

# METROPOLITAN REGIONAL INFORMATION SYSTEMS, INC.

## Rules and Regulations Manual

### ARTICLE I - PURPOSE

Purpose: Metropolitan Regional Information Systems Inc. (MRIS) is a means by which authorized subscribers (Brokers) make blanket unilateral offers of compensation to other subscribers (Brokers) acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law; by which cooperation among subscribers is enhanced; by which information is accumulated and disseminated to enable authorized subscribers to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which subscribers engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

### ARTICLE II - GENERAL RULES

- Sec. 1. All REALTORS® of the system agree to adhere to the NATIONAL ASSOCIATION OF REALTORS® Code of Ethics and Standards of Practice.
- Sec. 2. All users of the system agree to abide by the Metropolitan Regional Information Systems, Inc. Rules and Regulations Manual.
- Sec. 3. Metropolitan Regional Information Systems, Inc. shall not fix, control, recommend, suggest or maintain rates or fees for services rendered by any user. Further, Metropolitan Regional Information Systems, Inc. shall not fix, control, recommend, suggest or maintain the division of commissions or fees between users and/or licensees.
- Sec. 4. The Metropolitan Regional Information Systems, Inc. Rules and Regulations Manual may be amended from time to time by the Board of Directors of the Metropolitan Regional Information Systems, Inc.
- Sec. 5. Principal Broker Subscribers shall ensure that all licensed agents and licensed personal assistants for whom Principal Broker Subscriber is the designated licensed broker individually subscribe to the MRIS® Service as full paying Subscribers within thirty (30) days of the effective date of their licensure. In the event any such licensed agents or licensed personal assistants fail to subscribe to the MRIS® Service within thirty (30) days, the designated Principal Broker subscriber shall be liable to MRIS® for the full amount of the Subscriber Fees applicable to such licensed agents and licensed personal assistants from the effective date of their respective license. Failure to pay MRIS® all Subscriber Fees due MRIS® under this Section within thirty (30) days after written notice shall subject the designated Principal Broker Subscriber to sanctions, including, without limitation, the immediate revocation of Principal Broker Subscriber's right to use the MRIS® Service. MRIS® shall have the right (but not the obligation) to terminate without further notice the MRIS® Service for any such non-compliant branch office of the Principal Broker Subscriber and any MRIS® Subscribers affiliated with that non-compliant branch office. MRIS® shall have the right (but not the obligation) to impose any and all of the following sanctions:
  - a) If the fees are not paid within thirty (30) calendar days of the notice, MRIS® may refuse to accept new listings from the Principal Broker Subscriber and the MRIS® subscribers affiliated with any of the Principal Broker Subscriber's non-compliant offices.
  - b) If the fees are not paid within forty-five (45) calendar days of the notice, MRIS® may remove or otherwise block access to any and all property listings of the Principal Broker Subscriber and the MRIS® subscribers affiliated with any of the Principal Broker Subscriber's non-compliant offices.
  - c) If the fees are not paid within sixty (60) calendar days of the notice, MRIS® may terminate without further notice the MRIS® service for any non-compliant branch office and any MRIS® Subscribers affiliated with that branch office.

