

Sussex County Association of REALTORS®
Multiple Listing Service Rules and Regulations
Effective January 1, 2001

Revised 7/03, Revised 12/05, 7/06, 01/07, 9/07, 01/08, 05/08, 07/08, 09/08, 01/09, 02/09, 06/09

INTRODUCTION

The Sussex County Association of REALTORS® operates a Multiple Listing Service as a Committee of the Association. The model MLS Rules are drafted to be in compliance with the applicable policies of the National Association of REALTORS®. These rules and regulations will be amended or updated from time to time to comply with changes in NAR policies or applicable law. The MLS shall be governed by the Multiple Listing Service Committee in accordance with the bylaws of the Sussex County Association of REALTORS® and such rules and regulations as adopted by the Board of Directors. All actions of the MLS Committee shall be subject to the approval of the Board of Directors.

A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced 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; 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 the sale (or lease). (Amended 11/96)(Amended 1/07)

MLS ANTITRUST COMPLIANCE POLICY

The purpose of multiple listing is the orderly correlation and dissemination of listing information to participants so they may better serve the buying and selling public. Boards and associations of REALTORS® and their multiple listing services shall not enact or enforce any rule which restricts, limits, or interferes with participants in their relations with each other, in their broker/client relationships, or in the conduct of their business in the following areas.

Boards and associations of REALTORS® and their MLSs shall not:

1. Fix, control, recommend, or suggest the commissions or fees charged for real estate brokerage services (Interpretation 14).
2. Fix, control, recommend, or suggest the cooperative compensation offered by listing brokers to potential cooperating brokers.
3. Base dues, fees, or charges on commissions, listed prices, or sales prices. Initial participation fees and charges should directly relate to the costs incurred in bringing services to new participants.
4. Modify, or attempt to modify, the terms of any listing agreement; this does not prohibit administrative corrections of property information necessary to ensure accuracy or consistency in MLS compilations.

5. Refuse to include any listing in an MLS compilation solely on the basis of the listed price.
6. Prohibit or discourage participants from taking exclusive agency listings or refusing to include any listing in an MLS compilation solely on the basis that the property is listed on an exclusive agency basis.
7. Prohibit or discourage participants from taking “office exclusive” listings; certification may be required from the seller or listing broker that the listing is being withheld from the MLS at the direction of the seller.
8. Give participants or subscribers blanket authority to deal with or negotiate with buyers or sellers exclusively represented by other participants (Interpretation 10).
9. Establish, or permit establishment of, any representational or contractual relationship between an MLS and sellers, buyers, landlords, or tenants.
10. Prohibit or discourage cooperation between participants and brokers that do not participate in the MLS.
11. Prohibit or discourage participants or subscribers from participating in political activities (Interpretation 15).
12. Interfere in or restrict participants in their relationships with their affiliated licensees (Interpretations 16 and 17).

As used in this policy, “rule” includes all rules, regulations, bylaws, policies, procedures, practices, guidelines, or other governance provisions, whether mandatory or not. “Multiple listing service” and “MLS” means multiple listing service committees of boards and associations of REALTORS® and separately-incorporated multiple listing services owned by one or more boards or associations of REALTORS®.

These policy prohibitions are subject to and limited by applicable statutes, ordinances, and governmental regulations, to agreements entered into by an MLS or board or association of REALTORS® and an agency of government, and to final decrees of courts or administrative agencies.

This policy does not prohibit boards or associations of REALTORS® or their MLSs from adopting rules or policies establishing the legitimate uses of MLS information, from prohibiting unauthorized uses of MLS information, or from establishing rules or policies necessary to prevent illegal collective action, including price-fixing and boycotts.

It is the duty and responsibility of all boards and associations of REALTORS® and MLSs owned by or controlled by boards or associations of REALTORS® to ensure that all bylaws, rules, regulations, and other governance provisions comply with all mandatory multiple listing policies of the NATIONAL ASSOCIATION OF REALTORS®. Boards and associations of REALTORS® failing to conform with these policies will be required to show cause why their charters should not be revoked.

PARTICIPATION

Participant. A participant is any individual who applies and is accepted by the MLS, meets and continues to meet all of the following requirements of either a broker participant

or an appraiser participant as defined below.

Broker Participant. A broker participant must meet all of the following criteria:

- a. The Participant must hold a valid Delaware real estate broker's license;
- b. The Participant is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal;
- c. The Participant offers and accepts compensation in the capacity of a real estate broker;
- d. The Participant has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- e. The Participant pays all applicable MLS fees.

Appraiser Participant. An appraiser participant must meet all of the following criteria:

- a. The Participant holds a valid Delaware appraisers license;
- b. The Participant is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal;
- c. The Participant has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- d. The Participant pays all applicable MLS fees.

Subscriber. A subscriber is an individual who applies and is accepted by the MLS, meets and continues to meet all of the following requirements of either a real estate subscriber or an appraiser subscriber as defined below:

Real Estate Subscriber. Is a subscriber who meets all of the following requirements:

- a. The individual holds a valid Delaware real estate salesperson's or broker's license ;
- b. The individual is employed by or affiliated as an independent contractor with a broker participant;
- c. The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- d. The individual pays all applicable MLS fees

Appraiser Subscriber. An appraiser subscriber is a subscriber who meets all of the following requirements:

- a. The individual holds a valid Delaware real estate appraisers license;
- b. The individual is employed by or affiliated as an independent contractor with an appraiser participant;
- c. The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- d. The individual pays all applicable MLS fees

Clerical Users. Clerical users are unlicensed individuals under the direct supervision of an MLS participant or subscriber that perform only administrative and clerical tasks that do not require a real estate license or an appraiser's license. Each participant and subscriber shall provide the MLS with a waiver form signed by the participant of all clerical users

employed by or affiliated as independent contractors with the participant or subscriber and shall notify the MLS of any changes, or deletions from the list within 7 calendar days of the change.

Notification of Licensees. Each participant shall provide the MLS with a list of all real estate licensees or certified or licensed appraisers employed by or affiliated as independent contractors with such participant or with such participant's firm and shall immediately notify the MLS of any changes, additions or deletions from the list. The list shall include any licensees under any broker associate affiliated with the participant.

