

OPERATING RULES AND REGULATIONS

OF THE

CHESAPEAKE BAY & RIVERS ASSOCIATION OF REALTORS®

MULTIPLE LISTING SERVICE

ADOPTED: SEPTEMBER 30, 1990

AMENDED: August 11, 2007

OPERATING RULES AND REGULATIONS
OF THE
CHESAPEAKE BAY & RIVERS ASSOCIATION OF REALTORS®, INC.
MULTIPLE LISTING SERVICE

SECTION 1 LISTING PROCEDURES: Listing of real or personal property of the following types, which are listed subject to a real estate broker's license, and are located within the territorial jurisdiction of the Multiple Listing Service, and are taken by Participants on (indicate form[s] of listing[s] accepted by the Service-See Notes 1 and 2) shall be delivered to the Multiple Listing Service within 48 hours after all necessary signatures of seller(s) have been obtained:

- (a) Single family homes for sale or exchange.
- (b) Vacant lots and acreage for sale or exchange.
- (c) Two-family, three-family, and four-family residential buildings for sale or exchange.
- (d) Farms.
- (e) Limited Exclusive listings at owner's request (refer to Section 1.7).

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

1. May reserve the right to refuse to accept a listing form which fails to adequately protect the interest of the public and the Participants.
2. Assure that no listing form filed with the Multiple Listing Service establishes, directly or indirectly, any contractual relationship between the Multiple Listing Service and the client (buyer or seller).

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

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

3. The different types of listing agreement include:
 - (a) exclusive right to sell
 - (b) exclusive agency
 - (c) open
 - (d) net

The service may not accept net listings because (1) 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 a blanket unilateral bases, but also reserves to the seller the general right to sell the property on an unlimited or restrictive bases. 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 FINES: A minimum fine of \$100.00 may be imposed upon the principal broker of the firm whose representative(s) are found to be in violation of this Section, excluding Section 1.2. Second offence may have a \$300.00 fine imposed and third and sequential offences \$500.00 each. Principal brokers will be granted a (10) ten day process to object to fines imposed.

SECTION 1.2 EXCEPTIONS: The following properties are not required to be filed with the Service but may be at the listing member's option:

- 1.2A Commercial property.
- 1.2B Industrial property.
- 1.2C Assemblage of residential property for public, quasi-public or private use where four (4) or more units are involved.
- 1.2D FHA and VA owned property.
- 1.2E Properties of all classes located out of the jurisdiction of the Board or the Multiple Listing Service Market Area.
- 1.2F Property owned by participating member brokers/salespersons.

SECTION 1.3 PROHIBITED LISTINGS: The following types of listings will not be accepted by the Service:

- 1.3A Listings of properties outside the State of Virginia.
- 1.3B Listings of properties other than real property.
- 1.3C Open listings.
- 1.3D Net listings (as defined by VREB DPOR).

SECTION 1.4 REQUIRED LISTINGS: Excepting the properties set forth in Section 1.2, all Exclusive Right-to-Sell and Exclusive Agency Listings obtained by a participating member must be filed with the Service.

SECTION 1.5 LISTING 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 1.6 DETAIL ON LISTINGS FILED WITH THE SERVICE: A listing Agreement and 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. The Listing Agreements submitted with the property data forms must also include the owner(s)' authorization to submit their listing to the Chesapeake Bay & Rivers Multiple Listing Service. The only exception is the blank on the Listing Agreement that will contain the REALTOR'S® fee. This portion must be blanked out before submitting to the Association office. Any Exclusive Agency Listings submitted to the Service must disclose the phrase "Exclusive Agency Listing" on the accompanying Property Data Form for publication in the MLS compilation. The

minimum set of items that are required to be completed on the Property Data Forms are as follows:

- List price
- List and expire dates
- Total number of rooms
- Number of bedrooms
- Number of baths
- Number of half baths (if none state 0)
- Street number
- Address (911 if available)
- Subdivision (if none state none or n/a)
- County/City
- Zip Code
- Body of Water (if none state none or n/a)
- Year built
- Square foot
- Lot dimensions or acreage
- Tax Map Number or ID
- Homeowners Assoc.
- Sub Agent (y or n)
- Sub Agent's commission (in % or dollar amount)
- Buyer Agent (y or n)
- Selling broker's commission (in % or dollar amount)
- Dual Rate
- Owner's name
- Coded Features (Sections A, B, C, I, K, O, Q, R, S, U, V, W, X, Y, Z)

Information completed on Property Data Forms must correspond to information completed on Listing Agreement.

SECTION 1.6A PROHIBITED LISTING INFORMATION: There will be no reference in the remark section of the MLS of company name, agent name, web address, phone numbers or e-mail addresses.

SECTION 1.7 EXEMPTED LISTINGS: If the seller refuses to permit the listing to be disseminated by the Service, the Participant may then take the listing ("office exclusive") and such listing shall be filed with the Service but not disseminated to the Participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the Service.

SECTION 1.8 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(s) and shall be filed with the Service within forty eight (48) hours

(excepting weekends, holidays and postal holidays) after the authorized change is received by the listing broker.

SECTION 1.9 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(s) and the listing broker which authorizes the withdrawal.

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

SECTION 1.10 CONTINGENCIES APPLICABLE TO LISTINGS: Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants.

SECTION 1.11 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 1.12 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 1.13 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 1.14 EXPIRATION OF LISTINGS:

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

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

SECTION 1.15 TERMINATION DATE ON LISTINGS: Listings filed with the Service shall bear a definite and final termination date as negotiated between the listing broker and seller.

SECTION 1.16 JURISDICTION: Only listings of the designated types of property located within the jurisdiction of the MLS's are required to be submitted to the Service. Listings of property located outside the MLS's jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service.

SECTION 1.17 PARTICIPATION: Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager, acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and are capable of offering and accepting compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law.

SECTION 1.17A LISTINGS OF SUSPENDED PARTICIPANTS: When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS by the suspended participant shall, at the Participant's option, be retained in the Service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Board (except where MLS participation without Board membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, a Board MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of 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 1.17B 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 to the Code of Ethics, Board Bylaws, MLS Bylaws, MLS Rules and

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

SECTION 1.17C 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 1.17D REINSTATEMENT: Upon application to the MLS Committee, membership may be reinstated without payment of the initiation fee, provided such application is made within six(6) months of the resignation date and there were no delinquencies in the payment of fees or other obligation to the Service at the time of previous resignation and that the applicant remains a REALTOR® in good standing.

SECTION 1.18 COMPUTER TRAINING Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who desires access to MLS-generated information shall complete an orientation program devoted to the MLS Rules and Regulations and computer training related to MLS information entry and retrieval after access has been provided.

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: The listing broker shall submit to the seller all 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 advise of legal counsel prior to acceptance of the subsequent offer.

SECTION 2.3 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER: The cooperating broker (subagent or buyer agent) or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker 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-OFFERS: 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 (except by mutual agreement and consent of the applicable brokers) at any discussion or evaluation of a counter-offer by the purchaser or lessee (except where the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

SECTION 2.5 REPORTING SALES TO THE SERVICE: Sales shall be reported immediately 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. (Amended 4/92)

NOTE: The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise 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 48 hours that a contingency on file with the Multiple Listing Service has been fulfilled or renewed, or the agreement canceled.

SECTION 2.7 ADVERTISING OF LISTING FILED WITH THE SERVICE: A listing shall not be advertised by any Participant, other than the listing 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.

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

NOTE 1: 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 COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING: The listing broker shall specify, on each listing filed with the Multiple Listing Service, the compensation offered to other Multiple Listing Service Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of sale (or lease). The listing broker's obligation to compensate any cooperating broker as the procuring cause of sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have 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.