## ARTICLE III - DEFINITIONS

### Sec. 1. Definitions

- A. MRIS<sup>®</sup> - Metropolitan Regional Information System, Inc.
- B. Subscriber - Users
  1. Shareholder - An Association or Board of REALTORS<sup>®</sup> who has purchased stock. Stock may only be purchased by an Association/Board of REALTORS<sup>®</sup> that is chartered by the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup>.
  2. Shareholder Member - A REALTOR<sup>®</sup> or a REALTOR<sup>®</sup> Appraiser who is affiliated with a MRIS<sup>®</sup> Shareholder Board /Association and holds a current state license or certification issued by the appropriate real estate licensing board or commission.
  3. Non-Shareholder Member - A REALTOR<sup>®</sup> or a REALTOR<sup>®</sup> Appraiser who is not affiliated with a MRIS<sup>®</sup> Shareholder Board/Association and holds a current state license or certification issued the appropriate real estate licensing board or commission.
  4. Non-REALTOR<sup>®</sup> Licensee - A real estate agent, or licensee who is not affiliated with a REALTOR<sup>®</sup> Association or Board, but holds a valid real estate license issued by the appropriate real estate licensing board or commission.
  5. Non-REALTOR<sup>®</sup> Licensed or Certified Appraiser - A real estate appraiser who holds current state license or certification issued by the appropriate licensing board or commission.
- 6. Affiliate Users
  - a. Attorneys/Title Companies, Lending Institutions and Government Agencies who support the Subscribers of the MRIS<sup>®</sup> system.
  - b. Administrative and clerical staff, personal assistants and individuals providing support to the Subscribers.
  - c. An appraiser who is not licensed and is not certified by the appropriate state or local jurisdiction.
  - d. Affiliate users are subject to the Rules and Regulations, the payment of any applicable fees and charges, and the limitations and restrictions of state law. None of the foregoing shall diminish the ultimate responsibility of the Shareholder Member or Non-REALTOR<sup>®</sup> Licensee or User for ensuring compliance with the Rules and Regulations of MRIS<sup>®</sup> by all individuals affiliated with the Shareholder Member or Non-REALTOR<sup>®</sup> Licensee or User.
  - e. Affiliate Subscribers may not be the listing agent or the selling agent on the MRIS System.
- C. Owner - The legal owner of real property.
- D. Service - All services provided by MRIS<sup>®</sup>.
- E. Principal Broker Subscriber - Defined by the state or local jurisdiction. The Principal Broker Subscriber must be a Subscriber of MRIS<sup>®</sup>, prior to any licensees in their firm subscribing to MRIS<sup>®</sup>. Should the Principal Broker Subscriber terminate from MRIS<sup>®</sup>, any MRIS<sup>®</sup> Subscribers affiliated with the Principal Broker Subscriber will also be terminated.

- F. Rules and Regulations - The Rules and Regulations of MRIS<sup>®</sup>, as well as any policies and procedures, as outlined in this manual.
- G. Participant – A Principal Broker Subscriber who is a member of the National Association of REALTORS

## Sec. 2. Eligibility

- A. Subscriber agrees that in connection with all listings placed in the database, the offer of cooperation and compensation to subagents or buyer agents shall be specified so that an MRIS<sup>®</sup> Subscriber shall know what the compensation will be. The listing Principal Broker Subscriber may offer compensation other than the compensation indicated on the listings as published in MRIS<sup>®</sup>, provided the listing Principal Broker Subscriber informs the other Principal Broker Subscriber in writing in advance. The listing Principal Broker Subscriber 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 or may not be the same as the compensation indicated on the listings.
- B. Affiliate Users who are actively engaged in real estate brokerage, management, mortgage financing, or appraising may receive comparable data, tax information and limited statistical reports.
- C. Although Subscribers may receive listing information on properties in different states, it is expected that Subscribers may only do business in the jurisdiction(s) in which they are licensed.
- D. **Participation:** Any REALTOR<sup>®</sup> or Non-REALTORS<sup>®</sup> of this or any other Association/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 offer or accept compensation to and from other Principal Broker Subscribers and 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 Association/Board Multiple Listing Service is strictly limited to the activities authorized under a Principal Broker Subscriber’s or Participant’s licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “participation” or “membership” or any right of access to information developed by or published by an Association/Board Multiple Listing Service where access to such information is prohibited by law. (Amended 11/08)

Note: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm 'offers or accepts cooperation and compensation' means that the Principal Broker Subscriber or Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and on-going basis during the operation of the Principal Broker Subscriber or Participant's real estate business. The „actively” requirement is not intended to preclude MLS participation by a Principal Broker Subscriber Participant or potential Principal Broker Subscriber or Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Principal Broker Subscriber or Participant or potential Principal Broker Subscriber or Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to

permit an MLS to deny participation based on the level of service provided by the Principal Broker Subscriber or Participant or potential Principal Broker Subscriber or Participant as long as the level of service satisfies state law.

The key is that the Principal Broker Subscriber or Participant or potential Principal Broker Subscriber or Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Principal Broker Subscriber or Participant uses to refer customers to other Participants) if the Principal Broker Subscriber or Participant or potential Principal Broker Subscriber or Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Principal Broker Subscriber or Participant or potential Principal Broker Subscriber or Participant "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a reasonable basis to believe that the Principal Broker Subscriber or Participant or Principal Broker Subscriber or potential Participant is in fact not doing so. The membership requirement shall be applied on a nondiscriminatory manner to all Principal Broker Subscriber or Participants and Principal Broker Subscriber or potential Participants. (Adopted 11/08)

### Sec. 3. Types of Listings Accepted

- A. Exclusive Right to Sell - Seller authorizes the listing Principal Broker Subscriber to cooperate with, and to compensate other Principal Broker Subscribers.
- B. Exclusive Agency - Authorizes the listing Principal Broker Subscriber, as exclusive agent, to offer cooperation and compensation on a blanket unilateral basis, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis.
- C. Modified Exclusive - An Exclusive Right to Sell or an Exclusive Agency listing containing modifications to the listing agreement. (Net Listing and Open Listing may not be submitted.) Examples of modified agreements include: exclusion of specific purchaser(s), exclusion of specific brokerage(s) or Variable Rate Compensation.