Participation is Not Transferable. Participation in the MLS is on an individual basis and may not be transferred or sold to any corporation, firm or other individual. Any reimbursement of MLS fees is a matter of negotiation between those transferring the business or determined by internal contract arrangement within the firm.

Property Type Definitions:

A listing can only be entered into one property type with the exception of farms (which may be listed in farms and also in land) and Commercial (which may be listed in Commercial and also in Residential provided that the parcel is zoned commercial with residential use and a home exists on the parcel).. A listing must be entered into the property type consistent with the following:

Residential For Sale

- a. Single Family- A single dwelling with detached walls, either on its own parcel of land or part of a condominium ownership. Can be an attached home on its own parcel of land (i.e. Duplex or Row House) that is not part of a condominium ownership. Includes manufactured and modular homes with a permanent foundation. Manufactured homes must have surrendered their title and be a Class "C" home to qualify.
- b. Condo/Townhouse- A single dwelling with attached walls, either on one level or multi-level. Must be part of a condominium ownership.
- c. Multi-Family- A detached dwelling with multiple living units on one parcel of land. Must be sold in its entirety.
- d. Mobile Home- A manufactured home with or without a permanent foundation that still has a title from DMV. Can be on its own parcel of land or part of a mobile home park.
- e. Timeshare- A form of property ownership under which a property is held by a number of people, each with the right of possession for a specified time interval.
- f. Fractional Ownership- The deeded ownership in a property that allows for a property to be owned by multiple owners who are deeded a fractional share of the property.

Lots/Land For Sale

- a. Residential - Unimproved land zoned for any type of residential use.
- b. Agricultural - Unimproved land for agricultural purposes.
- c. Mobile Home- Unimproved land zoned for manufactured homes.
- d. Commercial/Industrial - Unimproved commercially zoned property.

Farms For Sale- Real property used as a agricultural business. Includes the land and any improvements.

Commercial/Industrial For Sale

- a. Real Estate Only- Improved commercially zoned property that does NOT include the business.
- b. Business Only- The commercial business entity that does NOT include the real estate it is situated on.
- c. Business and Real Estate- Both the improved commercial property AND the business entity located on the real estate.

Commercial Lease- Vacant commercial property for lease only. Can also include unimproved commercial land for lease.

Default 9 Usage. Each new listing must be tied to the appropriate tax district, map, parcel and unit number when entering the listing on the MLS system. However, in cases where the parcel has been approved but does not exist in our tax database, or when the County has issued a Building Permit, but has not issued a tax unit number, a series of default 9's can be used to populate the district, map, parcel and unit numbers provided evidence of approval is filed with SCAOR and posted under "Miscellaneous Disclosures". When the tax database has been updated to include the approved parcels, listings entered using default 9's are to be corrected to indicate the valid approved numbers.

In cases where two listings are allowed for one parcel, when listing the sale of a business and not the real estate, or where a lease represents a subset of the real estate, the second listing or listing must be entered using default 9's. Properties outside Sussex County will require use of the 9's.

A model home may be listed through the MLS on a valid parcel owned by the seller and included in the parcels to be sold within the new home community. If the parcel designated for the model home is placed under contract, the Participant must update the MLS tied to the parcel to reflect the improvements described in the Agreement of Sale. In such cases, the Participant can move the model home to another available parcel owned by the seller and included in the parcels to be sold within the new home community. A Participant will not list more model homes than remaining unsold parcels permit.

Listing Status Definitions:

Active: Properties for sale in which the Participant markets the property, sets appointments for showings and presents agreements of sale to the seller. No agreement of sale is currently in effect.

Active w/kickout A listing is active with kick out when a purchase agreement has been signed by both parties and the purchase agreement contains a buyer kick out addendum. Typically a kick out addendum specifies that the property should continue to be marketed and that if an additional contract is presented to the seller, the seller can initiate a kick out provision with the buyer named in the primary contract. Agents should disseminate Active with Kick out listings to prospective purchasers as if they were active listings.

Pending: A listing is pending when a purchase agreement has been signed by both parties and the property is no longer available for showings. If there is a

purchase agreement but the property is still available for showings at the seller's request, it shall remain active. If the property is still available for showing, but a contract is pending, it must be stated in the agent remarks.

- Sold:** Properties where a successful closing occurred and title was transferred from the seller to the buyer.
- Expired:** Properties in which the listing contract has reached its agreed upon expiration date and the Participant have not secured written permission from the seller to extend the listing for an additional period of time.
- Withdrawn:** Properties in which the Participant and the seller have terminated the listing contract before the agreed upon expiration date.
- Short Sale:** If known, a short sale disclosure should be stated in the Agent Remarks section and should include notice if a third party approval is required. In addition, the "Short Sale Addendum Required" box should be checked off under "Contract Information" within Coded Features.

LISTING PROCEDURES

Section 1—Listing Procedures: Listings of real or personal property which fall under the property types as described under the Property Type Definitions section, which are subject to a real estate broker's license located within the territorial jurisdiction of the Sussex County Association of REALTORS®, located in Georgetown, Delaware ("the association") taken by Participants on an exclusive right to sell listing form or an exclusive agency listing form, shall be delivered to or input electronically to the Multiple Listing Service ("the Service") within forty-eight (48) hours after all necessary signatures of seller(s) have been obtained.

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, in consultation with legal counsel:

1. May reserve the right to refuse to accept a listing form which fails to adequately protect the interests of the public and the Participants, or comply with and Federal, State or county laws.
2. 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 cooperation and compensation to the other Participants of the Multiple Listing Service acting as cooperating agents, buyer agents, or dual agents, as permitted by applicable state law. The listing agreement must include the seller's written authorization to submit the agreement to the Multiple Listing Service.

The different types of listing agreements include:

- (a) exclusive right to sell (b) exclusive agency
(c) open (d) net

The Multiple Listing Service will not accept net listings because they are deemed unethical and, in most states, illegal. Open listings are not accepted except where required by law because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation. The exclusive right to sell listing is the conventional form of listing submitted to the Multiple Listing Service in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on 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.

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.

Section 1.1—Listings Subject to Rules and Regulations of the Service: Any listing taken on a contract to be filed with the Multiple Listing Service is subject to the rules and regulations of the Service upon signature of the seller(s).

