

**REALTORS® Commercial Alliance**  
**Rules and Regulations of the RCASENC/MLS**

**Purpose.** The RCASENC/MLS is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in any other agency or nonagency capacities defined by law); by which cooperation among participants is enhanced; 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; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of sale (or lease).

**Participation.**

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 Bylaws, 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) [see [Exhibit 2](#)] (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. (Adopted 11/08)

Any applicant for RCASENC/MLS Participation and any licensee (including licensed or certified appraisers or Registered Trainees) affiliated with a RCASENC/MLS Participant who desires access to and use of RCASENC/MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the RCASENC/MLS Rules and Regulations and computer training related to RCASENC/MLS information entry and retrieval within thirty (30) days after access has been provided.

**Responsibility for Conformance with Rules and Regulations.** The RCASENC/MLS Participant is responsible to the Service for compliance with the Rules and Regulations by all of the firm’s Subscribers including licensed or certified appraisers, Registered Trainees and unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant’s licensed designee who have access to and use of the Service.

## **Listing Procedures**

**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, located within the counties of Brunswick, Bladen, Columbus, Duplin, New Hanover, Onslow, Pender, and Sampson taken by Participants on exclusive right to sell contract or exclusive agency forms shall be entered into the Service within five (5) business days after all necessary signatures of seller(s) or lessor(s) have been obtained.

- |                      |                                       |
|----------------------|---------------------------------------|
| 1. Business Only     | 5. Multifamily (greater than 4 units) |
| 2. Hospitality       | 6. Office                             |
| 3. Industrial        | 7. Retail                             |
| 4. Land Acreage/Site | 8. Self-Storage                       |

Regarding a Land Acreage/Site listing, whether improved or unimproved, and the current zoning or use of the property is residential, then the listing may NOT be included in the Service unless:

1. the Participant files with the Service a written opinion, from the municipality who has zoning authority over the parcel, stating that it is probable the property could be rezoned from residential; or,
2. the use of the existing structure could be something other than residential because it is permitted within the current zoning rules.

All other properties not so classified in the previous paragraphs are eligible for entry into the CFR/MLS.

**Section 1.1 Other Types of Properties:** Other types of properties which meet the same criteria described in the preceding paragraphs that are required to be filed with the service, 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.

**Section 1.1.1 Listings Subject to Rules and Regulations of the Service:** Any listing taken on a contract to be filed with the RCASENC/MLS is subject to the Rules and Regulations of the Service upon signature of the seller(s) or lessor(s). Further, all participants' and subscribers' web sites which display the Service's IDX data must comply with all rules found on attached [Exhibit 1](#) for IDX.

**Note 1:** The multiple listing service 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 multiple listing service. However, the multiple listing service, 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 multiple listing service establishes, directly or indirectly, any contractual relationship between the multiple listing service and the client (buyer or seller)

The multiple listing service shall accept exclusive right-to-sell listing contracts and exclusive agency listing contracts, and may accept other forms of agreement which make it possible for the listing broker to offer compensation to the other participants of the multiple listing service acting as subagents, buyer agents, or both. (Amended 11/96)

The listing agreement must include the seller's written authorization to submit the agreement to the multiple listing service. (Amended 11/96)

The different types of listing agreements include:

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

The service 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. (Amended 4/92)

The exclusive right-to-sell listing is the conventional form of listing submitted to the multiple listing service in that the seller authorizes the listing broker to cooperate with and to compensate other brokers. (Amended 4/92)

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 exempted should be clearly distinguished by a simple designation such as a code or symbol from exclusive right-to-sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right-to-sell listings with no named prospects exempted. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right-to-sell listings with prospect reservations. (Amended 4/92)

Note 2: A multiple listing service does not regulate the type of listings its members may take. This does not mean that a multiple listing service must accept every type of listing. The multiple listing service 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.

Note 3: A multiple listing service may, as a matter of local option, accept exclusively listed property that is subject to auction. If such listings do not show a listed price, they may be included in a separate section of the MLS compilation of current listings. (Adopted 11/92)

When the seller of a property does not hold title but has a contract to receive title on the property, the phrase “does not yet own the Property” should be placed in Non Public Remarks.

**Financial Institution Owned Y/N:** When identified as “Y” the definition will be a lending institution now owns the property (this does NOT apply to relocation or third-party ownership). Lending institutions may own property that has not gone through a foreclosure. Should an agent need to define the ownership to exclude foreclosure, they may use the Non Public Remarks to identify other types of sales. An example would be: Estate Sale or Trust Sale. When marked, “N” a lending institution does not own the property. This field continues to be mandatory.

Listing Agreement: Must have this language or substantially similar language regarding KeyBoxes on Property: KeyBoxes: The Seller  does  does not authorize Firm to place a KeyBox on the Property.

**Section 1.2 Details on Properties filed with the service.** A listing agreement or property data form, when filed with the multiple listing service by the listing broker, shall be complete in every detail which is ascertainable as specified on the property data form.

Participants/REALTOR® Subscribers who do not complete every detail, which is ascertainable, are subject to fines as specified in [Exhibit 3](#) and [Exhibit 4](#) attached to these Rules.

**Section 1.2.1 Limited Service Listings:** Listing agreements under which the listing broker will not provide one, or more, of the following services:

- (a) arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with 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) behalf in negotiations leading to the sale of the listed property

will be identified by choosing ER-Limited Service under the Listing Type Table in the RCASENC/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. (Adopted 05/01)

**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) assist the seller(s) in developing, communicating, or presenting counter-offers;
- (e) participate on the seller(s) behalf in negotiations leading to the sale of the listed property

will be identified choosing “Entry Only” under the Listing Type Table in the RCASENC/MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initiating efforts to show or sell the property.

**Section 1.3 Exempted Listings:** If the seller or lessor refuses to permit the listing to be disseminated by the Service, the Participant may then take the listing (“office exclusive”) and such listing agreement shall be filed with the Service but not disseminated to the Participants. Filing of the listing should be accompanied by certification signed by the seller that he 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 or lessor and shall be entered into the Service computer within three business days 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 RCASENC/MLS by the listing broker before the expiration date of the listing agreement, provided the seller authorizes the withdrawal in writing.

Sellers do not have the unilateral right to require the RCASENC/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 RCASENC will remove the listing at the request of the seller. Staff is to provide the listing firm with the seller’s communication and the following notice: The MLS has removed listing # \_\_\_\_\_ due to receipt from the seller that your firm is no longer their agent. MLS legal counsel has stated that under the law of agency, an agent who continues to hold him/herself out as the principal’s agent following his or her discharge can be liable for damages that the principal may incur as a

result of the agent's conduct. You are strongly advised to discuss this matter with your own legal counsel.

**Section 1.6 Contingencies Applicable to Listings:** Any contingency or condition 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, leased, or exchanged, must be indicated individually in the listing and on the Listing Input Sheet except when the property is located in a subdivision owned by a single entity. The Service Participant may group improved or unimproved properties on one Listing Input Sheet indicating multiple properties are available in the "Remarks" section. When part of a listed property has been sold, leased or exchanged proper notification must be given to the Multiple Listing Service. Example #1: A new subdivision has 31 lots. 5 are priced at \$19,500; 12 are priced at \$22,500; 14 are priced at \$25,000. You may choose to have only three Listing Input Sheets completed in the Service with the number of lots available showing in the "Remarks". Example #2: A new subdivision has 31 lots with a variety of prices, the lowest price being \$19,500 and the highest being \$25,000. You may place the lowest lot on one Listing Input Sheet and the highest on another Listing Input Sheet. In the "Remarks Section" of each you must specify that there are lots available within the price range of \$19,500 to \$25,000. CAVEAT: You must submit a lot as "Pending" and you must modify the active Service Listing Input Sheet (for example: instead of 15 lots there are now 14 available) each time a lot is placed "Pending". Failure to do both would be a violation of the Rules.