### Sec. 4. Use of Information

- A. Any MRIS<sup>®</sup> information, whether provided in written or printed form, electronically, or in any other form or format, is provided for the exclusive use of its Subscribers. Such information may not be transmitted, retransmitted or provided in any manner to any unauthorized individual except as otherwise provided for in these rules and regulations.
- B. The security and integrity of the system shall be guarded at all times and the security of the system shall be a condition of its use by Subscribers.
- C. MRIS<sup>®</sup> information may be disclosed only to persons essential to the conduct of the Subscriber's business. Each Subscriber shall be responsible for maintaining the security and integrity of all data whether provided in written or printed form, electronically or any other form or format. Any undue negligence on the part of the Subscriber in providing such security may result in severe disciplinary action.
- D. The information found in the MRIS<sup>®</sup> system is deemed reliable, but not guaranteed. The information as published and disseminated by MRIS<sup>®</sup> is communicated verbatim, with changes as entered into the service by the Shareholder Member, Non-REALTOR<sup>®</sup> Licensee or other source. MRIS<sup>®</sup> does not necessarily verify the information provided and disclaims any responsibility for

its accuracy. Each Subscriber agrees to hold MRIS<sup>®</sup> harmless against any liability (including attorney's fees and litigation costs) arising from any inaccuracy of the information provided.

- E. Principal Broker Subscriber acknowledges that information available through the MRIS<sup>®</sup> Service is provided with the consent of Principal Broker Subscribers and third-party licensors. MRIS<sup>®</sup> has the right to remove information from the MRIS<sup>®</sup> Database at anytime if MRIS<sup>®</sup> determines the information is or may be infringing or otherwise violates or may violate rights of any third-party or MRIS<sup>®</sup>'s right to include such information in the MRIS<sup>®</sup> Database which has been terminated for any reason.
- F. In the event any legal actions and/or disputes arise between MRIS<sup>®</sup> and any Subscriber and/or Affiliated User, including but not limited to, violations of the Rules and Regulations and sanctions imposed for violations and enforcement of sanctions, the Subscriber and/or Affiliated User agrees to reimburse MRIS<sup>®</sup> for the costs, expenses and attorney's fees it incurs in any such legal action and/or dispute, in the event MRIS<sup>®</sup> prevails.

In the event that MRIS<sup>®</sup> is made a party to any litigation, administrative proceeding, or disputes by a third party, because of the conduct of a Subscriber and/or Affiliated Users, the Subscriber and/or Affiliated User agrees to indemnify and hold harmless MRIS<sup>®</sup>, including its officers, directors, employees or agents, from any liability, loss, costs, damages or expenses resulting therefrom, including attorney's fees and related expenses arising from such matter.

- G. All MRIS<sup>®</sup> Subscriber Access Agreements are entered into solely between and may be enforced only by, MRIS<sup>®</sup> and Subscriber, and these Agreements shall not create or be construed to create any rights in any home owner, home seller, home purchaser or other third parties.
- H. Subscriber acknowledges and agrees that the MRIS<sup>®</sup> Software and MRIS<sup>®</sup> Database are confidential and proprietary products of MRIS<sup>®</sup> and that in the event there is an unauthorized disclosure of such by Principal Broker Subscriber, no remedy at law may be adequate. Therefore, Subscriber agrees that in the event of such unauthorized disclosure of MRIS<sup>®</sup> Software or MRIS<sup>®</sup> Database, MRIS<sup>®</sup> may seek injunctive relief or other equitable remedies against Subscriber in addition to all available remedies at law.