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

Section 1.3—Exempted Listings: If the seller refuses to permit the listing to be disseminated by the Service, the REALTOR® may then take the listing ("office exclusive") and such listing shall be filed with the Service but not disseminated to the Participants. Filing of the listing should be accompanied by separate certification signed by the seller that he does not desire the listing to be disseminated by the Service. A copy is to be sent to

the Association office.

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

Section 1.5—Withdrawal of Listing Prior to Expiration: Listings of property may be withdrawn from the Multiple Listing Service by the listing broker before the expiration date of the listing agreement, provided notice is filed with the Service, including a copy of the agreement between the seller and the listing broker which authorizes the withdrawal. Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated, the Multiple Listing Service may remove the listing at the request of the seller. (Adopted 11/96)

Section 1.6—Contingencies Applicable to Listings: Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants. *This can be accomplished by adding any changes in the agent remarks section.*

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

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

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

Section 1.10— Expiration, Extension, and Renewal of Listings: Any listing filed with the Multiple Listing Service automatically expires on the dates specified in the agreement, unless renewed by the listing broker and notice of renewal or extension is filed with the Service prior to expiration. If notice of renewal or extension is dated after the expiration date of the original listing, then a new listing must be secured for the listing to be filed with the Service. It should then be published as a new listing. Any extension or renewal of a listing must be signed by the seller(s) and be filed with the Service.

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

Section 1.12—Jurisdiction: Only listings of the designated types of property located within the jurisdiction of the Association are required to be submitted to the Service. Listings of property located outside the Association's jurisdiction will be accepted if

submitted voluntarily by a Participant, but cannot be required by the Service.

Section 1.13—Listings of Suspended Participants: When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association bylaws, MLS bylaws, MLS rules and regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the Service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Association (except where MLS participation without Association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, a Association MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised, in writing, of the intended removal so that the suspended Participant may advise his clients.

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

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

Section 1.16—Photos: Photos cannot depict marketing or promotional messages made on behalf of the listing broker or agent. A virtual tour attached to a listing must be in a generic format free of any agent or broker marketing or advertising.

Section 1.17—Customer Remarks: The participant cannot display broker or agent specific information in the Customer remarks section of a listing. If necessary this information should be included in the Agent remarks section only.

Section 1.18—Required Attachments: Sellers' Disclosure of Real Property Condition Report or Real Property Condition Exemption Form, Radon Disclosure, and Lead Based

Paint Disclosure (if built before 1978) must be attached to the listing in the MLS within 72 hours of listing entry.

Section 1.19—Bulletin Board Usage: The participant and/or subscriber may utilize a bulletin board on the home page of the MLS in order to post listing notices to communicate open houses, new price changes, new seller incentives, and/or new listings. Open house notices are eligible for display for 7 days. All others are eligible for a 3-day display. A participant and/or subscriber will not be authorized to post notices regarding a listing of another participant or for any use not specifically listed above.

Section 1.20—Seller Contribution: The Participant must complete the seller contribution field when closing a listing. This field must be completed with a numerical value reflecting the Seller's contributions toward the purchaser's closing cost.

Section 1.21 - Limited Service Listings 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(s') behalf in negotiations leading to the sale of the listed property

Section 1.22 - MLS Entry-only Listings 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(s') behalf in negotiations leading to the sale of the listed property.

SELLING PROCEDURES

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

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

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

Section 2.2—Submission of Written Offers and Counter Offers: The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer. Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.

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

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

Section 2.5—Reporting Contracts to the Service: Contracts shall be reported immediately by status change to the Multiple Listing Service by the listing broker unless the negotiations were carried on under Section 2(a) or (b) hereof, in which case the cooperating broker shall report, sending a copy to the listing broker within twenty-four (24) hours after acceptance.

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

sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its Participants.

Section 2.6—Reporting Resolutions of Contingencies: The listing broker shall report to the Multiple Listing Service within twenty-four (24) hours that a contingency on file with the Multiple Listing Service has been fulfilled or renewed, or the agreement cancelled.

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

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

REFUSAL TO SELL

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

PROHIBITIONS

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

Section 4.1—"For Sale" Signs: Only the "For Sale" sign of the listing broker may be placed on a property.

Section 4.2—"Sold" Signs: Prior to closing, only the "Sold" sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign. (Amended 4/96)

Section 4.3—"Office Telephone #": The Participant must ensure the telephone number in the MLS is the same number on record with the Delaware Real Estate Commission.

Section 4.4—Solicitation of Listing Filed with the Service: Participants shall *be prohibited from* soliciting a listing on property filed with the Service unless such solicitation is consistent with Article 16 of the Realtors® Code of Ethics, its Standards of Practice and its Case Interpretations.

Note: This Section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standard of Practice 16-4. This Section is intended to encourage sellers to permit their properties to be filed with the Service by protecting them from being solicited, prior to expiration of the listing, by brokers and salespersons seeking the listing upon its expiration. Without such protection, a seller could receive hundreds of calls, communications, and visits from brokers and salespersons who have been made aware through MLS filing of the date the listing will expire and desire to substitute themselves for the present broker.

This Section is also intended to encourage brokers to participate in the Service by assuring them that other Participants will not attempt to persuade the seller to breach the listing agreement or to interfere with their attempts to market the property. Absent the protection afforded by this Section, listing brokers would be most reluctant to generally disclose the identity of the seller or the availability of the property to other brokers. This Section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to Article 16 of the Code of Ethics.

DIVISION OF COMMISSIONS

Section 5—Compensation Specified on Each Listing: The listing broker shall specify, on each listing filed with the Multiple Listing Service, the compensation offered to other Multiple Listing Service Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid. (Amended 11/98)

Note: In filing a property with the Multiple Listing Service of an Association of Realtors®, the Participant of the Service is making blanket unilateral offers of compensation to the other MLS Participants, and shall therefore specify on each listing filed with the Service, the compensation being offered to the other MLS Participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.* (Amended 11/96)

The listing broker retains the right to determine the amount of compensation offered to other Participants (acting as subagents, buyer agents, or in other agency or non agency capacities defined by law) which may be the same or different. (Amended 11/96)

This shall not preclude the listing broker from offering any MLS Participant compensation other than the compensation indicated on any listing published by the MLS, provided the listing broker informs the other broker, in writing, in advance of his producing an offer to purchase, and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants in the Service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount. (Amended 11/95)

The Multiple Listing Service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the Association Multiple