NOTE 1: In filing a property with the Multiple Listing Service of a Board of REALTORS®, the Participant of the Service is making blanket unilateral offers of cooperation 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.*

The listing broker retains the right to determine the amount of compensation offered to other Participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law) which may be the same or different. (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 their producing an offer to purchase and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants in the Service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount.

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

*The compensation specified on listings filed with the Multiple Listing Service shall appear in one of two forms. The essential and appropriate requirement by a Board Multiple Listing Service is that the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions unless advised otherwise by the listing broker in writing in advance of their 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 percent 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.

SECTION 5.1 PARTICIPANT AS PRINCIPAL: If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any interest in 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 MLS 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.*

SECTION 6. NON-REFUNDABLE PARTICIPATION FEE: Any Realtor of this or any Board who is a principal, partner, corporate officer, or branch office manager, and hold a current, valid real estate broker's license, and are capable of offering and accepting compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of the real property may at their option elect to participate in the MLS upon payment of a non-refundable entrance (initial participation) fee of \$1,000.00 (one thousand dollars). All branch offices shall be treated as individual firms or business entities.

SECTION 6.1 PURPOSE OF INITIAL PARTICIPATION FEE: The Initial Participation Fee is paid to the Service to offset the expense incurred in establishing the new Participant as a member and bringing the Service to that new Participant.

SECTION 6.2 GENERAL RULE: Each Participant shall pay monthly user fees as follows:

- 6.2A Each firm will pay a per month per firm user fee of not more than \$36.00 to include the firm's principal broker, plus
- 6.2B A per month user fee of not more than \$36.00 for each licensee of each participating member who is active in the sale of properties not excepted by Section 1.2 above.
- 6.2C A publication of current listings shall be supplied at the option of each Participant and each individual employed by or affiliated as an independent contractor (including licensed or certified appraisers) with the Participant,

who has access to and who utilizes the Service for a subscription fee based on costs of producing and distributing the information.

- 6.2D Each Participant shall be required to sign an agreement to participate with the Chesapeake Bay & Rivers Association of REALTORS®, Inc.'s Multiple Listing Service obligating the Participant to abide by the Operating Rules and Regulations of the CBRAR-MLS
- 6.2E "Active" licensee refers to any licensee or licensed or certified appraiser who solicits or obtains any residential property located in the Middle Peninsula Association's jurisdiction, or MLS market area: who shows or sells any residential property located in the Chesapeake Bay & Rivers Association's jurisdiction or MLS market area. The Participant with whom the "active" licensee is associated shall be required to subscribe to and pay the application fees for such "active" licensee to the Multiple Listing Service as described in Section 6.2C following the solicitation or submission of a listing or showing or sale of property located in the Chesapeake Bay & Rivers Association's jurisdiction or MLS market area. This includes any active licensee having any active listings, holding floor duty, or advertising.
- 6.2F A waiver form (enclosed) shall be completed by all other licensees of MLS Participants not classified as "Active" under Section 6.2D above.
- 6.2G A minimum fine of \$100.00 may be imposed upon the principal broker of the firm whose representatives(s) are found to be in violation of this section.

SECTION 6.5 LOCK BOX SECURITY REQUIREMENTS

Eligibility for coverage under NAR's blanket errors and omissions insurance program is contingent on compliance with the following security measures whether the system is operated by the Board, its MLS, or on behalf of a Board by a recognized lock box vendor.

1. Any key, programmer, or other device (hereafter referred to as "key") by which a lock box can be opened shall be nonduplicative. By "nonduplicative" it is not meant that the key is necessarily covered by a current patent but that it cannot be readily copied in the manner that other types of keys ordinarily are.
2. Keys must be obtained from the original manufacturer, from a recognized vendor of lock box systems or from any other legitimate source. Prior to utilizing previously used keys, lids, or boxes, information shall be obtained from the original manufacturer to determine whether the key's pattern, code, or configuration is already in use by other Boards, Multiple Listing Services, or

others in the vicinity. Surrounding Boards and Multiple Listing Services shall also be contacted to determine whether the key's pattern, code, or configuration is currently in use.