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

**Section 1.9 Duplicate Listings.** Duplicate listings are prohibited within the same property type (i.e., Office Sale) but permitted between different property types. When a property satisfies the definition for more than one eligible property type, the listing broker may (but need not) submit the listing in each appropriate property type, provided that (a) each listing record is complete and accurate in itself; (b) each listing record is cross-referenced by listing number of any other duplicate listing(s); and (c) all disclaimers necessary to adequately describe a true picture of the listing's circumstances appear in the public remarks (i.e., that a parcel may be sold separately, or may only be sold in conjunction with MLS #\_\_\_\_, etc.); (d) there is specific authorization in the listing agreement or two or more separate listing agreements. If the property is sold or leased, the listing broker must submit the sale against **one** listing record and notify the MLS staff to delete the other one.

**Section 1.10 Expiration, Extension, and Renewal of Listings:** Any listing entered into the Service computer automatically expires on the date specified in the agreement unless renewed

by the listing broker and notice of renewal or extensions is entered into the Service prior to expiration.

If notice of renewal or extension is dated after the expiration date of the original listing, you may either reinstate the expired listing that has not been expired for longer than thirty days or publish it as a new listing. Any extension or renewal of the listing must be signed by the seller(s) and be entered into the Service computer.

**Section 1.11 Termination Date of Listings:** Listings entered into the Service shall bear a definite and final termination date as negotiated between the listing broker and the seller or lessor.

**Section 1.12 Jurisdiction:** Only listings of the designated types of property located within the counties of Brunswick, Bladen, Columbus, Duplin, New Hanover, Onslow, Pender, and Sampson are required to be submitted to the Service. Listings of property located outside the above counties will be accepted if submitted voluntarily by a Participant, but cannot be required by the RCASENC/MLS

**Section 1.13 Listings of Suspended Participants:** When a Participant of the Service is suspended from the RCASENC/MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, CFR Bylaws, RCASENC Bylaws, RCASENC Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with the Service computer by the suspended Participant shall, at the Participant's option, be retained in the Service until sold, leased, exchanged, withdrawn, or expired, and shall not be renewed or extended by the Service beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the CFR or RCASENC /MLS or both for failure to pay appropriate dues, fees, or charges, the Service is not obligated to provide RCASENC /MLS services, including continued inclusion of the suspended Participant's listings in the RCASENC /MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the Service, the suspended Participant should be advised, in writing of the intended removal so that the suspended Participant may advise his/her clients.

**Section 1.14 Listings of Expelled Participants:** When a Participant of the Service is expelled from the RCASENC /MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, CFR Bylaws, RCASENC /MLS Bylaws, RCASENC/MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently entered into the Service shall, at the expelled Participant's option, be retained in the Service until sold, leased, exchanged, withdrawn, or expired, and shall not be renewed or extended by the Service beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the CFR or RCASENC/MLS or both for failure to pay appropriate dues, fees, or charges, the Service is not obligated to provide RCASENC/MLS services, including continued inclusion of the expelled Participant's listings in the RCASENC/MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the Service, the expelled Participant should be advised, in writing, of the intended removal so that the expelled Participant may advise his clients.

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

**Section 1.16 Listings of Properties Previously Listed by Other Participants.** In the event a Participant takes a listing on a property previously listed by another Participant in the Service, the new listing Participant may not copy or otherwise duplicate the photographs(s) or descriptive text fields from the previous listing record in the Service's system without the previous listing Participant's written permission. "Descriptive text fields" include remarks, directions, and other "free-form" fields where the Participant has discretion regarding the contents of the field. This restriction does not apply to purely factual fields.

## **Selling Procedures**

**Section 2. Showings and Negotiations:** Appointments for showings and negotiations with the seller or lessor for the purchase, lease, or exchange of listed property entered into the RCASENC/MLS shall be conducted through the listing/leasing broker, except under the following circumstances:

- (a) the listing/leasing 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/leasing broker or his representative; however, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.
- (c) When the listing/leasing broker places a value of "Vacant with KeyBox" in the "Showing Instructions" field, Subscribers may show the property without an appointment.

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

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

Participants representing buyers or tenants shall submit to the buyer or tenant all offers/leases and counter-offers/counter-leases until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract/lease has been terminated. (Amended 11/05)

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

**Section 2.4 Right of Listing/Leasing Broker in Presentation of Counter-Offer/Counter-Leases:** The listing broker or his representative has the right to participate in the presentation of any counter-offer//leasing made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer/counter-lease 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/leasing broker not be present when a counter-offer/counter-lease is presented, the listing/leasing broker has the right to a copy of the purchaser's or lessee's written instructions.

**Section 2.5 Reporting "Pending" And Sold Sales to The Service:** Status changes, including final closing of sales and sales prices, shall be reported to the Multiple Listing Service by the listing/leasing broker within three (3) business day after the event occurs. If negotiations were carried on under Section 2 (a) or (b) hereof, the cooperating broker shall report accepted offers/leases and prices to the listing/leasing broker within 24 hours after occurrence. The listing/leasing broker shall report to the MLS within 24 hours, after receiving notice from the cooperating broker.

**Note 1:** The listing/leasing agreement of a property filed with the MLS by the listing /leasing broker should include a provision expressly granting the listing/leasing 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/leasing 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. (Amended 11/01)

**Note 2:** In disclosure states, if the sale price of a listed property is recorded, the reporting of the sale price may be 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 in 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 Resolutions of Contingencies:** The listing/leasing broker shall report to the RCASENC/MLS by a change of status within three (3) business days that a contingency on file with the RCASENC/MLS has been fulfilled or renewed, or the agreement canceled.

**Section 2.7 Advertising of Listing Filed with the Service:** A listing shall not be advertised by any Participant other than the listing/leasing broker, without the prior consent of the listing/leasing broker.

**Section 2.8 Reporting Cancellation of Pending Sale:** The listing broker shall report within three (3) days to the Service the cancellation of any contingent or pending sale, lease, or exchange and the listing status shall be changed to “Active” and/or the sub status of “Contingent” removed immediately.

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

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

### **Refusal To Sell**

**Section 3. Refusal to Sell, Lease, or Exchange:** If the seller/lessor of any listed property filed with the Service refuses to accept a written offer/lease satisfying the terms and conditions stated in the listing/management agreement, such facts shall be transmitted immediately to the Service and to all Participants.

### **Prohibitions**

**Section 4. Information for Participants Only:** Any listing/lease filed with the Service shall not be made available to any broker or firm not a Member of the RCASENC/MLS without the prior consent of the listing/leasing broker.

**Section 4.1 “For Sale” or “For Lease” Signs:** Only the “For Sale” or “For Lease” sign of the listing/leasing broker may be placed on a property.

