is not a form of discipline. When a Participant or Subscriber is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the MLS rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the individual's record will reflect the fulfillment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance.

Section 7.1 Compliance with Rules: The following action may be taken for noncompliance with the rules:

- a. for failure to pay any service charge, fees, fines, lockbox related charges or REALTOR® Store charges within one (1) month of the date due, and provided that at least ten (10) days' notice has been given, the service shall be suspended until service charges or fees are paid in full
- b. for failure to comply with any other rule, the provisions under Section 9 and 9.1 shall apply

Note: Generally, warning, censure, and the imposition of a moderate fine are sufficient to constitute a deterrent to violation of the rules and regulations of the MLS. Suspension or termination is an extreme sanction to be used in cases of extreme or repeated violation of the rules and regulations of the service. If the MLS desires to establish a series of moderate fines, they should be clearly specified in the rules and regulations.

Section 7.2. Applicability of Rules to Users and/or Subscribers. Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these rules and regulations and may be disciplined for violations thereof provided that the User or Subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the rules and regulations. Further, failure of any User or Subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all Users or Subscribers affiliated with the Participant.

Section 7.3. Use of Fines. The imposition of fines is to constitute a deterrent to violation of Rules and Regulations of the MLS and may be used from time to time as determined by the MLS Board of Directors.

Section 7.4. MLS Listing Audits. The MLS, Inc. reserves the right to audit any MLS listings.

Section 7.5. System Access. It is prohibited for any person having legitimate access to the MLS to loan, share or disclose their password with any other person. Alleged violations of this rule

shall be referred to the Chief Executive Officer for appropriate action in accordance with the professional standards procedures established in the Code of Ethics and Arbitration Manual. Sanctions which may be imposed on users include suspension of MLS rights and privileges and a fine not to exceed fifteen thousand dollars (\$15,000).

MEETINGS

Section 8. Meetings of the MLS Board of Directors. The meetings of the Participants in the service or the MLS Board of Directors of the MLS for the transaction of business of the service shall be held in accordance with Articles III and IV of the Bylaws of the MLS. The MLS Board of Directors shall meet for the transaction of its business at a time and place determined by the MLS President.

Section 8.1. Meetings of MLS Participants. The Directors may call meetings of the Participants in the Service to be known as meetings of the Multiple Listing Service.

Section 8.2. Conduct of the Meeting. The MLS President or President-Elect shall preside at all meetings or, in their absence, a temporary Chairman from the MLS Directors shall be named by the President.

ENFORCEMENT OF RULES OR DISPUTES

Section 9. Considerations of Alleged Violations. The MLS Board of Directors shall give consideration to all written complaints having to do with violations of the rules and regulations.

Section 9.1. Violations of Rules and Regulations. If the alleged offense is a violation of the rules and regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and corrected within forty eight (48) hours after listing agent and broker have been notified, and if a violation is determined, the MLS Board of Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Greater Chattanooga Association of REALTORS® in accordance with the Association's Bylaws and Rules and Regulations within twenty (20) days following receipt of the MLS Directors' decision.

If, rather than conducting an administrative review, the MLS has a procedure established to conduct hearings, any appeal of the decision of the hearing tribunal may be appealed to the MLS Board of Directors of the MLS within twenty (20) days of the tribunal's decision. Alleged violations involving unethical conduct shall be referred to Professional Standards Committee of the Greater Chattanooga Association of REALTORS® for processing in accordance with the professional standards procedures of the Association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the Greater Chattanooga Association of REALTORS®.

Section 9.2. Complaints of Unethical Conduct. All other complaints of unethical conduct shall be referred by the MLS Board of Directors to the Greater Chattanooga Association of REALTORS® for appropriate action in accordance with the professional standards procedures established in the Association's Bylaws.