#### Sec. 5. Ownership of MRIS<sup>®</sup> Data and Copyrights

- A. The submission of any property listing content to MRIS<sup>®</sup> represents that the Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee has been authorized to grant authority for MRIS<sup>®</sup> to include property listing content in its copyrighted data compilations and also in any statistical report on "Comparables."
- B. MRIS<sup>®</sup> maintains regional real estate information and makes such information available for access and retrieval by Subscribers through the MRIS<sup>®</sup> Service. MRIS<sup>®</sup> does not review or edit the information or exercise any other form of editorial control over the information.
- C. Subscribers and Affiliate Users agree that the information obtained through the MRIS<sup>®</sup> Service shall not be reproduced or electronically manipulated for any other purpose than selling, listing or appraising of real estate, and may not be resold, licensed or otherwise distributed without the written consent of MRIS<sup>®</sup>. Under no circumstances shall Subscribers and Affiliate Users receive any compensation for this information from third parties.
- D. Subscribers and Affiliate Users acknowledge and agree that the MRIS<sup>®</sup> Software and MRIS<sup>®</sup> Database are confidential and proprietary products of MRIS<sup>®</sup>, and that in the event there is an unauthorized disclosure of such by Subscriber and Affiliate Users, no remedy at law may be adequate. Therefore, Subscriber and Affiliate Users agrees that in the event of such unauthorized disclosure of MRIS<sup>®</sup> Software or MRIS<sup>®</sup> Databases, MRIS<sup>®</sup> may seek injunctive relief or other equitable remedies against Subscriber and Affiliate Users in addition to all available remedies at law.

- E. Except for the right of MRIS<sup>®</sup> to seek injunctive relief or other equitable remedies, all claims, disputes and controversies and other matters in question between the parties to this Agreement, arising out of, or relating to this Agreement, or the breach thereof, which cannot be resolved by the parties, shall be settled by binding arbitration pursuant to the rules then in effect of the American Arbitration Association under its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Notwithstanding any provisions in such rules to the contrary, the arbitrator(s) shall have no authority to add or detract from the agreements of the parties.
- F. Subscribers may reproduce data compilations from MRIS<sup>®</sup> and distribute a reasonable number of single copies of property listing data contained in the database which related to any properties in which the prospective client/customer are or may, in the judgment of the Subscriber, be interested.
- G. All rights, title and interest in each and every MRIS<sup>®</sup> Database compilation created by MRIS<sup>®</sup>, and in the ownership of the copyright therein, shall at all times remain vested in MRIS<sup>®</sup>. MRIS<sup>®</sup> shall have the right to license such compilations or portions thereof to any entity pursuant to the terms agreed upon by the MRIS<sup>®</sup> Board of Directors. Title to the information supplied by the Subscriber such as listing information shall remain with Subscriber's undersigned licensed Principal Broker Subscriber. All listing information submitted by a MRIS<sup>®</sup> Subscriber to MRIS<sup>®</sup> for inclusion in the MRIS<sup>®</sup> System shall be owned by Subscriber's Principal Broker Subscriber, to confirm this ownership, MRIS Subscriber hereby irrevocably assigns to MRIS Principal Broker Subscriber all rights, title and interest in any and all such listing information including the ownership of any copyright related to and in any such listing information. Title to the information supplied by the Principal Broker Subscriber and Principal Broker Subscriber's licensed agents, licensed personal assistants and unlicensed personal assistants such as listing information shall remain with Principal Broker Subscriber as owner of such listing information.
- H. Content –All information available through the MRIS service including but not limited to textual, statistical, financial, photographic, video and audio recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

#### Sec. 6 Use of the Term REALTOR<sup>®</sup>

- A. Nothing in these Rules and Regulations or in any other rule or policy of MRIS<sup>®</sup> or NATIONAL ASSOCIATION OF REALTORS<sup>®</sup> shall grant to a Non-REALTOR<sup>®</sup> Licensed Subscriber the right to use in any form or manner the terms REALTOR<sup>®</sup> or REALTORS<sup>®</sup>, which use is expressly prohibited.
- B. Where a transaction or matter requires the use of any form, document or writing which contains or uses the registered mark, such shall be removed by the Non-REALTOR<sup>®</sup> or, if not feasible, the Non-REALTOR<sup>®</sup> shall take reasonable efforts to make clear that he/she is not a REALTOR<sup>®</sup>.
- C. It is a violation of the MRIS<sup>®</sup> Rules and Regulations and grounds for immediate termination of a Non-REALTOR<sup>®</sup> Licensed Subscriber's participation in MRIS<sup>®</sup> to unlawfully use the terms REALTOR<sup>®</sup> or REALTORS<sup>®</sup> or to use his subscription to MRIS<sup>®</sup> to imply that Non-REALTORS<sup>®</sup> licensed subscriber is a REALTOR<sup>®</sup>, or use any form, document or other writing containing the terms REALTOR<sup>®</sup> or REALTORS<sup>®</sup> to imply that the Non-REALTOR<sup>®</sup> Licensed Subscriber is a REALTOR<sup>®</sup>.