3. Any lock box system shall be designated as either an activity of a Board of REALTORS® or a Board-owned and operated MLS.

If the lock box system is an activity of a Board of REALTORS®, then every REALTOR® and REALTOR®-ASSOCIATE® and every non-principal broker, sales licensee affiliated with a REALTOR®, shall be eligible to hold a key subject to their execution of a lease agreement with the Board. (Amended 11/96)

If the lock box system is an activity of a Board-owned and operated Multiple Listing Service, then every MLS Participant and every non-principal broker, sales licensee who is affiliated with an MLS Participant and who is legally eligible for MLS access shall be eligible to hold a key subject to their execution of a lease agreement with the MLS.

Boards and Multiple Listing Services may require, as a matter of local determination, that key lease agreements executed by non-principal brokers, sales licensees, and licensed or certified appraisers will be cosigned by the designated REALTOR® or the office's broker of record. Lease agreements shall spell out the responsibilities of the parties and shall incorporate by reference any applicable rules or regulations or other governing provisions of the Board or MLS that relate to the operation of the lock box system. The lease agreement shall also provide that

keys may not be used under any circumstances by anyone other than the keyholder except as provided elsewhere in this statement of policy. (Amended 2/98).

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

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

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

- (a) the nature and seriousness of the crime

- (b) the relationship of the crime to the purpose for limiting lock box access
- (c) the extent to which access (or continued access) might afford opportunities to engage in similar criminal activity.
- (d) the extent and nature of past criminal activity
- (e) time since criminal activity was engaged in
- (f) evidence of rehabilitation while incarcerated of following release and
- (g) evidence of present fitness (Adopted 11/99)

Administration of a lock box system as an activity of a Board of REALTORS may, at the discretion of the Board, be delegated to its Multiple Listing Service.

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

Key lease agreements may contain a liquidated damages provision to offset some or all of the costs in reestablishing the security of the system if it is determined that the security has been compromised through the negligence or fault of the keyholder. (Amended 11/97)

3. Boards shall maintain current records as to all keys issued and in inventory. There shall be an audit, at least annually, of all keys, whether issued or in inventory. This requirement may be satisfied by a physical inventory or, alternatively, by Receipt of a statement signed by the keyholder and the designated REALTOR, broker of record, attesting that the key is currently in possession of the keyholder. This audit requirement does not apply to electronic lock box programmers to keypads which are sold or leased provided such devices may be deactivated within thirty (30) days. (Amended 5/99)
4. Boards shall require a substantial deposit from each keyholder in an amount that will establish an awareness of personal liability for such key. The initial deposit shall not be less than \$50 or more then \$200. Deposits for a first replacement key lost or stolen shall be not less than two (2) times nor more than three (3) times the amount of the initial deposit and not less than three (3) times nor more than four (4) times the amount of the initial deposit for second or additional replacement keys.

Deposits for keys shall be kept in a special account for refund upon return of the key unless forfeited upon loss of the key.

If, at the time of inventory, a key is unaccounted for, or if a keyholder refuses or is unable to demonstrate that the key is within their physical control, then the key will be considered unaccounted for and any funds on deposit will be forfeited to the board.

Deposits for electronic programmers or electronic keycards which are leased but which can be deactivated within thirty (30) days may be required as a matter of local determination. (Adopted 11/95)