Listing Service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a Participant. The Association Multiple Listing Service shall not disclose in any way the total commission negotiated between the seller and the listing broker. *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 his producing 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

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

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

Note 4: Multiple Listing Services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval or to lender 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 or by a lender. In such instances, the fact that the gross commission is subject to court or to lender 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 produce an offer that ultimately results in a successful transaction. (Adopted 11/98)

Note 5: Compensation Specified on Each Listing

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

Note 6: Arbitration of Disputes

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

- a. If all disputants are members of the same association of REALTORS® or have their principal place of business within the same association's territorial jurisdiction, they shall arbitrate pursuant to the procedures of that association of REALTORS®.
- b. If the disputants are members of different associations of REALTORS® or if their principal place of business is located within the territorial jurisdiction of different association of REALTORS®, they remain obligated to arbitrate in accordance with the procedures of the Delaware Association of REALTORS®

Interboard Arbitration Procedures : Arbitration shall be conducted in accordance with any existing interboard agreement or, alternatively, in accordance with the interboard arbitration procedures in the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®. Nothing herein shall preclude participants from agreeing to arbitrate the dispute before a particular association of REALTORS®

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

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

Section 5.3—Dual or Variable Rate Commission Arrangements:

The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/ leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the 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. (Amended 5/01)

Section 5.4 Bonus Compensation

The bonus must be offered by the *Participant* (NOT THE OWNER) as part of the compensation, thus making the *Participant* responsible for payment of bonuses, not the owner.

Any conditions or contingencies of the bonus must be clearly disclosed in the “Agent Remarks” section so that all *Participants* and *subscribers* have a clear understanding of what it will take to earn the bonus compensation.

Bonuses may only be offered to ‘SELLING AGENCY’ or ‘SELLING BROKER’ (not selling agent), in accordance with Delaware law which prohibits payment of commission or compensation to salespeople, except by their Broker.

SERVICE CHARGES

Section 6-Service Fees and Charges: The following service charges for operation of the

Multiple Listing Service are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed.

(a) Initial Participation Fee: An applicant for participation in the Service shall pay an application fee as determined from time to time by the Multiple Listing Service. Such fee to accompany the application.

(b) Recurring Participation Fee: The recurring participation fee of each Broker Participant shall be an amount set by the Multiple Listing Service's board of directors times the total number of (1) the broker participant plus (2) the number of salespersons, and broker licensees affiliated with the participating office, minus (3) the number of salesperson and broker licensees eligible for waiver under Section 6 (c). A salesperson or broker licensee is affiliated with the Broker Participant if employed by or affiliated as an independent contractor with such participant or the participant's firm. Payment of such fees shall be made on or before July 1st of each year to the Multiple Listing Service. Fees shall be prorated on a monthly basis.

(c) Listing Fee: A Participant shall pay a listing fee as determined from time to time by the MLS, if the listing is processed by the Multiple Listing Service's staff.

Section 6.1—Waiver of MLS Fees:

(a) A waiver of MLS fees may be obtained for a licensed rental agent or an unlicensed individual who is engaged solely and exclusively as a clerical employee of the Participant or a personal assistant. The waiver is for a period of one (1) year and must be submitted to the Service subject to annual review and renewal. Any waiver found accessing the system who does not qualify, will be assessed the annual fee and be subject to a fine as outlined in the Compliance guidelines. All administrative staff with waivers, not to include licensed rental agents, with access to the MLS will have a \$50.00 annual fee due and payable with the completed waiver application.

(b) **Waivers for licensees not using the service.** A salesperson or broker licensee affiliated with a Broker Participant (The Waiver Candidate) is eligible for waiver from the recurring participation fee if all the following requirements are met: (1) the Broker Participant's office lies outside of Sussex County, Delaware; (2) the Waiver Candidate does not make use of and is not permitted access to the service; (3) other licensees in the Broker Participant's office do not provide information from the service to the Waiver Candidate; (4) the Broker Participant does not cause listings taken on behalf of the Broker Participant by the Waiver Candidate to be entered into the service; and (5) the Broker Participant certifies the foregoing in writing to the service.

Section 6.2-Other Fees: Other fees that are reasonably related to the operation of the MLS may be adopted from time to time.

Section 6.3-Responsibility for Fees: In the event the MLS allows for direct billing or payment by a subscriber for MLS fees, such fees shall be the exclusive obligation of that subscriber regardless of whether such subscriber becomes affiliated with a different participant. If the MLS does not allow for direct billing or payment by a subscriber for MLS

fees, such fees shall be the responsibility of the participant with whom the subscriber was affiliated with at the time the MLS fees were incurred. This section does not preclude in any way the ability of participants to pursue reimbursement of MLS fees from current or past subscribers or to establish agreement with subscribers regarding payment or reimbursement of MLS fees.

COMPLIANCE WITH RULES

Section 7—Compliance with Rules: The following action may be taken for noncompliance with the rules:

- (a) Payment of service fees are the responsibility of the Participant. Failure to pay any service charge or fee by the due date shall result in interruption of service for the office until service charges or fees are paid in full. Participants shall be notified of any outstanding fees prior to suspension of service and shall be given five (5) days to pay any outstanding balance.
- (b) failure to comply with any other rule, the provisions of Sections 9 and 9.1 shall apply
- (c) The MLS may, from time to time, adopt policies consistent with these Rules and Regulations and such policies shall have the same effect, when adopted, as the Rules and Regulations.
- (d) Any matter or issue not specifically addressed in these Rules and Regulations shall be governed by the existing policies of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

Section 7.1—Applicability of Rules to Users and/or Subscribers: Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these rules and regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the rules and regulations. Further, failure of any user or subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

MEETINGS

Section 8—Meetings of MLS Committee: The Multiple Listing Service Committee shall meet for the transaction of its business at a time and place to be determined by the Committee or at the call of the Chairperson.

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

Section 8.2—Conduct of the Meetings: The Chairperson or Vice Chairperson shall preside at all meetings or, in their absence; a temporary Chairperson from the membership of the Committee shall be named by the Chairperson or, upon his failure to do so, by the Committee.