## ARTICLE IV - STANDARDS OF CONDUCT

- Sec. 1 Principal Broker Subscribers and Subscribers shall not engage in any practice or take any actions inconsistent with exclusive representation or exclusive brokerage agreements recognized by law that other Subscribers have with clients.
- Sec. 2. Subscribers acting as subagents or as buyer/Principal Broker Subscriber representatives, shall not attempt to extend a listing Principal Broker Subscriber's offer of cooperation and/or compensation to other Principal Broker Subscribers without the consent of the listing Principal Broker Subscriber.
- Sec 3. Subscribers shall not solicit a listing which is currently listed exclusively with another Principal Broker Subscriber. However, if the listing Principal Broker Subscriber, when asked by a Subscriber, refuses to disclose the expiration date and nature of such listing, i.e., an exclusive right to sell, an exclusive agency, or other such contractual agreement between the listing Principal Broker Subscriber and the client, the Subscriber may contact the owner to secure such information and may discuss the terms upon which the Subscriber might take a future listing or, alternatively may take a listing to become effective upon expiration of any existing exclusive listing.
- Sec. 4. Subscribers shall not solicit buyer/tenant agency agreement from buyers/tenants who are subject to exclusive buyer/tenant agency agreement. However, if a buyer/tenant agent, when asked by a Subscriber, refuses to disclose the expiration date of the exclusive buyer/tenant agency agreement, the subscriber may contact the buyer/tenant agency to secure such information and may discuss the terms upon which the Subscriber might enter into a future buyer/tenant agency agreement or alternatively, may enter into a buyer/tenant agency agreement to become effective upon the expiration of any existing exclusive buyer/tenant agency agreement.
- Sec 5 Principal Broker Subscribers and Subscribers shall not use information obtained by them from the listing Principal Broker Subscriber, through offers to cooperate through MRIS® or other sources authorized by the listing Principal Broker Subscriber, for the purpose of creating a referral prospect to a third Principal Broker Subscriber, or for creating a buyer/tenant relationships with listing brokers' clients unless such use is authorized by the listing Principal Broker Subscriber.
- Sec. 6. The fact that an agency agreement has been entered into with a Subscriber shall not preclude or inhibit any other Subscriber from entering into a similar agreement after the expiration of the prior agreement.
- Sec. 7. The fact that a prospect has retained a Subscriber as an exclusive representative or exclusive broker in one or more past transactions does not preclude other Subscribers from seeking such former prospect future business.
- Sec. 8. Subscribers are free to enter into contractual relationships or to negotiate with sellers/landlords, buyers/tenants or others who are not represented by an exclusive agent, but shall not knowingly obligate them to pay more than one commission, except with informed consent.
- Sec. 9. When Subscribers are contacted by the client of another Subscriber regarding the creation of an agency relationship to provide the same type of service, and Subscribers have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agency agreement or, alternatively, may enter into an agency agreement which becomes effective upon expiration of any existing exclusive agreement.
- Sec.10. In cooperative transactions, Principal Broker Subscribers shall compensate cooperating Principal Broker Subscribers and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other Principal Broker Subscribers without the express knowledge and consent of the cooperating Principal Broker Subscriber.
- Sec.11. Subscribers are not precluded from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements

with another subscriber. A general telephone canvass, general mailing or distribution addressed to all prospects in a given geographical area or in a given profession, business club, or organization or other classification or group is deemed “general” for purposes of this rule.

Sec.12. The following types of solicitations are prohibited:

1. Telephone or personal solicitation of property owners who have been identified by a real estate sign, MRIS<sup>®</sup> compilation or other information service as having exclusively listed their property with another subscriber;
2. Mail or other forms of written solicitations of prospects whose properties are exclusively listed with another Subscriber when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, “for sale” or “for rent”, signs, or other sources of information intended to foster cooperation with Subscribers.

Sec.13. Prior to entering into a representation agreement, Subscribers have an affirmative obligation to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service.

Sec.14. Subscribers are not precluded from contacting the client of another Principal Broker Subscriber for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g. property management as opposed to Broker Services) or from offering the same type of service for property not subject to other brokers’ exclusive agreements. However, information received through MRIS<sup>®</sup> or any other offer of cooperation may not be used to target clients of other MRIS<sup>®</sup> Subscribers to whom such offers may be made.