**Section 4.2 “Sold” or “Leased” Signs:** Prior to closing, only the “sold” or “leased” sign of the listing/leasing broker may be placed on a property, unless the listing/leasing broker authorizes the cooperating broker (selling/leasing) broker to post such a sign.

**Section 4.3 Solicitation of Listings/Leases Filed with the Service:** Participants shall not solicit a listing/lease 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.

**Section 4.4 Use of the Terms MLS and Multiple Listing Service:** No MLS participant, subscriber, or licensee affiliated with any participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants, subscribers and licensees affiliated with participants shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

### **Division of Commissions**

**Section 5. Compensation Specified on Each Listing/Lease:** The listing/leasing broker shall specify, on each listing entered into the Service computer, the compensation offered to other Participants for their services in the sale/lease of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of sale (or lease) or as otherwise provided for in this rule. The listing/leasing broker's obligation to compensate any cooperating broker as the procuring cause of sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing/leasing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing/leasing 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/leasing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing/leasing broker know (or should have known) that some or all of the commission established in the listing/leasing agreement might not be paid; and how promptly had the listing/leasing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid. (Amended 11/98)

In filing a property with the RCASENC/MLS, the Participant of the Service is making blanket unilateral offers of compensation to the other Participants, and shall therefore specify on each listing/lease entered into the Service, the compensation being offered to the other Participants. Specifying the compensation on each listing/lease is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to find a purchaser or lessee.\* The listing/leasing broker retains the right to determine the amount of compensation offered to other Participants (acting as subagents or buyer agents, or in other agency or nonagency capacities defined by law) which may be the same or different.

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\*The compensation specified on listings filed with the multiple listing service shall appear in one of two forms. The essential and appropriate requirement by an association multiple listing service 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 listings 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

This shall not preclude the listing/leasing broker from offering any RCASENC/MLS Participant compensation other than the compensation indicated on any listing published by the RCASENC/MLS, provided the listing/leasing 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 RCASENC/MLS shall not have a rule requiring the listing/leasing broker to disclose the amount of total negotiated commission in his listing/leasing contract, and the RCASENC/MLS shall not publish the total negotiated commission on a listing which has been submitted to the Service by a Participant. The RCASENC/MLS shall not disclose in any way the total commission negotiated between the seller or lessor and the listing broker.

**Note 2:** The listing/leasing broker may, from time to time, adjust the compensation offered to other 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 RCASENC/MLS shall make no rule on the division of commissions between Participants and nonparticipants. This should remain solely the responsibility of the listing broker.

**Note 4:** Listing/leasing brokers must communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval; and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they submit an offer that ultimately results in a successful transaction. Listing brokers must do so by placing the following information in the Agent Information field: **Compensation subject to court approval.** (Adopted 11/98)

**Note 5:** Nothing in these MLS rules precludes a listing Participant and a cooperating Participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction. (Adopted 11/05)

**Note 6:** Listing brokers must disclose potential for a short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale, and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing participants (Amended 5/09). Listing brokers must disclose potential short sales when participants know a transaction is a potential short sale. Listing broker must chose "Yes" in the Potential Short Sales field. In any instance where a participant discloses a potential short sale, they must also be permitted to communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between listing and cooperating participants by indicating how in the Agent Information field.

**Section 5.1 Participant as Principal:** If a Participant or any licensee (or licensed or certified appraisers<sup>1</sup>) affiliated with a Participant has any ownership interest in a property, the listing of which is to be disseminated through the RCASENC/MLS, that person shall disclose that interest when the listing is entered into the Service and such information shall be disseminated to all Participants.

**Section 5.2 Participant as Purchaser:** If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in a property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the listing/leasing broker not later than the time an offer to purchase/lease is submitted to the listing/leasing 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/lessor agrees to pay a specified commission if the property is sold/leased by the listing/leasing 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/leasing broker by choosing “Dual” from the Compensation Type table values. The listing/leasing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

**Section 5.4 Short Sales:** A “short Sale” is a sale where: (i) the Purchase Price is or may be insufficient to enable Seller to pay the costs of sale, which include but are not limited to the Seller’s closing costs and payment in full of all loans or debts secured by deeds of trust on the Property due and owing to one or more lender(s) and/or other lienholders (“Lienholders”), (ii) Seller does not have sufficient liquid assets to pay the costs of sale, and (iii) the Lienholders agree to release or discharge their liens upon payment of an amount less than the amount secured by their liens with or without the Seller being released from any further liability. Participants must disclose potential short sales when reasonably known to the listing participants, by answering “Yes” in the Potential Short Sale field. When disclosed, participants may advise other participants whether and how any reduction in the gross commission established in the listing agreement, required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating participants. All confidential disclosures and confidential information related to short sales must be communicated in the Non Public Remarks available only to participants and subscribers.

## **Service Charges**

**Section 6.1 Service Fees and Charges:** The following service charges for operation of the RCASENC//MLS are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed.

- (a) **Initial Participation Fee:** An applicant for participation in the Service shall pay an application fee in such amount as from time to time prescribed.
- (b) **Waiver of Initial Participation Fee:** Staff shall waive the initiation fee when all of the following conditions are met:
  - i. The applicant for participation in the Service has previously paid a participation fee, and
  - ii. The applicant’s firm dropped its RCASENC MLS membership, or, has dissolved his/her firm, or, merged with another firm, and
  - iii. Has been continuously either a RCASENC MLS Participant or Subscriber with the subsequent firm.

- iv. The waiver will apply only once and only with the written approval of all principals in the previous company who have been continuously either a *RCASENC* MLS Participant or Subscriber.

Staff shall deny all other requests and no appeal may be made to the Board of Directors.

- (c) **Initial User Fee**: An initial fee in the amount of one month's recurring participation fee plus an amount as specified annually by the Board of Directors for services shall be paid by anyone classified as a Subscriber or Participant who desires such services. Such fee(s) are non refundable and must be paid prior to gaining access to the Service.
- (d) **Recurring Participation Fee**: The monthly participation fee of each Participant shall be an amount equal to an amount as from time to time prescribed by the Board of Directors times each Subscriber (anyone who has access to the Service). Non REALTOR<sup>®</sup> licensees will always be billed to the Participant Member. Statements will be emailed at the first of each month for that month and payment of such fees shall be made electronically on or before the last day of that month; or, the fees may be paid by check or money order annually in advanced in which case the monies must be received by December 31 of each year or, if a new Participant or User, a pro rata portion for the remainder of the current year and then in advance by December 31 for the subsequent year. This recurring Participation Fee is due on the first day of each month even without notice. The Recurring Participation Fee may include an additional monthly amount for each Participant Member himself/herself. Any disputed amounts shall be paid until otherwise overturned at a Board of Directors' meeting.
- (e) **New Participant Member**: When a new firm comprised of a newly elected REALTOR<sup>®</sup> Participant Member joins the Service, pro rata billing shall when Access is granted.
- (e) **Listing Fee**: Listing fees, if any, will be determined by the Board of Directors.
- (f) **Exemptions**: Participants of the Service may be exempted by approved written waiver which form is incorporated into these Rules and attached as part of the Policy Statements adopted, from the payment of a recurring participation fee for anyone who is under the direct supervision of a Participant or the Participant's licensed designee. The person waived shall not be classified as a Subscriber and the Participant shall be exempt from Service recurring participation fees.