CONFIDENTIALITY OF MLS INFORMATION

Section 10. Confidentiality of MLS Information. Any information provided by the MLS to the Participants shall be considered official information of the service. Such information shall be considered confidential and exclusively for the use of Participants and Subscribers affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

Section 10.1. MLS Not Responsible for Accuracy of Information. The information published and disseminated by the service is communicated verbatim, without change by the service, as filed with the service by the Participant. The service does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the service harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

Section 10.2. Access to Comparable and Statistical Information. REALTOR® members of the Greater Chattanooga Association who are actively engaged in real estate brokerage, management, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, 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 these members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules and Regulations. Association members who receive such information, either as an Association service or through the Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

OWNERSHIP OF MLS COMPILATION* AND COPYRIGHT

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

Section 11.1. All right, title, and interest in each copy of every Multiple Listing compilation created and copyrighted by the MLS of Chattanooga, Inc. and in the copyrights therein, shall at all times remain vested in the MLS of Chattanooga, Inc.

Section 11.2 Display. Each Participant shall be entitled to lease from the MLS of Chattanooga, Inc., a number of copies of each MLS compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such compilation. The Participant shall pay for each such copy the rental fee set by the Greater Chattanooga Association of REALTORS®.**

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

*The term MLS compilation, as used in Sections 11 and 12 herein, shall be construed to include any format in which property listing data is collected and disseminated to the participants, including but not limited to bound book, loose-leaf binder, computer database, card file, or any other format whatsoever.

**This section should not be construed to require the participant to lease a copy of the MLS compilation for any licensee (or licensed or certified appraiser) affiliated with the 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 filed with the MLS and who does not, at any time, have access to or use of the MLS information or MLS facility of the association.

USE OF COPYRIGHTED MLS COMPILATION

Section 12. Distribution. Participants shall, at all times, maintain control over and responsibility for each copy of any MLS compilation leased to them by the Association, and shall not distribute any such copies to persons other than Subscribers who are affiliated with such Participant as Subscribers, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and any other Subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by an association MLS is strictly limited to the activities authorized under a Participant's licensure(s) or certification, and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed or published by an association MLS where access to such information is prohibited by law.

Section 12.1. Display. Participants and those persons affiliated as Subscribers with such Participants shall be permitted to display the MLS compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation.

Section 12.2. Reproduction. Participants or their affiliated Subscribers shall not reproduce any MLS compilation or any portion thereof, except in the following limited circumstances:

Participants or their affiliated Subscribers may reproduce from the MLS compilation and distribute to prospective purchasers a reasonable* number of single copies of property listing data contained in the MLS compilation which relate to any properties in which the prospective purchasers are or may, in the judgment of the Participant or their affiliated Subscribers, be interested.

Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data of properties other than that in which the prospective purchaser has expressed interest, or in which the Participant or the affiliated Subscribers are seeking to promote interest, does not appear on such reproduction.

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

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

None of the foregoing shall be construed to prevent any individual legitimately in information from utilizing such information to support valuations on particular properties for clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. MLSs must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations.

*It is intended that the 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 Participant is seeking to promote interest. The term "reasonable," as used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent and thus reasonable in number, shall 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.

USE OF MLS INFORMATION

Section 13. Limitations on Use of MLS Information. Use of information from MLS compilation of current listing information, from the association's statistical report, or from any sold or comparable report of the association or MLS for public mass-media advertising by an MLS Participant or in other public representations may not be prohibited.

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

Based on information from the Greater Chattanooga Association of REALTORS® (or, alternatively, from the MLS of Chattanooga, Inc.) for [specific time period.]

CHANGES IN RULES AND REGULATIONS

Section 14. Changes in Rules and Regulations. Amendments to the rules and regulations of the service shall be by consideration and approval of the MLS Board of Directors of the MLS, subject to final approval by the Board of Directors of the Greater Chattanooga Association of REALTORS®.

ORIENTATION

Section 15. Orientation: Any applicant for MLS Participation and any licensee (including licensed or certified appraisers) affiliated with an MLS Participant who desires access to MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS Rules and Regulations and computer training related to MLS information entry and retrieval within ninety (90) days after access has been provided. Failure to complete said orientation program within the given timeframe will result in termination of MLS rights and privileges, including the ability to access the MLS and lockboxes, with a new subscription being required before MLS and lockbox access will be reinstated.