5. Lock boxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or in a separate document created specifically for the purpose.
6. Boards shall charge keyholders and their cosignatories with the joint obligation of immediately reporting lost, stolen, or otherwise unaccountable for keys to the Board. Upon receipt of notice, the Board shall take any steps deemed necessary to resecure the system.
7. Boards shall adopt written, reasonable, and appropriate rules and procedures for administration of lock box systems which may include appropriate fines, not to exceed \$1,000. Any issuing fees, recurring fees, or other administrative costs shall be established at the discretion of the Board and set forth in the rules and procedures. All keyholders, whether Board Members or not, shall agree, as a condition of the key lease agreement, to be bound by the rules and procedures governing the operation of the lock box system.
8. Notwithstanding the foregoing, Boards and Multiple Listing Services may sell electronic lock box programmers or keypads 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. In the event electronic lock box programmers or keypads are sold or leased, a designated REALTOR principal or an office's broker of record may purchase or lease additional programmers or keypads to be issued on a temporary basis to other keyholders in the same office in the event their programmer or keypad becomes non-functional outside normal business hours or under circumstances where a replacement programmer or keypad is not reasonably available from the issuing Board or MLS. When a programmer or keypad is issued on a temporary basis, it shall be the responsibility of the REALTOR principal or the broker of record to advise the Board or MLS in writing that the programmer or keypad has been issued, to whom, and the date and time of issuance within forty-eight (48) hours. It shall also be the responsibility of the REALTOR principal or the broker of record to advise the Board or MLS in writing within forty-eight (48) hours after possession of the previously issued programmer or keypad has been reassumed. (Adopted 4/95)

SECTION 6.6 LOCK BOX KEY DEPOSITS

Any funds accepted by a Member Board or Board MLS as deposits for lock box keys shall be retained by the Board or its 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 Board or its MLS. The funds deposited are to be retained for this purpose only and are not to be utilized in any other manner. The separate fund may be an interest bearing account with the interest retained by the Board or Board MLS unless as a requirement of law, or at the discretion of the Board or Board MLS, such interest shall be paid to the depositors.

COMPLIANCE WITH RULES

SECTION 7. COMPLIANCE WITH RULES: The following action may be taken for non-compliance with the rules:

- (a) For failure to pay any service charges or fees within 30 days following invoice date of the bill provided that at least ten (10) day notice has been given the Service shall be subject to suspension until such charges or fees are paid in full. At the discretion of the Board of Directors, action may be taken to drop the member from MLS membership under Article X of the Board's Bylaws.
- (b) A Ten Percent (10%) late fee will be assessed on any unpaid MLS accounts that are 31 days or more in arrears. Accounts 45 days in arrears will be suspended and will be assessed a \$150.00 reinstatement fee.
- (c) For failure to comply with any other rule, the Provisions of Section 9., 9.1, 9.2, 9.3, and 9.4 shall apply.

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.

SECTION 7.58 – INTERNET DATA EXCHANGE (IDX) POLICY:

Associations of REALTORS® and their Multiple Listing Services are encouraged to immediately, and must by January 1, 2002, enable MLS Participants to display on Participants's public websites aggregated MLS active listing information subject to the requirements of state law and regulation. To comply with this requirement MLS's must, if requested by a Participant, promptly provide basic "downloading" of current listing information. Associations and MLS's can also offer alternative display options including framing of Board, MLS, or other publicly accessible sites displaying Participants' listings

(with permission of the framed site). For purposes of this policy, “downloading” means electronic transmission of data from MLS servers to Participants’ servers. This policy does not require associations or MLS’s to establish publicly accessible sites displaying Participants’ listings.

Unless the state law requires written consent from listing brokers, listing brokers’ consent for such display may be presumed unless a listing broker affirmatively notifies the MLS that the listing broker 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, then that Participant may not download or frame the aggregated MLS data of their Participants.

Access to MLS databases of current listing information, or any part of such databases, may not be provided to any person or entity not expressly authorized to such access under the MLS rules.