Recurring participation fees shall commence when the Participant notifies the Staff that a new Subscriber is affiliated with him/her (within 3 business days). If an exemption is granted, the staff shall make an adjustment back to the date of notification. All exemptions shall be submitted upon the approved waiver form. The exemption for any individual shall automatically be revoked upon

the individual's utilization of the Service for any reason other than that allowed under the waiver subject to the Participant's opportunity to explain to the Board of Directors why the exemption should not be lost.

- (g) Participants shall pay a fee for each non REALTOR® licensee attending the Service orientation program in such amount as established by the Board of Directors.
- (h) The *RCASENC* MLS does not refund monies when a Subscriber or Participant resigns or is terminated.

**Section 6.2 Requests for Change in Billing Amounts:** Participants shall notify the staff in writing within three business days when a Subscriber is no longer affiliated with them. If the Subscriber holds a broker license, then a copy of the notification sent to the NC Real Estate Commission must be included in the written notification. If the Subscriber is licensed or certified as an appraiser or Registered Trainee, a copy of the notification sent to the NC Appraisal Board must be included in the written notification. Staff may make appropriate write-offs of accounts up to \$150. All write-offs shall be noticed at least quarterly to the Secretary/Treasurer.

**Section 6.3: Fees for IDX Data:**

Type of Fee	Amount	One Time Fee?	Recurring Fee?	How Often Does This Fee Occur	Description
<b>Monthly IDX</b>	\$41.67	No	Yes	Monthly	Monthly fee to broker/vendor per domain name for IDX
<b>Annual Back-Office Fee</b>	\$41.67	No	Yes	Monthly	Monthly fee to broker for data feed with (a) listings only of requesting broker (after the broker's first request); and (b) listings of all brokers but for back-office or internal use only.
<b>Back-Office Setup Fee</b>	\$250	Yes	No	Once upon initiation of feed	Initial implementation per third-party contractor for back office applications. Includes up to four hours of technical/data support from staff at no charge.
<b>IDX Setup Fee</b>	\$250	Yes	No	Once upon initiation of feed or deployment of site	Initial implementation per domain name for IDX. Includes up to three hours of technical/data support from staff at no charge.

Type of Fee	Amount	One Time Fee?	Recurring Fee?	How Often Does This Fee Occur	Description
<b>Unauthorized Use of Feed</b>	\$500	Yes	No	As Needed Per Violation	Fine/liquidated damage due from broker/vendor for every site it operates or permits to be operated using its data feed that is not authorized by agreement with RCASENC. (Due from broker if broker signs PDAA; due from vendor if vendor signs IDX master agreement.)
<b>Unauthorized Site</b>	\$100	Yes	No	As Needed Per Violation	Fine due from broker for every site it operates using RCASENC data that is not authorized by agreement with RCASENC. (Due from broker that has unauthorized site.)
<b>Tech Sup Member</b>	\$18.75 for each 15 minutes	Yes	No	As needed based on subscriber request	Tech Support @ \$75 per hour billed in 15 minute increments.
<b>Tech Sup Vendor</b>	\$18.75 for each 15 minutes	Yes	No	As needed based on vendor request	Tech Support @ \$75 per hour billed in 15 minute increments.
<b>Firm 1st Data Feed</b>	\$250	Yes	No	Once upon broker's first request for its own listings in a feed	The firm may have at no cost for their first feed of their own listing data. One time setup at request of firm BIC for firm does not include other firms' data

When a domain name for an IDX site is discovered that is not secured by an underlying agreement, the penalty is \$500 to the vendor and \$100 to the Participant or Subscriber. *(see RCASENC BOD minutes 10-07-09)*

## **Compliance With Rules**

**Section 7. Compliance with Rules-Authority to Impose Discipline:** By becoming and remaining a participant or subscriber in this MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a) letter of warning
- b) letter of reprimand
- c) attendance at MLS orientation or other appropriate 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 \$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 (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or user/subscriber, where appropriate) 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. (Revised 05/14)

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

- (a) Failing to pay any service charge or fee by the due date will result in a late payment penalty of \$6. This penalty shall be assessed if no payment is received on or before the last day of the month. If payment is not received on or before the 10<sup>th</sup> day of the following month then service shall be suspended on the 11<sup>th</sup> unless the 11<sup>th</sup> is a Friday in which case it will occur the following Monday. A reactivation fee in such amount as from time to time prescribed by the Board of Directors shall be assessed. Service will resume within one business day when the account is paid current.

**Example:** A statement is sent on January 3<sup>rd</sup>. The RCASENC/MLS does not receive payment before February 1<sup>st</sup>. A second statement is sent February 2<sup>nd</sup> showing (1) the fee(s) were not paid in January, (2) a \$6 penalty, and (3) the fee for February.

If the payment is not received on or before the 10<sup>th</sup> of February, Staff adds a ten dollar (\$10) reactivation fee to the account and suspends the service until the account is paid current. (January, February, the \$6 penalty and the \$10 reactivation fee)

- (b) When a Participant or Subscriber has a check returned for insufficient funds, the Staff shall add the maximum fine allowable by law to the account. When a Participant or Subscriber has a second check returned for insufficient funds, the staff shall notify the Participant or Subscriber in writing that they shall only make payment by either a credit/debit card or telecheck. Staff shall notify the Board of Directors of such action at their next meeting. If the Participant or Subscriber refuses to make payment in this manner then the staff shall notify the Board of Directions of such action at their next meeting. The Participant or Subscriber shall have the right to be present and explain why such action should not be taken.

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

**Section 7.2 Applicability of Rules to Subscribers:** Subscribers are non-principal brokers, appraisers, and others authorized to have access to information published by the MLS and are subject to these Rules and Regulations and may be disciplined for violations thereof provided that the Subscriber has signed an agreement acknowledging that access to and use of RCASENC/MLS information is contingent on compliance with the Rules and Regulations. Further, failure of any 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 Subscribers affiliated with the Participant.

Each Participant and Subscriber does absolutely and unconditionally guarantee payment to the Service, when due of any indebtedness now owing or which may hereafter become owing to the Service. Such personal guaranty shall include any and all indebtedness, balances owed on open accounts, notes, instruments of payment, interest and costs of collection, including reasonable attorney fees to the extent permitted by applicable law in force and effect at the place such indebtedness shall occur.

This guaranty shall remain in effect for all debts incurred by each Participant or Subscriber, its successors and assigns, until written notice by certified mail with return receipt is given to the Service of their intent to no longer agree to this provision. Any such written notice shall have no effect on the liability on any obligations of the Participant or Subscriber giving such notice as to any obligations then due and owing at the time such notice is received by Service.

The Service shall have the right to proceed against any Participant or Subscriber at any time that the Participant or Subscriber is delinquent in payment of its obligations at the discretion of Service and the Service shall not first be required to exhaust its remedies against Participant or Subscriber.

Where there are more than one personal guarantors of the Participant's or Subscriber's obligations to the Service, the obligations shall be joint and several in the release by the Service of the obligation of any one or more guarantors shall not affect the obligation of any personal guarantor not specifically released.

Section 7.3 Courtesy: Participants and Subscribers when showing property on which a KeyBox is used are requested to leave their business card at the property. NOTICE: Do NOT place business cards inside the electronic KeyBoxes.