ENFORCEMENT OF RULES OR DISPUTES

Section 9—Consideration of Alleged Violations: The Committee shall give consideration to all written complaints from Participants having to do with violations of the MLS rules and regulations. (Amended 2/98)

Section 9.1—Violations of Rules and Regulations: If the alleged offense is a violation of the rules and regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the Multiple Listing Service Committee, and if a violation is determined, the Committee may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Association in accordance with the bylaws and rules and regulations of the Sussex County Association of Realtors® within thirty (30) days following receipt of the Committee's decision. (Amended 11/96)

If, rather than conducting an administrative review, the Multiple Listing Committee has a procedure established to conduct hearings, the decision of the Multiple Listing Committee may be appealed to the Board of Directors of the Association of Realtors® within thirty (30) days of the tribunal's decision being rendered. Alleged violations involving unethical conduct shall be referred to the Association's Grievance Committee for processing in accordance with the professional standards procedures of the Association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the Sussex County Association of Realtors®. (Amended 2/98)

Section 9.2—Complaints of Unethical Conduct: All other complaints of unethical conduct shall be referred by the Committee to the Secretary of the Association of Realtors® for appropriate action in accordance with the professional standards procedures established in the Association's bylaws.

CONFIDENTIALITY OF MLS INFORMATION

Section 10—Confidentiality of MLS Information: Any information provided by the Multiple Listing 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 affiliated with such Participants.

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

Section 10.2—Access to Comparable and Statistical Information: Association members who are actively engaged in real estate brokerage, management, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive by purchase or lease all information other than current listing

information that is generated wholly or in part by the MLS, including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Association members and individuals affiliated with Association members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm, except as otherwise provided in these rules and regulations.

OWNERSHIP OF MLS COMPILATION* AND COPYRIGHT

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

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

Section 11.1. —Assignment of title. Participants assign to the service all right, title, and interest in copyrights in the text and photos participants submit relating to their listings. If a participant obtains photographs from a photographer, the participant must receive a written assignment from the photographer before including the photographs in the service.

NOTE: In order to assure compliance with these rules, each participant who engages a third party photographer and submits photos to the service is advised to obtain a written agreement with the photographer assigning all rights, including copyrights, in the photographs, to the participant. The following provision or one substantially similar to it should be included in the agreement with the photographer:

"Photographer hereby assigns all right, title, and interest, including copyrights, in photographs to [insert name of Participant] and agrees to execute any further documents which may reasonably be necessary to effect such assignment."

Section 11.2. —Infringement indemnification. The participants shall indemnify, defend, and hold the service harmless against any liability arising from a claim that use by the service of text or photos submitted by the participant infringes the copyright of a third party.

Section 11.3. —Titled vested in service. All right, title, and interest in each copy of every listing compilation and in the copyrights therein shall at all times remain vested in the service.

Section 11.4—Copyright. All right, title, and interest in each copy of every Multiple Listing compilation created and copyrighted by the Sussex County Association of Realtors® and in the copyrights therein, shall at all times remain vested in the Sussex County Association of Realtors®.

Section 11.5—Lease. Each Participant shall be entitled to lease from the Sussex County Association of REALTORS® a number of copies of each MLS compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such compilation. The Participant shall pay for each such copy the rental fee set by the Association.*

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

USE OF COPYRIGHTED MLS COMPILATION

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

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

Section 12.2—Reproduction: Participants or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof, except in the following limited circumstances. Participants or their affiliated licensees may reproduce from the MLS compilation and distribute to prospective purchasers a reasonable** number of single copies of property listing data contained in the MLS compilation which relate to any properties in which the prospective purchasers are or may, in the judgment of the Participant or their affiliated 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 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 with the Participant.

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

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

Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the Participant and those 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, firm or Internet site.

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

12.3 Limitation of Password Use. Participants, subscribers, and clerical waivers shall not permit any person to use his or her login name and password. Participants shall be deemed in violation of this Section should his or her employee or independent contractor affiliated with the Participant divulge any login name and password to other parties. The fact that the Participant did not grant consent to the use of the password shall not be determinative of whether a violation occurred, although it may mitigate discipline.

12.4 Penalties for Violation of Password Use. In the event the password of a Participant, Subscriber or Clerical user is used in violation of Section 12.3 above, such Participant, Subscriber or Clerical user shall be liable to SCAOR for all loss or damage caused by such use and shall be subject to a fine of One Thousand Dollars (\$1,000.00) for each such entry and other sanctions as provided in these Rules and Regulations.

USE OF MLS INFORMATION

Section 13—Limitations on Use of MLS Information: Use of information from MLS compilation of current listing information, from the Association's statistical report, or from any sold or comparable report of the Association or MLS for public mass-media advertising by an MLS Participant or in other public representations, may not be prohibited. However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the Association or its MLS must clearly demonstrate the period of time over which such claims are based and

must include the following, or substantially similar, notice:

Based on information from the Sussex County Association of Realtors® 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 majority vote of the Members of the Multiple Listing Service Committee, subject to final authorization by the Board of Directors of the Sussex County Association of Realtors®. Notice of changes shall be deemed given when transmitted to the Participants by electronic communication or other means.

ORIENTATION

Section 15—Orientation: Any applicant for MLS Participation and any licensee affiliated with an MLS Participant who has access to and use of MLS-generated information shall complete an orientation program of no more than three (3) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within thirty (30) days after access has been provided. Failure to attend orientation will result in denied access to the MLS until such training has been completed. Denied access does not alleviate the applicant of paying the appropriate fees.

Internet Data Exchange (IDX)

Section 16—IDX Defined: IDX affords MLS Participants the option of authorizing display of their active listings on other Participants' Internet Web sites subject to the requirements of state law and regulation.

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

Section 16.2—Participation: Participation in IDX is available to all MLS Participants who are Realtors® who are engaged in real estate brokerage and who consent to display of their listings by other Participants. This requirement can be met by maintaining an office or Internet presence from which Participants are available to represent real estate sellers or buyers (or both).

Section 16.2.1- Participants must notify the MLS of their intention to establish an IDX site and must make their site directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies.

Section 16.2.2- Participants must protect IDX information from misappropriation by employing reasonable efforts to monitor and prevent “scraping” or other unauthorized accessing, reproduction, or use of the MLS database.

Section 16.2.3- Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet(including, but not limited to, publicly-accessible Web sites or VOW(s) shall not be accessible via IDX sites . Notwithstanding this prohibition, listing brokers may display on their IDX sites or their other Web site(s) the listing or property address of consenting sellers.