In addition, the following guidelines are recommended but not required to conform to National Association policy. Pursuant to these guidelines, MLS’s may:

1. prohibit display of confidential information fields intended for cooperating brokers rather than consumers.
2. require that any listing displayed identify the listing firm.
3. require that the identity of listing agent be displayed
4. require that information displayed not be modified
5. require that any display of other Participant’s listings indicate the source of the information being displayed and require Participant’s to refresh all downloads and refresh all data at least once every seven (7) days.
6. require Participant’s to indicate on their websites that the information being provided is for consumer’s personal, non-commercial use and may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing.
7. may establish reasonable limits on the amount of data/number of listings that consumers may retrieve or download in response to an inquiry.
8. limit the right to display other Participant’s listings to a Participant’s office(s) holding participatory rights in the same MLS.

Additional local issues/options

1. Where MLS participatory rights are available to non-member brokers or firms as a matter of law or local determination, the right to display listing information pursuant to IDX may be limited, as a matter of local option, to Participants who are REALTORS®.
2. MLS may, but are not required to, limit the right to display listing information available pursuant to IDX to MLS Participants licensed as real estate brokers.
3. MLS may, but are not required to, limit the right to display listing information pursuant to IDX to MLS Participants engaged in real estate brokerage. 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)
4. MLS may, but are not required to, allow non-principal brokers and sales licensees affiliated with MLS Participants to use information available through IDX to populate their own websites.

Even if use of information through IDX is provided to non-principal brokers and sales licensees affiliated with MLS Participants, such use is subject to Participants' consent and control and the requirements of state law and/or regulation.

5. MLS's may, as a matter of local option, limit information which can be downloaded and/or otherwise displayed under IDX to properties listed on an exclusive right to sell basis.
6. MLS's cannot prohibit Participants from downloading and displaying or framing other brokers' listings obtained from other sources, e.g., other MLSs non-participating brokers, etc., but can, as a matter of local, option, require that listings obtained through IDX be searched separately from listings obtained from other sources, including other MLSs.
7. MLSs may, as a matter of local option, require Participants to consent to display of their listings by other Participants under IDX as a condition of having their listings transmitted to aggregators/publishers of real property ads.
8. MLS may, as a matter of local option, charge the costs of adding or enhancing their "downloading" capacity relate to the actual costs incurred by the MLS.
(Amended 11/01)

Section 8.1 – Participants' consent for display of their active listings by other Participants pursuant to these rules and regulations must be established in writing. If a Participant withholds consent on a blanket basis to permit the display of that

Participant's listings that Participant may not download or frame the aggregated MLS data of other Participants.

Section 8.2 – Participation

Section 8.2 – Participation in IDX is available to all MLS Participants who are REALTORS® and who consent to display of their listings by other Participants.

Section 8.3 – Display: Display of listing information pursuant to IDX is subject to the following rules:

Section 8.3.1 – Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited.

Section 8.3.2 – 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 8.3.3 – All listings displayed pursuant to IDX shall identify the listing firm.

Section 8.3.4 – All listings displayed pursuant to IDX shall identify the listing agent.

Section 8.3.5 – Non-principle brokers and sales licensees affiliated with IDX Participants may display information available through IDX on their own websites subject to their Participant's consent and control and the requirements of state law and/or regulation.

Section 8.3.6 – Listing information downloaded and/or otherwise displayed pursuant to IDX shall be limited to properties listed on an exclusive right to sell basis.

Section 8.3.7 – All listings displayed pursuant to IDX shall show the MLS as the source of the information.

Section 8.3.8 – The right to display other Participants' listings pursuant to IDX shall be limited to a Participant's office(s) holding participatory rights in this MLS.

Section 8.3.9 – 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 8.3.10 – Service Fees and Charges: Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

MEETINGS

SECTION 8. MEETINGS OF THE MLS COMMITTEE: The MLS Committee shall meet at regularly scheduled monthly meetings as determined by the chairman. The MLS Committee has the duty and the responsibility to propose such rules, regulations, budgets, fees and procedures for the efficient and beneficial operation of the Multiple Listing Service for action by the Directors, and upon approval to promulgate same to all parties participating in the Service; to supervise the management, operation, and functioning of the Service; to administer and implement the policy procedures, rules and regulations in force; to review and report to the Directors monthly the financial and other operations of the Service; and to do all other acts incident to the effective operation of the Service consistent with the Service's Rules and Regulations and the Articles of Incorporation and Bylaws of the Chesapeake Bay & Rivers Association of REALTORS®, Inc.