#### **Section 7.4 Supra ActiveKey, eKey, and KeyBoxes**

a. **Possession of Key.** Each ActiveKey or eKey holder may possess only one Key at a time. If a Key is lost or requires replacement for any reason, the replacement cost for the Key shall be the replacement price set forth in the Lease. Each office may have a "loaner" key assigned to the MLS Participant who is solely responsible for it.

**b. Current Update Code.** The Key has an update code that expires daily to prohibit further use of the Key until a new current update code is obtained from Supra or the MLS and entered into the Key. Update codes shall be issued only to Key holders in good standing with the MLS. A Key holder is in good standing if he or she is in full compliance with all obligations related to the Service, including, without limitation, the terms of these Rules and Regulations.

Staff must verify the identity of a Key holder before providing an update/ authorization code or PIN code to an existing Key holder. Where the staff does not recognize the voice of the person calling, the staff may speak with someone else in the caller's office whose voice the staff would recognize to verify the identity of the person calling. When the staff is uncertain as to the identity of the caller, the Key holder is required to bring their device to the MLS office. Once staff has verified the identity of the Key holder by photo ID or otherwise, the staff is authorized to provide an update/authorization code or PIN code and update the device.

**c. Security of Equipment.** It is necessary to maintain the security of each Key and the Personal Identification Number ("PIN") of each Key to prevent the use of the Key by unauthorized persons. Each party in possession of a Key, whether such Key is being actively used or not, shall abide by the following conditions:

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

**d. Authorization.** Before a KeyBox is installed or used on any piece of real property, the prior written authorization to install or use a KeyBox must be obtained from the property owner, as well as from any tenant(s) in possession of the property, if applicable. Extreme care shall be used to ensure that all doors to the listed property and the KeyBox are locked. All owners and/or tenant(s) of real property shall be informed that the KeyBox is not designed or intended as a security device.

**e. Statement of Administrative Procedures and Operating Standards.** Each Keyholder acknowledges that the use of the service is also subject to the terms and conditions of the Supra Administration Agreement and that failure of Supra or the MLS to perform any of their respective obligations under the administration agreement may detrimentally affect such

party's use of the service. Each Keyholder expressly waives any right to exercise any right or remedy arising under, relating to or by virtue of any default by any person under the administration agreement and/or under any other agreement executed and delivered in connection with the use or leasing of the service. Each Keyholder further acknowledges and agrees that the MLS may exercise any remedies any of them may have under the administration agreement.

f. **Acknowledgment.** Each party using a Key, KeyBoxes or the Service hereby acknowledges that neither the Service, the KeyBoxes nor the Keys, nor any other SUPRA product used in connection with the Service is a security system. The Service is a marketing convenience key control system, and as such, any loss of Keys or disclosure of Personal Identification Numbers compromises the integrity of the Service and each party agrees that it will use its best efforts to insure the confidentiality and integrity of all components of the Service.

g. **Cooperating Key Agreements:** The staff is authorized to grant REALTORS® cooperating access to the KeyBox system on a provisional basis. Staff shall provide specific notice on the Board of Directors on their Consent Agenda. The Board will either ratify or deny the provisional access.

h. **KeyBoxes:** The KeyBoxes are the property of the Service. Each MLS firm is responsible for maintaining up-to-date records of the location of each KeyBox leased to them. Further,

1. KeyBoxes are issued only to one firm Principal/Manager/BIC/Participant Member (Assignee).
2. One Principal or the Assignee of the firm must sign a form making them personally liable and accountable as well as their firm to the MLS for all KeyBoxes assigned to them.
3. Audit/Inspection of KeyBoxes:
  - a. An audit of the Principal's or Assignee's KeyBoxes will be conducted annually. Excess KeyBoxes must be returned to the Service upon request.
    - i. Upon the receipt of a written notice, the Assignee shall immediately account for each KeyBox issued.
    - ii. The Assignee shall provide a report showing KeyBoxes' physically located in their office (not on a MLS eligible listing), , on any office exclusive/exempt listings, and on any one common "Drop Box."
    - iii. Each office must have sufficient internal controls to assure that each KeyBox is removed from the real property upon expiration of their listing, lease or property management agreement, or the listing is withdrawn prior to expiration or upon transfer of title and that unauthorized persons do not have access to the office inventory.
  - b. Staff shall send notice sixty days prior to the audit except when firms merge. When firms merge the audit must be completed by both firms within thirty (30) days.
  - c. If the audit form is not returned within thirty (30) days of the date noticed, then staff shall
    - i. assess a fine of \$100 per day beginning on the first day up through the tenth day of the month following receipt with a maximum fine of \$1,000;

- ii. if the audit form is not received by midnight on the tenth day, the staff shall interrupt the firm's MLS service until the form is received and the fine is paid.
  - d. A KeyBox audit is required when the firm replaces the Assignee.
- 4. **Eligibility:**
  - a. Only sale properties which meet the following criteria are eligible for a KeyBox:
    - i. Listings whose status is either active or pending
    - ii. Office exclusive/exempt listings
    - iii. One KeyBox per office to secure a common "Drop Box" for after-hours access by Subscribers.
  - b. MLS properties for lease where the property appears in the MLS.
  - c. All other property types, statuses, etc., are ineligible.
- 5. Key Boxes will be allocated as follows:
  - a. firms with at least three listings for sale or lease but no more than 50 listings will be permitted to have two Key Boxes in reserve;
  - b. firms with 51 or more listings will be allocated KeyBoxes at 104% of the total listings: firms with at least 200 listings but no more than 399 will be allocated at 105%;
- 6. **KeyBox Fees:**
  - a. Firms and branch offices engaged in listing and selling real estate shall pay a fee in such amount as determined by the Board of Directors for use of the KeyBox system.
  - b. When the Participant purchases KeyBoxes section (a) above does not apply.
- 7. **KeyBox Purchase/Lease:**
  - a. Any Participant may purchase a KeyBox at a cost to be determined by the Board of Directors.
  - b. Any member of the Wilmington Regional Association of REALTORS® and any MLS Participant or Subscriber who does not participate in the MLS of the Wilmington Regional Association of REALTORS® may purchase a KeyBox at the current price (including shipping and NC sales tax) if they possess either a cooperating Key or lease a Key from the MLS.
- 8. **Lost KeyBoxes:** The Assignee must immediately submit a written report to the MLS when a KeyBox is lost. When reported immediately Staff shall bill the Assignee for the lost KeyBox at the current Supra replacement price plus a non-refundable fine of \$10 per KeyBox. Failing to report a KeyBox lost prior to a written audit request, carries an additional fine of \$50 plus the cost of the replacement box. When a lost KeyBox is found Staff shall issue a credit in the same amount as charged for that KeyBox not including any fine after the Assignee physically produces the KeyBox at the MLS office.
- 9. **Stolen KeyBox:** A stolen KeyBox shall be reported immediately to the M.L.S. No charge will be made for the stolen KeyBox if a copy of a filed police report is provided to staff within one week of the notice. If the police report is not provided, the fine shall be the same as for a lost KeyBox.
- 10. **KeyBox Condition:** KeyBoxes must be cleaned before returning them to the MLS office. Reasonable effort shall be made to remove dirt, grime, mold, etc, wear and tear excepted. Staff shall refuse all dirty KeyBoxes. The Assignee shall be given three business days to clean the KeyBoxes and return them to the MLS office. When a

KeyBox is not returned within three business days, Staff shall bill the Assignee for each KeyBox at the current Supra replacement price plus a non-refundable fine of \$10 per KeyBox.