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

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

Section 16.3.1 — Displays can be downloaded via IDX or framed using the Association website, but the information shown on a Participants’ or subscribers’ website shall not include any information not accessible by the Associations’ public website. The public site carries only certain fields of information as approved by the MLS Committee and the SCAOR Board of Directors. Additional information supplied by the MLS fact sheet is prohibited.

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.)

Section 16.3.3 — All listings displayed beyond the initial search results must clearly identify the name of the listing brokerage in a readily visible color and typeface not smaller than the median used in the display of the listing detail.

Section 16.3.4 - Except as provided elsewhere in this policy or elsewhere in the MLS rules and regulations, an IDX site or participant operating an IDX site may not distribute, provide, or make any portion of the MLS database available to any person or entity.

Section 16.3.5 — Non-principal brokers and sales licensees affiliated with IDX Participants may display information available through IDX on their own Web sites 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.

Section 16.3.7 — Participants (and affiliated licensees, if applicable) must refresh all downloads and refresh all data at least once every seven days.

Section 16.3.8 — Participants (and their affiliated licensees, if applicable) shall indicate on their Web sites that IDX information is provided exclusively for consumers' personal, non-commercial use and may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing.

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 must be identified separately from listings obtained from other sources, including information provided by other MLSs.

Section 16.3.11 — No portion of the IDX database shall be used or provided to a third party for any purpose other than those expressly provided for in these rules.

Section 17 added January 18, 2007

Section 17.1 - Service of SCAOR MLS: Only participants and subscribers in the Sussex County Association of REALTORS® as defined in **Article XVIII-Multiple Listing Section 3. Participation** of the Sussex County Association of REALTORS® By-laws in good standing shall be authorized to participate in the Lock Box Program. (Amended January 2007).

The rules in this section 17 relating to lock boxes are adopted by the association of REALTORS® and apply only to those keyholders that have elected to use lockboxes. Terms in this Section 17 have the meanings given them elsewhere in the rules. MLS shall employ the procedures set out elsewhere for considering complaints that key holders have violated the provisions of this Section 17 and for levying sanctions and violations, which may include termination of access to the lockbox service.

Section 17.2 - Eligibility Requirements: The SCAOR Lock Box Program is an activity of the Association and operated by the SCAORMLS; every real estate licensee and licensed or certified appraiser who is affiliated with a REALTOR®, subject to his/her their execution of a Key and Lock Box lease agreement with the Sussex County Association of REALTORS®, is eligible to be a key holder. Clerical users affiliated with REALTORS® shall be ineligible to hold lock box keys or utilize the lock box system.

Section 17.3 - Key Lease Agreement: (a) The principal broker/designated REALTOR®, must co-sign any key lease agreement executed by a non-principal broker, sales licensee, or licensed or certified appraiser affiliated with the principal broker. (b) The lease agreement shall contain the following pertinent provisions: (i) all responsibilities of the parties and any applicable rules or regulations or other governing provisions (incorporated by reference) of the SCAOR or SCAOR MLS that relate to the operation of the lock box system; (ii) the requirement that a key may not be used under any circumstances by anyone other than the key holder; (iii) the stipulation that no one shall be required to lease a key from SCAOR MLS except on a voluntary basis; (iv) a liquidated damages provision to offset some or all of the costs for lost or unaccounted for equipment and/or reestablishing the security of the system if it is determined that the security has been compromised through the negligence or fault of the key holder; (v) the agreement of all lock box system users, whether members of the Sussex County Association of REALTORS® or not, as a condition of lease agreement, to be bound by the rules and procedures governing the operation of the lock box system.

Section 17.4 - Issuance of Keys: On the initial receipt of a key, an issuance fee may be required and a "SentriLock Smart Card Agreement" shall be signed by the person (subscriber) receiving the key and the broker of record (participant). This person is solely responsible for the proper use of the key and is prohibited from lending the key to any unauthorized person.

Section 17.5 - Return of Keys: When the person signing for the key terminates membership in the Multiple Listing Service or fails to pay quarterly renewable fees or other amounts due, the key will be turned in immediately. If the key has not been turned in within fourteen (14) days, the SCAOR representative will write a letter to the individual, directing the key to be returned to the Board Office. If the key is still not received, other appropriate legal action will be taken as determined by the Multiple Listing Service Committee.

Section 17.6 - Audit of Keys: The MLS will, from time to time, conduct an audit of all keys. Those authorized to have keys as defined in Section 17.2 (Eligibility Requirements) shall cooperate with the MLS in its completion of an audit by accounting for keys when requested by the MLS. If a keyholder is unable to account for a key when requested by the MLS, the MLS may declare the key lost and the keyholder will be required to obtain a replacement key by following the provisions in Section 17.1 (b).

Section 17.7 - Keyboxes: If a KeyBox is returned to the Association because it will not open and Participant has inserted an item or improperly used the KeyBox, the Participant will reimburse the Association the full cost to replace the KeyBox.

Section 17.8 - KeyBox Allocation: KeyBox allocation shall be based upon the following classes of properties: MLS Residential (For sale or lease), Multi-family properties (for sale or lease), and while reflected in the MLS database as Active or Pending Status, and office exclusive listings. One KeyBox shall be permitted per property described above. Multiple submissions for identical property (i.e., rural, suburban) shall be treated as one listing for audit purposes. Key boxes must be removed immediately from any listing that is no longer Active, Pending, or for Lease.

Section 17.9 - Written Authority: KeyBoxes may not be placed on a property without written authority from the seller. This authority may be established in the listing agreement or in a separate document created specifically for the purpose. Inclusion in the MLS compilations cannot be required as a condition of placing lock boxes on listed property.

Section 17.10 - Formula for Allocation of KeyBoxes: Upon the signing of the Sussex County Association of REALTORS® MLS **SentriLock Smart Card Authorized User Agreement Regarding Thereto**, KeyBoxes will be assigned to a Participant based on percentage of the number of listings the Participant has currently listed in the Multiple Listing Service and office exclusive listings as defined in Section 17.8, the percentage to be determined by the Multiple Listing Service Committee and adjusted as the Committee determines need. The allocation of KeyBoxes will be adjusted as the number of eligible listings change.