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 Chairman or Vice Chairman shall preside at all meetings or, in their absence, a temporary Chairman from the membership of the Committee shall be named by the Chairman 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 Rules and Regulations.

SECTION 9.1 VIOLATIONS OF RULES AND REGULATIONS: If the alleged offense is a violation of the Rules and Regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and 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 Board in accordance with the Bylaws and Rules and Regulations of the Board of REALTORS® within twenty(20) days following receipt of the Committee's decision. Prior to making any administrative decision, the MLS Committee shall provide the respondent with the opportunity to submit a written response.

SECTION 9.2 COMPLAINTS OF UNETHICAL CONDUCT: All other complaints of unethical conduct shall be referred by the Committee to the Secretary of the Board of REALTORS® for appropriate action in accordance with the professional standards procedures established in the Board's Bylaws.

SECTION 9.3 FINES AND SANCTIONS: The MLS Committee, upon finding a violation of the Rules and Regulations, may impose the following sanctions:

9.3A Reprimand

9.3B Fines: Fines for violations of Sections contained in the MLS Rules and Regulations are delineated in the appropriate Sections. These fines are one hundred dollars (\$100.00) for the first offense. Subsequent offenses may be fined three hundred (\$300.00) for the second offense and five hundred (\$500.00) for each additional offense.

9.3C Suspension or Expulsion from the MLS: The Committee may recommend to the Board of Directors for its action that an offense warrants these severe penalties.

SECTION 9.4 STATUS OF LISTINGS IN THE EVENT OF SUSPENSION, EXPULSION OR RESIGNATION:

9.4A LISTINGS OF SUSPENDED PARTICIPANTS: When a Participant of the Service is suspended from the MLS for failing to abide by membership duty (i.e., violation of the Code of Ethics, Association 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 expires, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension become effective. If a Participant has been suspended from the Association (except where MLS participation without Association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, an Association MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised in writing of the intended removal so that the suspended Participant may advise his clients.

9.4B 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 Board MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised in writing of the intended removal so that the expelled Participant may advise his clients.

- 9.4C 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.

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 USE AND OWNERSHIP OF COMPUTER BOOK: The Multiple Listing Service Monthly Computer Books are copyrighted and are the property of the Chesapeake Bay & Rivers Association of REALTORS®, Inc., Multiple Listing Service and are to be used and/or disposed of as directed by the Multiple Listing Service Committee. The subscription fee paid by the participating members is for dispensing information only and does not constitute ownership of the computer book by participating members.

SECTION 10.2 USE OF LISTING INFORMATION FROM THE COMPUTER: The information on all listings filed with the Service is available to on-line participants

and their users and subscribers. Listing displays on specific listings are to be treated with the same confidentiality as the listings in the computer book.

SECTION 10.3 FINES: A minimum fine of \$100.00 may be imposed upon the principal broker of the firm whose representative(s) are found to be in violation of this section.

SECTION 10.4 COOPERATION WITH NON-PARTICIPANTS: In order to best serve a client, an MLS Participant may cooperate with a non-participating broker and submit a cooperative listing to the CBRAR MLS Service subject to the following conditions:

- 10.4A Cooperation with non-participating brokers on multiple listing properties shall be through the listing Participant member of this Association. All cooperating brokers must be REALTOR® members of NAR and licensed to sell real estate in Virginia.
- 10.4B No non-participant shall be given free access to listings of this Service.
- 10.4C No MLS Participant shall sell listing information from this service to a non-participant.
- 10.4D All listings shall be written exclusive listing agreements. Exclusive agency or open listings shall not be accepted.