11. **Transfers of KeyBoxes:** Transfers of KeyBoxes from one firm to another are permitted after completing all required MLS forms.
12. **Unauthorized use of KeyBoxes:** Unauthorized use of KeyBoxes including but not limited to (1) placing one on a property not in the MLS, (2) personal use by Participants or Subscribers will be subject to a fine of \$100 or more and/or suspension as determined by the Board of Directors. Automatic-no email notice.
13. **KeyBox Location:** The KeyBox should be placed on the front door. When the KeyBox cannot be placed on the front door, the Listing Agent shall place the location of the KeyBox information in the Non Public Remarks. The key in the KeyBox must fit the door upon which it hangs or the door nearest the placement of the KeyBox box. Please think about where you would NOT want a KeyBox located in the event of inclement weather. For example, you would not want to hang it where there is no overhead protection and especially not in a location where there is no gutter since rain would be pouring from the structure. Always secure the KeyBox to a door handle or another object attached to the structure. Do not:
  - a. Place a KeyBox on the rear door and put a key to the front door in the KeyBox.
  - b. Place a KeyBox on a spigot
14. Staff will attempt to repair damaged KeyBoxes using spare parts on-hand. All other repairs will be charged to the company leasing the KeyBox.

**Section 7.5 Removal of KeyBoxes on Expired, Withdrawn or Sold Listings:** If any expired, sold, or withdrawn listings have KeyBoxes on the property for more than three business days after the expiration, closing, or withdrawal, the listing broker is to be notified and asked to remove the KeyBox. If the KeyBox is not removed, any Key holder may call the Service office, get the shackle code, and return the box to the Service office. A fine of \$100 shall be levied against the listing Subscriber.

**Section 7.6 Unauthorized use of Key:** The loaning of Keys for any reason is prohibited. Key holders must secure their Key to prevent anyone from discovering their PIN number. Key Holders who violate this Rule shall be subject to fine as determined by the Board of Directors the following:

1. Where a Key holder loans a Key to remove a KeyBox, staff shall communicate again the Policy in writing to the Key holder explaining that any person who needs a Key may have one after completing the necessary Agreements and that each office may have a loaner Key. The communication shall also include a notice that a second violation will result in automatic suspension of use for one week and a \$100 fine. A third violation shall result in suspension of use for one month and a \$500 fine. A fourth violation shall result in suspension of use for one year and a \$1,000 fine. Although the Key holder's use of the system is suspended, the obligation to pay fees continues during the period of any suspension.
2. Where a Key holder loans a Key and their PIN code, staff shall immediately deactivate the device, place a \$100 fine on the members account, communicate again the Policy in writing to the Key holder explaining that any person who needs a Key may have one after completing the necessary Agreements; that each office may have a loaner device;

that payment in full must be made for all charges on the account; and, that their Key must be programmed with a new PIN. The communication shall also include a notice that a second violation will result in automatic loss of use for one month and a \$500 fine. A subsequent violation shall result in loss of use for one year and a \$1,000 fine. Although the Keyholder's use of the system is suspended, the obligation to pay fees continues during the period of any suspension.

3. An appeal may be made to the Board of Directors provided that the Key holder has paid all charges on their account including any fine levied.

**Section 7.7 Right to Suspend Use of Key:** The Service may refuse to lease Key, may terminate an existing Key lease agreement, and may refuse to activate or reactivate any Key held by an individual convicted of a felony or misdemeanor if the crime, in the determination of the MLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

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

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

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

## **MEETINGS**

**Section 8. Meetings of RCASENC/MLS Committee:** The RCASENC/MLS Committee shall meet for the transaction of its business at a time and place to be determined by the Committee or at the call of the Chairperson. The Chairperson or Vice Chairperson shall preside at all meetings or, in their absence a temporary Chairperson from the membership of the Committee shall be named by the Chairperson or, upon his failure to do so, by the Committee.

**Section 8.1 Meetings of RCASENC/MLS Participants:** The Board of Directors may call meetings of the Participants in the Service. The President or the President-Elect shall preside at all meetings or, in their absence a temporary Chairperson from the Participants shall be elected.

## **Enforcement of Rules or Disputes**

**Section 9. Consideration of Alleged Violations:** The RCASENC/MLS Committee, or a Tribunal of the Board of Directors shall give consideration to all written complaints from Participants or Subscribers 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 a request for arbitration, it may be administratively considered and determined by the RCASENC/MLS Committee, or a Tribunal of the Board of Directors and if a violation is determined, the Committee or Tribunal may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the CFR in accordance with the Bylaws and Rules and Regulations of the CFR within twenty (20) days following receipt of the Committee's decision.

**Section 9.2 Complaints of Unethical Conduct:** All other complaints of unethical conduct shall be referred by the Committee or a Tribunal to the chief staff executive of the CFR for appropriate action in accordance with the professional standards procedures established in the CFR's Bylaws.

## **Confidentiality of MLS Information**

**Section 10. Confidentiality of RCASENC/MLS Information:** Any information provided by the Service 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 real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers or Registered Trainees affiliated with such Participants.

**Section 10.1 RCASENC/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:** REALTORS® who are actively engaged in real estate brokerage, management, appraising, land development, or building, but who do not participate in the Service, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the Service including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of these members and individuals affiliated with these members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations. Association Members who receive such information, either as an Association service or through the RCASENC/MLS are subject to the applicable provisions of the RCASENC/MLS Rules and Regulations whether they participate in the RCASENC/MLS or not.

## **Ownership of RCASENC/MLS Compilations and Copyrights\***

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

**Note:** The Digital Millennium Copyright Act (DMCA) is a federal copyright law that enhances the penalties for copyright infringement occurring on the Internet. The law provides exemptions or “safe harbors” from copyright infringement liability for online service providers (OSP) that satisfy certain criteria. Courts construe the definition of “online service provider” broadly, which would likely include MLSs as well as participants and subscribers hosting an IDX display.

One safe harbor limits the liability of an OSP that hosts a system, network or website on which Internet users may post user-generated content. If an OSP complies with the provisions of this DMCA safe harbor, it cannot be liable for copyright infringement if a user posts infringing material on its website. This protects an OSP from incurring significant sums in copyright infringement damages, as statutory damages are as high as \$150,000 per work. For this reason, it is highly recommended that MLSs, participants and subscribers comply with the DMCA safe harbor provisions discussed herein.

To qualify for this safe harbor, the OSP must:

- (1) Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, participant, subscriber, or other individual or entity.
- (2) Develop and post a DMCA-compliant website policy that addresses repeat offenders.
- (3) Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.
- (4) Have no actual knowledge of any complained-of infringing activity.
- (5) Not be aware of facts or circumstances from which complained-of infringing activity is apparent.
- (6) Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

Full compliance with these DMCA safe harbor criteria will mitigate an OSP’s copyright infringement liability. For more information see 17 U.S.C. §512.

**Section 11.1** All right, title, and interest in each copy of every RCASENC/MLS compilation created and copyrighted by the CFR and in the copyrights therein, shall at all times remain vested in the CFR.