Section 17.11 - Audit of KeyBoxes: The MLS will, as deemed necessary, conduct an audit of all KeyBoxes. The participant shall cooperate with the MLS in its completion of an audit by accounting for KeyBoxes checked out to the Participant or his representative

when requested by the MLS. If a Participant is unable to account for a KeyBox when requested by the MLS, the MLS may declare the KeyBox lost and the Participant will be assessed the replacement cost of the KeyBox.

Section 17.12 - Return of KeyBoxes: (a) KeyBoxes in Excess of Allocation.

At any time the number of KeyBoxes exceeds the allocation formula as established in Section 17.8, the Participant shall immediately return to the Association office the number of KeyBoxes in excess of the allocation. Failure to return KeyBoxes will result in the unreturned KeyBoxes being declared lost and the Participant shall be assessed the replacement cost for the lost KeyBox(es). **(b) Termination of Participant's Membership** If a Participant terminates membership in the MLS for any reason, the Participant shall immediately return to the Association office all of the KeyBoxes allocated to the Participant. If any allocated KeyBoxes are not returned to the Association office, they shall be considered lost and the Participant shall pay the replacement cost for the lost KeyBox(es).

Section 17.13 - Recall of Keys and KeyBoxes: Participants must immediately return to the MLS all keys and KeyBoxes in their possession if the MLS determines, in its sole discretion, that such action is necessary to protect the safety and integrity of the KeyBox system.

Section 17.14 - Enforcement: (a) Complaints. The Multiple Listing Service Committee will review any complaint filed against a Keyholder for an alleged violation of this Section provided that such complaint is in writing and signed. The Committee may not initiate a review based on an anonymous complaint unless it has reasonable cause to believe that failure to do so will jeopardize the safety or public confidence in the KeyBox system.

(b) Failure to Pay Assessments Under this Section. If a Participant fails to timely pay any amount due to the MLS under this Section, the Multiple Listing Service Committee shall send written notice of the delinquency to the Participant and notify the Participant that the Participant owes the MLS. The Committee may further assess a late fee of 15% of the delinquent amount. If the delinquency and any late fee remains unpaid for a period of fifteen (15) days after the Committee sends the Participant notice of the delinquency and any late fee, the Committee shall terminate the KeyBox services to the Participant and Users/Subscribers affiliated with the Participant. A Participant that disputes an amount owed to the MLS may file a request for an appeal to the Board of Directors of the Association to be received by the Association before the day by which the amount must be paid. In the event of such an appeal, the termination of the KeyBox services shall be stayed until the Board of Directors renders a decision on the appeal. **(c) Sanctions.**

Sanctions for violations may include:

1. a letter of warning with copy to be placed in keyholder's file;
2. a letter of reprimand with copy to be placed in keyholder's file;
3. a fine not to exceed \$5,000 for each violation;
4. suspension of the keyholder's access to the KeyBox service for a stated period of no less than thirty (30) days nor more than one (1) year;
5. termination of the keyholder's access to the KeyBox service for a stated period of one (1) to three (3) years;
6. a combination of any of the above.

(d) Terminations of the KeyBox and Key Services. The Committee may refuse to lease keys or KeyBoxes, may terminate existing KeyBox Services and may refuse to activate or reactivate any key held by a person who is convicted of a felony or misdemeanor if the crime, in the determination of the Committee, relates to real estate business or puts clients,

customers or other real estate professionals at risk. **(e) Suspension of KeyBox and Key Services.** The Committee may suspend the right of Keyholders to use keys or KeyBoxes following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the Committee, relates to real estate business or which puts clients, customers, or other real estate professionals at risk. **(f) Felonies and Misdemeanors Considered.** The following felonies and misdemeanors are considered to be criminal offenses which may be directly related to the duties and responsibilities of a real estate professional for the reason that the following criminal offenses relate to one's honesty, trustworthiness, and integrity:

1. offenses involving fraud or misrepresentation;
2. offenses against real or personal property belonging to another, if committed knowingly or intentionally;
3. offenses against public administration
4. offenses involving the sale or other disposition of real or personal property belonging to another without authorization of law;
5. offenses involving moral turpitude;
6. offenses of attempting or conspiring to commit any of the foregoing offenses.

(g) Factors Considered. Factors that the Committee may consider when making determinations under Section 17.10 (d) and 17.10 (e) include, but are not limited to:

1. the nature and seriousness of the crime;
2. the relationship of the crime to the purposes for limiting KeyBox access and services;
3. the extent to which access or continued access might afford opportunities to engage in similar criminal activity;
4. the extent and nature of past criminal activity;
5. time since criminal activity was engaged in;
6. evidence of rehabilitation while incarcerated or following release; and
7. evidence of present fitness.

(h) Any and all violation of this Section shall be handled in accordance with Sections 9, 9.1, and 9.2 of the MLS Rules and Regulations.

Section 17.15 - Sale and/or Lease of KeyBox hardware and key cards: (a)

Notwithstanding the foregoing, the SCAOR MLS may sell electronic lock boxes to MLS participants and others eligible to hold lock box keys pursuant to these requirements provided that such devices may be deactivated, if necessary, within a reasonable period not to exceed thirty(30) days and that the participant has authorized the sale in writing. The lock boxes may be issued on a temporary basis to other keyholders in the same office in the event their lockbox becomes non-functional outside normal business hours or under circumstances where a replacement lockbox is not reasonably available from SCAOR MLS. When a lockbox is issued on a temporary basis, it shall be the responsibility of the REALTOR® principal or broker of record to advise the SCAOR MLS in writing within forty-eight (48) hours after possession of the previously issued lockbox has been reassigned.

Section 17.16 - Lock Box Key Deposits: Any funds accepted by SCAOR MLS as deposits for lock box keys shall be retained by the MLS in a separate account so that the funds will be available to be refunded to depositors upon return of the lock box key to the MLS. The funds deposited are retained for this purpose only and are not to be utilized in any other manner.

Section 17.17- Reciprocal Access Agreements: SCAOR MLS may enter into Reciprocal Access Agreements with other Associations who independently operate a Sentri-Lock Key Box system. By so doing, each party shall make its System available to Keyholders in the other party's system.