Sec.15. Subscribers, acting as subagents or buyer’s representatives, shall not use the terms of an offer to purchase/lease to attempt to modify the listing Principal Broker Subscriber’s offer of compensation to subagents or buyer’s representatives, nor make the submission of an executed offer to purchase/lease contingent on the listing Principal Broker Subscriber’s agreement to modify the offer of compensation.

Sec.16. All dealings concerning property exclusively listed, or with buyer/tenants who are exclusively represented, shall be carried on with the client’s representative or broker, and not with the client, except with the consent of the client’s representative or broker or except where such dealings are initiated by the client. Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospects, Principal Broker Subscribers and Subscribers shall ask prospects whether they are a party to any exclusive representation agreement. Principal Broker Subscribers and Subscribers shall not knowingly provide substantive services concerning a prospective transaction to prospects who are parties to exclusive representation agreements, except with the consent of the prospects’ exclusive representatives or at the direction of prospects.

Sec.17. These rules are not intended to prohibit ethically aggressive or innovative business practices and do not prohibit disagreements with other Subscribers involving commissions, fees, compensation or other forms of payment or expenses.

Sec.18. Subscribers shall not knowingly or recklessly make false or misleading statements about competitors, their businesses or their business practices.

Sec. 19. Principal Broker Subscribers and Subscribers, prior to or after terminating their relationship with their current firm, shall not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm. This does not preclude Principal Broker Subscribers from establishing agreements with their associated licensees governing assignability of exclusive agreements.

## ARTICLE V – NON-COMPLIANCE WITH THE REGULATIONS

Sec. 1. By becoming and remaining a user of MRIS<sup>®</sup> and having signed the subscription agreement to abide by the MRIS<sup>®</sup> Rules and Regulations and all applicable Federal, State and Local laws, all Subscriber, Appraiser and Affiliate Users agree to cooperate in the investigation and the conduct of a compliance hearing by MRIS<sup>®</sup>.

### Sec. 2. Arbitration/Ethics Complaints

- A. All charges of unethical conduct or requests for arbitration against Shareholder Members and Non-REALTOR<sup>®</sup> Licensees will be referred to the local Association where the property is located (unless all parties agree to arbitrate elsewhere) for appropriate action in accordance with the terms of the local Association's/board's bylaws.
- B. By becoming and remaining a Subscriber, each Subscriber agrees to binding arbitration of disputes with other Subscribers arising out of a real estate transaction.
  - 1. Where both/all parties hold REALTOR<sup>®</sup> membership or hold MLS participatory rights under the Universal Access To Services component of Board of Choice in only one board, that board shall conduct arbitration.
  - 2. Where both/all parties hold REALTOR<sup>®</sup> membership or hold MLS participatory rights under the Universal Access To Services component of Board of Choice in the same two (or more) boards, arbitration will be conducted by the board in which the property giving rise to the dispute is located. If the property is not within the jurisdiction of those boards, the board in which the arbitration request is filed will conduct arbitration.
  - 3. Where both/all parties do not hold membership in the same board, and do not have MLS participatory rights under the Universal Access To Services component of Board of Choice through the same board, complainants may, at their discretion, invoke inter-board arbitration or, alternatively, file arbitration requests with any board in which the respondent holds REALTOR<sup>®</sup> membership or holds MLS participatory rights under the Universal Access to services component of Board of Choice. Pursuant to this provision, boards must provide arbitration services in circumstances where it is determined by the grievance committee that an arbitrable dispute exists and the dispute is subject to mandatory arbitration.
- C. In the absence of any specific rules adopted by the Board of Directors, arbitration for a REALTOR<sup>®</sup> Subscriber shall proceed in accordance with the applicable rules and procedures used by the local Association/Board of which the REALTOR<sup>®</sup> Subscriber is a member. For a Non-REALTOR<sup>®</sup> Licensed Subscriber, arbitration shall proceed in accordance with the rules and procedures established by the local Association/Board in the jurisdiction in which the Non-REALTOR<sup>®</sup> Licensed Subscriber principal place of business is located (unless all parties agree to arbitrate elsewhere). This agreement to engage in binding arbitration shall be specifically enforceable in accordance with the applicable state law. Subscriber agrees that the award entered by the arbitrators shall be final, and judgment may be entered upon in accordance with applicable law in any court having jurisdiction.