**Section 11.2** Each Participant shall be entitled to lease from the CFR a number of copies of each RCASENC/MLS compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers or Registered Trainee) with such Participant with one copy of such compilation. The Participant shall pay for each such copy the rental fee set by the CFR.\*\*

Participants shall acquire by such lease only the right to use the RCASENC/MLS compilations in accordance with these Rules.

\*The term “RCASENC/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 RCASENC/MLS compilation for any licensee (including licensed or certified appraisers or Registered Trainee) affiliated with the Participant who is engaged exclusively in a specialty of the real estate business other than listing, selling, leasing, or appraising the types of properties

which are required to be filed with the RCASENC/MLS and who does not, at any time, have access to or use of the RCASENC/MLS information or RCASENC/MLS facility of the CFR.

## **Use of Copyrighted RCASENC/MLS Compilations**

**Section 12. Distribution:** Participants shall, at all times, maintain control over and responsibility for each copy of and access to any Service compilation leased to them by the, CFR and shall not distribute any such copies or access to persons other than Subscribers who are affiliated with such Participant as licensees, those individuals who are licensed or certified or a Registered Trainee 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 Service . Participants and their affiliated subscribers and staff may not transmit, retransmit, or provide any Service compilation or means of accessing any Service compilation in any manner to any other individual, office, or firm, except as expressly provided in these Rules. This section prohibits the sharing of all access methods, including without limitation user IDs, passwords, and physical authentication means (such as one-time password key fobs). (See CFR BofD Minutes 4-19-2007)

Use of information developed by or published by the Service is strictly limited to the activities authorized under a Participant’s licensure(s) or certification, and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “Participation” or “Membership” or any right of access to information developed or published by the Service where access to such information is prohibited by law.

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

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

Participants or their affiliated licensees may reproduce from the RCASENC/MLS compilation and distribute to prospective purchasers or lessees a reasonable\* number of single copies of property listing data contained in the RCASENC/MLS compilation which relate to any properties in which prospective purchasers or lessees are or may, in the judgment of the Participants or their affiliated licensees, 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 or lessee has expressed interest, or in which the Participant or the affiliated licensees 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 or lease with the Participant.

Any RCASENC/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 licensees affiliated with the Participant who are authorized to have access to such information. Such information may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm.

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparables, or statistical information from utilizing such information to support valuations on particular properties for clients and customers. Any RCASENC/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. RCASENC/MLS must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. RCASENC/MLS may require execution of a third-party license agreement where deemed appropriate by the RCASENC/MLS. RCASENC/MLS may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the RCASENC/MLS in adding or enhancing its downloading capacity for this purpose. Information that the CFR or the RCASENC/MLS has 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/lessees with listing data relating to properties, which the prospective purchaser/lessee has a bona fide interest in purchasing/leasing, 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/lessee's decision-making process in the consideration of a purchase/lease. 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 RCASENC/MLS compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's/lessee's expressed desires, and ability to purchase/lease, 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/lessee.

### **Use of RCASENC/MLS Information**

**Section 13. Limitations on Use of RCASENC/MLS Information:** Use of information from the RCASENC/MLS compilation of current listing information, from the RCASENC/MLS's statistical report, or from any sold or comparable report of the CFR or its RCASENC/MLS for public mass-media advertising by a 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 CFR or its RCASENC/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 Wilmington Regional Association of REALTORS<sup>®</sup>, Incorporated for the period (date) through (date).

## **Changes in Rules and Regulations**

**Section 14. Changes in Rules and Regulations:** Amendments to the Rules and Regulations of the Service shall be by simple majority vote of the Board of Directors of the REALTORS Commercial Alliance of Southeastern North Carolina, subject to approval by the CFR Board of Directors.

### **Orientation**

**Section 15. Orientation:** Any applicant for MLS participation and any person affiliated with an MLS participant or his/her Subscriber who has access to and use of 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 thirty (30) days after access has been provided

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any 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 any mandated additional training remotely.

## Exhibit 1

### Internet Data Exchange Company Websites Using MLS Data

**Section 16. IDX Defined:** IDX affords MLS participants the ability to authorize limited electronic display of their listings by other participants.

**Section 16.1 Authorization:** Participants' consent for display of their listings by other participants pursuant to these rules and regulations must be established in writing. If a participant withholds consent on a blanket basis to permit the display of that participant's listings, that participant may not download or 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 engaged in real estate brokerage 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 on their websites 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 brokers 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.*

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 16.2.10** An MLS participant (or where permitted locally, an MLS subscriber) may combine the listings of other brokers received in an IDX feed with listings available from other

LS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS participant (or MLS 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 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 users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed.

**Section 16.3.1.1** The type of listing agreement (e.g., exclusive right to sell, exclusive agency, 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 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 the additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields.

**Section 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** All listings displayed pursuant to IDX shall identify the listing agent.

**Section 16.3.5** Non-principal brokers and sales licensees affiliated with IDX participants may display information available through IDX on their own websites subject to their participant’s consent and control and the requirements of state law and/or regulation.

**Section 16.3.6** 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 16.3.7** 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 16.3.8** The data consumers 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 16.3.9** 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 where permitted locally, an MLS 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 MLS 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, pending, and sold listings\* is prohibited.

\*Note: If “sold” information is publicly accessible, display of “sold” listings may not be prohibited. (Not required to adopt)

**Section 16.3.12** Display of seller’s(s’) and/or occupant’s(s’) name(s), phone number(s), and e-mail address(es) is prohibited.

**Section 16.3.13** 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 16.3.14** 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.

**Section 16.3.15** Deceptive or misleading advertising (including co-branding) on pages displaying IDX-provided listings is prohibited. For purposes of these rules, co-branding will be presumed not to be deceptive or misleading if the participant’s logo and contact information is larger than that of any third party.

**Section 16.4 Service Fees and Charges:** Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

## **Exhibit 2**

### **Virtual Office Websites or VOWs**

According to publications of the North Carolina Real Estate Commission, any display of another broker's listing to consumers on a web page, whether styled as a "virtual office website," "VOW," "intranet," or otherwise, is a form of advertising and requires the permission of the listing broker.

The Service currently provides no means other than IDX for listing brokers to grant such permission, and all permission granted under the IDX program is subject to the IDX rules set out in Exhibit 2. The Service does not provide a data feed or otherwise support the development of advertising websites other than IDX sites.

A participant desiring to publish the listings of its competitors is free to obtain permission and listing data content from listing brokers for display of their listings. The Service may, but is not obliged to, assist in the transmission of listings of a broker to locations that broker designates.