Section 17.18 Reciprocal Access Eligibility Requirements: The SCAOR Reciprocal Lock Box Access Program will be available to participant and subscriber applicants who hold a valid Delaware real estate license, hold participatory rights in the Sussex County Association of REALTORS® Multiple Listing Service, and are members in good standing of an Association who has entered into a Reciprocal Access Agreement with the Sussex County Association of REALTORS®.

Section 17.19- Reciprocal Access Agreement- The Reciprocal Association shall enter into a Reciprocal Access Agreement with SCAOR and shall be bound by its terms and conditions which will include but not be limited to (a) each party shall independently establish fees and charges which it shall assess only on its own Keyholders; (b) each party shall confirm its' members user's authority to receive reciprocal access; (c) each party shall provide a list of new users to the other party once a month; (d) each party shall notify the other of a Keyholder's ineligibility within 5 business days of knowledge of ineligibility; (e) each party shall activate new users or deactivate access for ineligible users no later than 5 business days following receipt of the list or notice referenced in (c) and (d) above; (f) a user must hold a valid Delaware real estate license, must hold a valid license in the state where the Reciprocal Association operates and must be affiliated with a broker that holds participatory rights in the MLS operated by (or in affiliation with) any party where the Keyholder's Smart Card will operate; (g) a user need only obtain one Smart Card from the party association where they hold membership, and the card will operate in the Key box System of the reciprocal party; (h) each party may condition access by Keyholders of the other party upon (1) the Keyholder's agreement to abide by all relevant Bylaws, Rules, and other obligations of participating in the System; (2) the Keyholder's agreement to be bound by the Code of Ethics; and (3) affirmation by the Keyholder and Keyholder's Broker that a violation of the Code of Ethics or rules governing operation of the System may result in termination of access privileges, and that the member user may be assessed an administrative processing fee which may be addition to any discipline, including fines, that may be imposed.

Section 18 - Virtual Office Website Rules

Section 18.1 (a): A Virtual Office Website ("VOW") is a Participant's Internet website, or a feature of a Participant's website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant's oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant may, with his or her Participant's consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant's oversight, supervision, and accountability.

(b) As used in Section 18 of these Rules, the term "Participant" includes a Participant's affiliated non-principal brokers and sales licensees – except when the term is used in the phrases "Participant's consent" and "Participant's oversight, supervision, and

accountability". References to "VOW" and "VOWs" include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner ("AVP") on behalf of a Participant.

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

(d) As used in Section 18 of these Rules, the term "MLS Listing Information" refers to active listing information and sold data provided by by Participants to the MLS and aggregated and distributed by the MLS to Participants.

Section 18.2 (a): The right of a Participant's VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.

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

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

Section 18.3 (a): Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:

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

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

(iii) The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the

Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.

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

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

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

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

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

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

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

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

(e) The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.

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

Section 18.4: A Participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live

chat) by which a consumer can contact the Participant to ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principal broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

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

Section 18.6 (a): A Participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.

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

Seller Opt-Out Form

1. Please check either Option a or Option b

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

OR

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

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

initials of seller

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

Section 18.7:

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

(b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 18.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

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

Section 18.9: A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

Section 18.10: Except as provided in these rules, the National Association of Realtors® VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.

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

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

Section 18.13: A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

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

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

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

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

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

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

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

Section 18.20: A Participant shall require that Registrants' passwords be reconfirmed or changed every 180 days.

Section 18.21: A Participant may display advertising and the identification of other entities ("co-branding") on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant's logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants

displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

Section 18.22: A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

Section 18.23: A Participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to be searched separately from listings in the MLS.

Section 18.24: Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

Section 18.25: Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within 48 hours.

Section 19 – Administrative

MLS Indoctrination Requirements. In processing the application of an individual entitled by law to MLS participation without REALTOR® membership, the listing information and services shall be promptly provided upon completion of the following;

- 1) Confirmation applicant has a valid, current real estate license or certificate
- 2) Applicant's written application and agreement to abide by the MLS Rules and Regulations
- 3) Applicant's completion of any required MLS Orientation on MLS Bylaws, MLS Rules and Regulations, other MLS required policies or procedures and computer training related to MLS information entry and retrieval within a reasonable time not to exceed thirty (30) days, and
- 4) Payment of all required initial MLS fees or charges.

If any examination on the MLS Orientation is given, it shall be an open book, no-pass, no-fail examination for programmed learning purposes only.

Categorization of MLS Services, Information and Products.

The services, information and products that are essential to the effective functioning of the SCAOR MLS, as defined, and include:

Core: Core MLS information, services, and products are essential to the effective functioning of MLS, as defined, and include:

- Current listing information
- Information communicating compensation to potential cooperating brokers

Core services include the mechanisms (print or electronic or both) by which this information is communicated between Participants and the MLS.

Basic: In addition to core services, the SCAOR MLS may also provide additional information and services in a "basic package" of MLS information, services and products, as determined locally and provided automatically or on a discretionary basis, such as:

- Sold and comparable information

- Pending sales information
- Expired listings and “off market” information
- Tax records
- Zoning records/information
- Title/abstract information
- Mortgage information
- Amortization schedules
- Mapping capabilities
- Statistical information
- Public accommodation information (e.g., schools, shopping, churches, transportation, entertainment, recreational facilities, etc.)
- MLS computer training/orientation
- Access to affinity programs

Optional: An MLS may not require a Participant to use, participate in, or pay for the following optional information, services, or products:

- Lock box equipment including lock boxes, combination lock boxes, mechanical keys, and electronic programmers or keycards
- Advertising or access to advertising (whether print or electronic), including classified advertising, homes—type publications, electronic compilations, including Internet home pages or websites, etc.

While no Participant can be required to use, participate in, or pay for information, services, or products defined in this policy statement as optional, an MLS may, as a matter of local determination, bill all Participants (or, where appropriate, subscribers) for optional information, services, or products provided that Participants (or, where appropriate, subscribers) may decline such information, services, or products and not be charged for them. In such cases, the MLS must make all Participants and subscribers aware, in advance, of their right to decline any such service, product, or information.

None of the foregoing precludes the MLS from utilizing Association or MLS reserves, dues, or fees or special assessments (as otherwise provided for in the Association or MLS governing documents) to acquire assets (including hardware and software) necessary to make optional information, services or products available, nor does it preclude an Association or MLS from making nominal administrative expenditures out of such funds to initiate or maintain such optional services.