Participants and Subscribers may be required, at the discretion of the MLS, to complete additional training of not more than (4) classroom hours in an twelve (12) month period when deemed necessary by the MLS to familiarize Participants and Subscribers with system changes or enhancements and/or changes to MLS rules or policies. Participants and Subscribers must be given the opportunity to complete and mandated additional training remotely.

INTERNET DATA EXCHANGE (IDX)

Section 16. IDX Defined. IDX affords MLS Participants the option of authorizing display of their active listings by other Participants.

Section 16.1. Authorization. Participants' consent for display of their listings by other Participants pursuant to these rules and regulations is presumed unless a participant affirmatively notifies the MLS that the Participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a Participant refuses on a blanket basis to permit the display of that Participant's listings, that Participant may not download, frame or display the aggregated MLS data of other Participants. Even where Participants have given blanket authority for other Participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display.

Section 16.2. Participation. Participation in IDX is available to all MLS Participants who are REALTORS® who are engaged in real estate brokerage and who consent to display of their listings by other Participants.

Section 16.2.1. Participants must notify the MLS of their intention to display IDX information and must give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies.

Section 16.2.2. MLS Participants may not use IDX-provided listings for any purpose other than display as provided in these rules. This does not require Participants to prevent indexing of IDX listings by recognized search engines.

Section 16.2.3. Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing broker to withhold their listing or the listing's property address from all display on the Internet (including, but not limited to, publicly-accessible websites or VOWs).

Section 16.2.4. Participants may select the listings they choose to display on their IDX site based only on objective criteria including, but not limited to, factors such as geography or location ("uptown", "downtown", etc.), list price, type of property, (e.g., condominiums, cooperatives, single-family detached, multi-family, cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right to sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed on any IDX site must be independently made by each Participant.

Section 16.2.5. Participants must refresh all MLS downloads and IDX displays automatically fed by those downloads at least once every twelve (12) hours.

Section 16.2.6. Except as provided in the IDX policy and these rules, an IDX site or a Participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity.

Section 16.2.7. Any IDX display controlled by a Participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the IDX policy and these rules, "control" means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules.

Section 16.2.8. Any IDX display controlled by a Participant or Subscriber that

- a. allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
- b. displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing,

either or both of those features shall be disabled or discontinued for the seller's listings at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all displays controlled by participants. Except for the foregoing and subject to Section 16.2.9, a Participant's IDX display may communicate the participant's professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying its customers that a particular feature has been disabled at the request of the seller.

Section 16.2.9. Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property. Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 16.3. Display. Display of listing information pursuant to IDX is subject to the following rules:

Section 16.3.1. Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS Participants and uses (e.g., cooperative compensations offers, showing instructions, property security information, etc.) may not be displayed.

Section 16.3.2. Participants shall not modify or manipulate information relating to other Participants' listings. (This is not a limitation on site of design but refers to changes to actual listing data). MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields.

Section 16.3.3. All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. Displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc. of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures

Section 16.3.4. Non-principal brokers and sales licensees affiliated with IDX Participants may display information available through IDX on their own websites subject to their Participant's consent and control and the requirements of state law and/or regulation.

Section 16.3.5. All listings displayed pursuant to IDX shall show the MLS as the source of the information. Displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

Section 16.3.6. Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information is provided exclusively for consumers' personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that the data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect participants and/or the MLS from liability. Displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

Section 16.3.7. The data consumer can retrieve or download in response to an inquiry shall be determined by the MLS but in no instance shall be limited to fewer than one hundred (100) listings or five percent (5%) of the listings available for IDX display, whichever is fewer.

Section 16.3.8. The right to display other Participants' listings pursuant to IDX shall be limited to a Participant's office(s) holding participatory rights in this MLS.

Section 16.3.10. Listings obtained through IDX feeds from REALTOR[®] Association MLSs where the MLS Participant holds participatory rights must be displayed separately from listings obtained from other sources. Listings obtained from other sources (e.g., from other MLSs, from non-participating brokers, etc.) must display the source from which each such listing was obtained. Displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

Note: An MLS Participant or Subscriber may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant or Subscriber holds participatory rights in those MLSs. As used in this policy, "co-mingling" means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that participants may display listings from each IDX feed on a single webpage or display.