**Exhibit 3**

**Data Compliance Assurance Policy**

**Fines are levied per field, not per listing. Upon notice, the RCASENC/MLS Subscriber/ Participant Member has five business days by which to correct the data.**

Compliance Issue	Consequence
<p>1. Failure to:</p> <ul style="list-style-type: none"> <li>A. Change an ascertainable field after being notified to do so</li> <li>B. To follow the Photo Guidelines, IDX Rules or any other Rule violation.                             <ul style="list-style-type: none"> <li>- On Sold listings, staff shall only enforce the photo rule if the listing closed within the <b>previous 365 days</b>.</li> </ul> </li> <li>C. To map a listing.</li> </ul> <p>2. Inserting agent or company information such as phone numbers, hyperlinks to websites, Talking Ads, email addresses, etc., or offers of compensation of any type in fields where the public might see them such as the “Remarks” or “Direction” fields.</p> <p>3. Failure to enter a listing within seven business days of seller’s written authorization unless the owner is absentee in which case entry must occur within seven business days from the receipt of the seller’s written authorization.</p> <p>4. Disclose a dual or variable commission rate in the MLS.</p> <p>5. To report a property as pending, the cancellation or resolution of a pending listing, a sold listing or the cancellation of a contingency status to the MLS within three business days.</p>	<p><b>2<sup>nd</sup> notice</b> - \$25  <b>3<sup>rd</sup> notice</b> - \$50  <b>4<sup>th</sup> notice</b> - \$100                      and loss of MLS and KeyBox privileges until data is corrected</p>
<p>Failing to notice within seven business days when a licensee who is waived should no longer be waived, including unlicensed personnel who become actively licensed (whether by the NCREC or NCAB).  <b>Automatic-no email notice</b></p>	<p>\$100 or back MLS fees, whichever is more</p>
<p>Failing to remove a KeyBox within three business days of listing’s expiration, withdrawal, or closing. MLS will return the KeyBox to leaseholder. <b>Automatic-no email notice: See MLS Rule 7.6</b></p>	<p>\$100</p>
<p>Allowing someone access to information who is not a client or customer. e.g., Loaning/giving any printed RCASENC/MLS information; agents/appraisers who give information to licensees who do not pay fees to the RCASENC/MLS.</p>	<p>\$100</p>
<p><b>Breaching MLS Security: Adaptive Technology</b></p> <ul style="list-style-type: none"> <li>a) <b>First Abuse:</b> When staff identifies a RCASENC/MLS security breach, staff will notify the Participant or Subscriber and the Subscriber’s MLS Participant by phone and email that:                             <ul style="list-style-type: none"> <li>i) the access to the RCASENC/MLS has been compromised.</li> <li>ii) the RCASENC/MLS has denied service until the Participant or Subscriber                                     <ul style="list-style-type: none"> <li>(1) comes to the RCASENC/MLS office,</li> <li>(2) changes their password and,</li> <li>(3) pays a \$75 fee.</li> </ul> </li> </ul> </li> </ul>	

<p>b) <b>Second Abuse:</b> For any abuse after section (a) above, the RCASENC/MLS access will be suspended for 30 days and a fee of \$500 must be paid before access is granted.</p> <p>c) <b>Third Abuse:</b> Any abuse after section (b) above, the RCASENC/MLS access will be suspended for 180 days and a fee of \$1,000 must be paid before access is granted.</p> <p>d) <b>Fourth Abuse:</b> Any abuse after section (c) above, the RCASENC/MLS access will be suspended for one (1) year and a fee of \$5,000 must be paid before access is granted.</p>	
<p>Unauthorized use of KeyBoxes, personal use by Participants and/or Subscribers, will be subject to a fine of \$100 or more and/or suspension as determined by the Board of Directors. <b>Automatic-no email notice.</b></p>	<p>\$100</p>
<p><b>Regarding IDX:</b></p> <ol style="list-style-type: none"> <li>1. All violation notifications are sent to the Broker and to the IDX vendor</li> <li>2. The first notice the Broker/IDX Vendor has 7 business days to correct the violation.</li> <li>3. The second notice the Broker is fined \$100 and given an additional 7 days to correct the violation.</li> <li>4. The third notice the IDX vendor's feed is terminated and there is a <b>\$500</b> reconnect fee.</li> <li>5. When a domain name IDX site is discovered that is not secured by an underlying contract, the penalty is \$500 to the vendor and \$100 to the Participant or Subscriber.</li> </ol>	<p>\$100 or \$500 \$500 to vendor \$100 to Participant or Subscriber</p>

Staff shall do the following:

1. 1<sup>st</sup> notice: Email the RCASENC/MLS Subscriber (Listing Agent) and the Broker-in-Charge requesting that the data be modified within specified number of business days (**NOTE:** Only applies to first category above)
2. 2<sup>nd</sup> notice: Email the RCASENC/MLS Subscriber (Listing Agent) and Broker-in-Charge along with the reason for the fine to the MLS Subscriber (Listing Agent) and requesting that the data be modified within specified number of business days
3. 3<sup>rd</sup> notice: Email and call the RCASENC/MLS Subscriber (Listing Agent) and Broker-in-Charge along with the reason for the fine to the RCASENC/MLS Subscriber (Listing Agent) and requesting that the data be modified within specified number of business days and the same fine shall be levied against the Broker-in-Charge;
4. 4<sup>th</sup> notice: Call the RCASENC/MLS Subscriber (Listing Agent) and the Broker-in-Charge and tell the RCASENC/MLS Subscriber (Listing Agent) that all RCASENC/MLS services including loss of use of the KeyBox system shall be suspended until the data is correct and the fine is paid.

When there is noncompliance and the circumstances are unusual (death in the family, extended vacations, etc.), the RCASENC Executive Vice President may make exceptions to the fines.

Any Subscriber or Broker-in-Charge whose waiver for a fine has been denied, may appeal to the RCASENC Board of Directors.

## Exhibit 4

### **Guideline for MLS Photos**

**MLS Rule Section 1.2:** Photos are mandatory for every property type. The requirements of this paragraph shall not apply where a seller expressly directs that photographs of their property not appear in MLS compilations, provided the MLS Participant shall furnish a copy of the seller's request to the Service. The Service incorporates **Exhibit 4 "A Guideline for MLS Photos"** attached to these Rules and Regulations. No photo or virtual tour entered into or linked to or from the service shall display:

- any for sale or for lease sign;
- any information that identifies the agent or the company;
- any business card images or the like;
- no picture within the picture; etc.

The photo may display only physical characteristics of the subject property and its immediate vicinity; it may not include any link to any location on the web. The MLS Staff is authorized to remove any photo or virtual tour from the MLS that is not in compliance with these rules.

**EXISTING STRUCTURES:** Select Agent Submits from photo field.

#### **UNDER CONSTRUCTION:**

- 1) If the exterior is incomplete, choose Under Construction from photo field.
- 2) Put the year the property will be finished in the Year Built field
- 3) Put Under Construction in the Construction Status field.
- 4) Once the property is locked by the builder, one of the following is required:
  - a) A sketch or rendering if available from the builder.
  - b) A plat map
  - c) An aerial photo

**Once the property is locked by the builder and the exterior is complete, you will need to:**

- 1) Change the photo table to Agent Submits
- 2) Change the Construction Status from Under Construction to New.
- 3) Modify data fields as appropriate (measure the property, verify dimensions, etc.)

**PROPOSED CONSTRUCTION:** Use this when the builder is proposing to build a specific property on the lot.

- 1) Choose Proposed in the photo field
- 2) Choose Proposed in the Construction Status field
- 3) Put the year the property will be finished in the Year Built field
- 4) One of the following is required:
  - a) A sketch or rendering, or
  - b) An aerial photo of site

**Once the property is locked by the builder and the exterior is complete, you will need to:**

- 1) Change the photo table to Agent Submits
- 2) Change the Construction Status from Proposed to New.
- 3) Modify data fields as appropriate (measure the property, verify dimensions, etc.)