### Sec. 3. Violations of Rules and Regulations - Authority to impose sanctions

MRIS may, through administrative and hearing procedures, impose sanctions and take other appropriate action(s) for violations of the MRIS Rules and Regulations and other agreements and policies governing use of the MRIS service. These may include the following (which are intended as illustrative, but not exhaustive list):

- A. A fine of an amount listed in the MRIS® Schedule of Fees and Charges may be charged for noncompliance with the regulations, as amended from time to time.
- B. A late fee for failure to pay in a timely fashion any fee or charge imposed in connection with the service provided as specified on the MRIS® Schedule of Fees and Charges, as amended from time to time.
- C. The MRIS® Compliance Committee may impose one or more of the following sanctions for any violation of the MRIS® Rules and Regulations.
  - 1. a letter of warning,
  - 2. a letter of reprimand,
  - 3. attendance at an appropriate course or seminar offered by MRIS,
  - 4. an appropriate and reasonable fine not to exceed \$15,000.
  - 5. suspension of the right to use the service for a period of not less than thirty (30) days and not more than one year,
  - 6. termination of the right to use the service with no right to reapply for a specified period not to exceed three (3) years.
- D. Violations of the MRIS® Rules and Regulations may result in the filing of an Ethics Complaint at the appropriate state, local or national association as determined by the Compliance Committee.

Sec. 4. Procedures for Complaints

- A. Users are encouraged to resolve complaints before writing to MRIS®.
- B. All complaints must be in writing and filed with MRIS® (Reference MRIS® Form 531).
- C. If the violation of the MRIS® Rules and Regulations does not involve a charge of alleged professional misconduct or a request for arbitration, it will be investigated by staff within 15 days of receipt of the complaint.
- D. In the event that MRIS® staff concludes there is a basis for the complaint, the complaint will be forwarded to a Compliance Panel.
- E. The subscriber and/or affiliated user respondent shall be informed of the complaint and asked to provide a written response within fifteen days of notification allowing further information to be a part of their investigation.
- F. The Compliance Panel may hold, at its discretion, a hearing into the matter.
- G. Any sanction imposed by the Compliance Panel may be appealed in writing to the full Compliance Committee. Appeals must be received within 20 calendar days after receipt of notification of the sanction. Any fine appealed must be paid prior to any action regarding the appeal. Fines will be held by MRIS® until a decision has been made on the appeal.
- H. The respondent may request to be present at the appeal hearing of the Full Compliance Committee. The Compliance Committee will review the appeal of the Compliance Panel's decision. The Compliance Panel members involved in the initial review of the complaint will be excused from the appeal.
- I. The decision of the full Compliance Committee is final.

ARTICLE VI - COMPLIANCE COMMITTEE

- Sec. 1. The MRIS Board of Directors shall determine the number of Committee Members. The committee will interpret the MRIS® Rules and Regulations as needs or disputes arise and oversee their enforcement.

- Sec. 2. Subcommittees of three members shall meet to give consideration to alleged violations of the MRIS<sup>®</sup> Rules and Regulations and to recommend any sanctions.
- Sec. 3. A Committee Chair and Vice-Chair shall be elected by the Committee Members. The term for these positions will be two years. The Committee Chair shall preside over the meetings and perform other duties as necessary. The Vice-Chair shall perform all such duties of the Chair in his or her absence.

## ARTICLE VII - MRIS<sup>®</sup> FEES AND CHARGES

- Sec. 1. Each Subscriber of the system will be responsible for his/her fees. Failure to pay fees in a timely manner will result in termination of services. In the event a Subscriber's services are terminated and the Subscriber has active listings in the system, the Subscriber's Principal Broker Subscriber shall within 10 days of notification of termination of services to the Subscriber designate a new Subscriber for the active listings. In the event the Principal Broker Subscriber does not designate a new Subscriber, the active listings will be removed from the system.
- Sec. 2. Initial Subscription Fee. A non-refundable fee assessed for delivery of the MRIS<sup>®</sup> Software and issuance of the Subscriber User ID and Password. (Not assessed to office secretaries and personal assistants)
- Sec. 3. Quarterly Fee. A flat fee assessed quarterly, in advance, for Subscriber's right to continuing access to the MRIS<sup>®</sup> Service.
- Sec. 4. Training Fee. A fee assessed to all office secretaries and personal assistants.
- Sec. 5. Additional Fees. Other fees and charges as listed in the MRIS<sup>®</sup> Schedule of Fees and Charges.
- Sec. 6. Reinstatement Fee. A fee shall be assessed to any Subscriber who desires to reactivate his or her access to the MRIS<sup>®</sup> Service within one year after termination.
- Sec. 7. Fees are non-refundable. MRIS<sup>®</sup> shall be under no obligation to refund any fees or charges any portion thereof paid to MRIS<sup>®</sup> prior to termination.