Section 16.3.11. Display of expired, withdrawn, and pending listings is prohibited.

Section 17.3.12. Display of seller's(s') and/or occupant's(s') name(s), phone number(s), and email address(es) is prohibited.

Section 17.3.13. Participants are required to employ appropriate security protection such as firewalls on their websites and displays, provided that any security measures required may not be greater than those employed by the MLS

Section 17.3.14. Participants must maintain an audit trail of consumer activity on their website and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers.

VIRTUAL OFFICE WEBSITES (VOWs)

Section 18.1. VOW Defined.

- a. A “Virtual Office Website” (VOW) is a participant’s Internet website, or a feature of a participant’s website, through which the participant is capable of providing real estate brokerage services to consumers with whom the participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS listing information, subject to the participant’s oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a participant may, with his or her participant’s consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the participant’s oversight, supervision, and accountability.
- b. As used in Section 18 of these rules, the term “participant” includes a participant’s affiliated non-principal brokers and sales licensees—except when the term is used in the phrases “participant’s consent” and “participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all Virtual Office Websites, whether operated by a participant, by a non-principal broker or sales licensee, or by an “Affiliated VOW Partner” (AVP) on behalf of a participant.
- c. “Affiliated VOW Partner” (AVP) refers to an entity or person designated by a participant to operate a VOW on behalf of the participant, subject to the participant’s supervision, accountability, and compliance with the VOW policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a participant. No AVP has the right to use MLS listing information, except in connection with operation of a VOW on behalf of one or more participants. Access by an AVP to MLS listing information is derivative of the rights of the participant on whose behalf the AVP operates a VOW.
- d. As used in Section 18 of these rules, the term “MLS listing information” refers to active listing information and sold data provided by participants to the MLS and aggregated and distributed by the MLS to participants.

Section 18.2.

- a. The right of a participant's VOW to display MLS listing information is limited to that supplied by the MLS(s) in which the participant has participatory rights. However, a participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.
- b. Subject to the provisions of the VOW policy and these rules, a participant's VOW, including any VOW operated on behalf of a participant by an AVP, may provide other features, information, or functions, e.g., "Internet Data Exchange" (IDX).
- c. Except as otherwise provided in the VOW policy or in these rules, a participant need not obtain separate permission from other MLS participants whose listings will be displayed on the participant's VOW.

Section 18.3.

- a. Before permitting any consumer to search for or retrieve any MLS listing information on his or her VOW, the participant must take each of the following steps.
 - i. The participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter, "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
 - ii. The participant must obtain the name of and a valid e-mail address for each Registrant. The participant must send an e-mail to the address provided by the Registrant confirming that the Registrant has agreed to the terms of use (described in Subsection d., below). The participant must verify that the e-mail address provided by the Registrant is valid and that the Registrant has agreed to the terms of use.
 - iii. The participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The participant must also assure that any e-mail address is associated with only one user name and password.
- b. The participant must assure that each Registrant's password expires on a date certain, but may provide for renewal of the password. The participant must at all times maintain a record of the name, e-mail address, user name, and current password of each Registrant.

The participant must keep such records for not less than one hundred eighty (180) days after the expiration of the validity of the Registrant's password.

- c. If the MLS has reason to believe that a participant's VOW has caused or permitted a breach in the security of MLS listing information or a violation of MLS rules, the participant shall, upon request of the MLS, provide the name, e-mail address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.
- d. The participant shall require each Registrant to review and affirmatively to express agreement (by mouse click or otherwise) to a terms of use provision that provides at least the following:
 - i. that the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
 - ii. that all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;
 - iii. that the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;
 - iv. that the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;
 - v. that the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.
- e. The terms of use agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the participant. Any agreement entered into at any time between the participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the participant must be established separately from the terms of use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- f. The terms of use agreement shall also expressly authorize the MLS and other MLS participants or their duly authorized representatives to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of participants' listings by the VOW. The agreement may also include such other provisions as may be agreed to between the participant and the Registrant

Section 18.4. A participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the participant to ask questions or get more information about any property displayed on the VOW. The participant or a non-principal broker or sales licensee licensed with

the participant must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that participant and displayed on the VOW.