SECTION 10.5 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 10.6 ACCESS TO COMPARABLE AND STATISTICAL INFORMATION: Association members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive by purchase or lease all information other than current listing information that is generated wholly or in part by the MLS, including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Association members and individuals affiliated with Association members who are also engaged in the real estate business and may not be transmitted, re-transmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations.

OWNERSHIP OF MLS COMPILATIONS AND COPYRIGHTS

SECTION 11. By the act of submission of any property listing data to the Association MLS, the Participant represents that he has been authorized to grant and also thereby does grant authority for the Association to include the property listing data in its copyrighted MLS compilation and also in any statistical report on "Comparables."

SECTION 11.1 All right, title, and interest in each copy of every Multiple Listing compilation created and copyrighted by the Chesapeake Bay & Rivers Association of REALTORS®, formally the Gloucester-Mathews-Middlesex Association of REALTORS®, and in the copyrights therein, shall at all times remain vested in the Chesapeake Bay & Rivers Association of REALTORS®.

SECTION 11.2 Each Participant shall be entitled to lease from the Chesapeake Bay & Rivers Association of REALTORS® a number of copies of each MLS compilation sufficient to provide the Participant and each person affiliated as a licensee 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 a MLS compilation in accordance with these rules.

USE OF COPYRIGHTED MLS COMPILATIONS

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 subscribers other than persons 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 a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation" or "Membership" or any right of access to information developed by or published by a Board 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:

- 12.2A 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 Participants or their affiliated licensees, be interested. Reproduction 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.
- 12.2B 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.
- 12.2C 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, re-transmitted or provided in any manner to any unauthorized individual, office or firm.
- 12.2D 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.
- 12.2E However, only such information that a Board or Board-owned Multiple Listing Service has deemed to be non-confidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules and Regulations.

*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 purchasers' decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions make are consistent with this intent, and thus "reasonable" in number, shall include, but are not limited to, the total number of listings in the MLS Compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase,

whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

USE OF MLS INFORMATION

SECTION 13. LIMITATIONS ON USE OF MLS INFORMATION: Use of information from the 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 advertisement 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 notice:

"NOTE: This representation is based in whole or in part on data supplied by the Chesapeake Bay & Rivers Association of REALTORS® or its Multiple Listing Service for the period (date) through (date). Neither the Association nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Association or its MLS may not reflect all real estate activity in the market."

AMENDMENTS

SECTION 14. CHANGES IN RULES AND REGULATIONS: Amendments to the Rules and Regulations of the Service shall be by a majority vote of the members of the Multiple Listing Service Committee, subject to approval by the Board of Directors of the Board of REALTORS®.

SECTION 14.1 AMENDMENTS SUBMITTED IN WRITING: An amendment to these Rules and Regulations may be offered in writing by any participating member of the Service in good standing. Each amendment shall be submitted in writing to the Multiple Listing Service Committee.

SECTION 14.2 CONSIDERATION OF AMENDMENTS: It shall be the duty of the Multiple Listing Service to consider each amendment and report same with its recommendations to the Directors of the Chesapeake Bay & Rivers Association of REALTORS®, Inc. The Executive Vice President shall advise the Multiple Listing Service membership at least ten (10) days prior to consideration of the amendments by the Directors.

SECTION 14.3 ACTION TAKEN ON PROPOSED AMENDMENTS: The Directors shall act within thirty (30) days of receipt of the amendment and recommendations of the Multiple Listing Service Committee. The Directors may adopt,

reject, amend or table; and such action shall be binding upon the membership until modified by the Association.

SECTION 14.4 EFFECTIVE DATE OF AMENDMENTS: The effective date for any amendments shall be the date of the action of the Directors except where stipulated otherwise in the motion.

SECTION 15. MISCELLANEOUS: Applicable service charges in Section 6. may be waived or amended upon the execution of a Inter-Associational Cooperative MLS Agreement, in which case the terms of such Agreement, to the extent that they conflict with or are inconsistent with Section 6. of these Rules and Regulations, shall control.