Section 18.5. A participant's VOW must employ reasonable efforts to monitor for and prevent misappropriation, scraping, and other unauthorized uses of MLS listing information. A participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

Section 18.6.

- a. A participant's VOW shall not display the listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a participant who operates a VOW may provide to consumers via other delivery mechanisms, such as e-mail, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.
- b. A participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision.

Seller Opt-Out Form

1. Check on of the following:

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

OR

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

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

Initials of Seller

- c. The participant shall retain such forms for at least one (1) year from the date they are signed, or one (1) year from the date the listing goes off the market, whichever is greater.

Section 19.7.

- a. Subject to subsection (b), a Participant's VOW may allow third-parties:
 - i. to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
 - ii. display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.
- b. Notwithstanding the foregoing, at the request of a seller, the participant shall disable or discontinue either or both of those features described in Subsection a. as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all participants' websites. Subject to the foregoing and to Section 19.8, a participant's VOW may communicate the participant's professional judgment concerning any listing. A participant's VOW may notify its customers that a particular feature has been disabled at the request of the seller.

Section 18.8. A participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The participant shall correct or remove any false information relating to a specific property within forty-eight (48) hours following receipt of a communication from the listing broker explaining why the data or information is false. The participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 18.9. A participant shall cause the MLS listing information available on its VOW to be refreshed at least once every three (3) days.

Section 18.10. Except as provided in these rules, the National Association of REALTORS[®] VOW Policy, or any other applicable MLS rules or policies, no participant shall distribute, provide, or make accessible any portion of the MLS listing information to any person or entity.

Section 18.11. A participant's VOW must display the participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

Section 18.12. A participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR[®].

Section 18.13. A participant who intends to operate a VOW to display MLS listing information must notify the MLS of its intention to establish a VOW and must make the VOW readily

accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

Section 18.14. A participant may operate more than one VOW himself or herself or through an AVP. A participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a participant by an AVP is subject to the supervision and accountability of the Participant.

Section 18.15. A participant's VOW may not make available for search by, or display to, Registrants any of the following information:

- a. expired, withdrawn, or pending ("under contract") listings.
- b. the compensation offered to other MLS Participants.
- c. the type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- d. the seller's and occupant's name(s), phone number(s), or e-mail address(es).
- e. instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.
- f. sold information

Section 18.16. A participant shall not change the content of any MLS listing information that is displayed on a VOW from the content as it is provided in the MLS. The participant may, however, augment MLS listing information with additional information not otherwise prohibited by these rules or by other applicable MLS rules or policies, as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS listing information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields.

Section 18.17. A participant shall cause to be placed on his or her VOW a notice indicating that the MLS listing information displayed on the VOW is deemed reliable, but is not guaranteed accurate by the MLS. A participant's VOW may include other appropriate disclaimers necessary to protect the participant and/or the MLS from liability.

Section 18.18. A participant shall cause any listing that is displayed on his or her VOW to identify the name of the listing firm and the listing broker or agent in a readily visible color, in a reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.

Section 18.19. A participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 100 current listings and not more than 5% sold listings in response to any inquiry.

Section 18.20. A participant may display advertising and the identification of other entities (“co-branding”) on any VOW the participant operates or that is operated on his or her behalf. However, a participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this section, co-branding will be presumed not to be deceptive or misleading if the participant’s logo and contact information (or that of at least one participant, in the case of a VOW established and operated on behalf of more than one participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

Section 18.21. A participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

Section 18.22. A participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to be searched separately from listings in the MLS.

Section 18.23. Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

Section 18.24. Where a seller affirmatively directs their listing broker to withhold either the seller’s listing or the address of the seller’s listing from display on the Internet, a copy of the seller’s affirmative direction shall be provided to the MLS within 48 hours.