## ARTICLE VIII - TRAINING

- Sec. 1. All Subscribers of MRIS<sup>®</sup> shall complete a mandatory training program devoted to the MRIS<sup>®</sup> Rules and Regulations and the operation of the MRIS<sup>®</sup> system. The Subscriber will receive a provisional access to the service until the completion of the mandatory training program. The subscriber must complete the mandatory training program within 30 days of joining MRIS. Failure to complete the mandatory training program will result in suspension of services until training is complete.
- Sec. 2. If a user is unable to attend any scheduled training program and fails to provide notice of cancellation at least 48 hours (excluding weekends and holidays) prior to the event, MRIS, may at its option charge a no-show fee as specified in the MRIS<sup>®</sup> Schedule of Fees and Charges.
- Sec. 3. MRIS<sup>®</sup> shall maintain technical support personnel to answer questions regarding the MRIS<sup>®</sup> Software and Service. Telephone support will be made available during normal business hours.

## ARTICLE IX - AGENCY AND SUBAGENCY

All Subscribers must adhere to the state and local laws regarding agency relationships.

## ARTICLE X - COMPENSATION

- Sec. 1. Shareholder Members, Non-Shareholder Members and Non-REALTOR<sup>®</sup> licensees shall specify on each listing entered into the service, the compensation offered to other Shareholder Members, Non-Shareholder Members and Non-REALTOR<sup>®</sup> Licensees.
- Sec. 2. Compensation specified on listings filed in the service shall appear in one of three forms:
- a) by showing a percentage of gross selling price
  - b) by showing a definite dollar amount
  - c) commission may be paid on Net Sales price (Sales Price minus seller concessions) or on base price in new construction if specified in the system.
- Sec. 3. MRIS<sup>®</sup> shall not disclose in any manner the total commission negotiated between the seller and the listing Principal Broker Subscriber.
- Sec. 4. The listing Principal Broker Subscriber shall specify, on each listing filed with MRIS<sup>®</sup>, the compensation offered to other Subscribers for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation determined by the cooperating Principal Broker Subscriber's performance as the procuring cause of sale (or lease). The listing Principal Broker Subscriber's obligation to compensate any cooperating Principal Broker Subscriber as the procuring cause of sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing Principal Broker Subscriber and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing Principal Broker Subscriber to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MRIS<sup>®</sup> 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 Principal Broker Subscriber to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing Principal Broker Subscriber 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 Principal Broker Subscriber communicated to cooperating Principal Broker Subscribers that the commission established in the listing agreement might not be paid.
- Sec. 5. 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 symbol required by MRIS. 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 may disclose such information to their client before the client makes an offer to purchase or lease.
- Sec. 6. References to special compensation in any other field other than the compensation fields is not intended to, or shall be construed to, permit any conflict with the unconditional offer of cooperation and compensation made in the compensation field(s). If there is any conflict between the unconditional offer made in the compensation field(s) and any other field, MRIS policy is that the information in the compensation field will control.

## ARTICLE XI - LISTING PROCEDURES

- Sec. 1. All listings are the property of the Principal Broker Subscriber. Principal Broker Subscribers and Subscribers must have a signed agreement allowing the owner's property to be entered into the MRIS<sup>®</sup> system. Failure to pay fees will result in termination of services to Subscriber. In the event a Subscriber's services are terminated for failure to pay and the Subscriber has active listings in the system, the

Subscriber's Principal Broker Subscriber shall within 10 days of notification of termination of services to the Subscriber shall designate a new Subscriber for the active listings.

- Sec. 2. All listing agreements shall be carefully and accurately completed and signed by the owner. Required listing information shall be entered into the service within 48 hours (excluding weekends and holidays) after all necessary signatures of the sellers have been obtained unless otherwise requested in writing by the sellers. The Subscriber or the Principal Broker Subscriber shall not advertise the listing in any system or venue, public or private such as newspapers, homes magazines, internet sites or internal listing systems, until after the listing has been first entered into the MRIS<sup>®</sup> database. Listing that meet the criteria for an Exempted Listing (as defined in Article XI, Sec. 4A) may advertise the listing without first entering the listing into MRIS. Failure to enter the listing into the MRIS<sup>®</sup> data base prior to advertising the listing in any such system or venue, public or private, shall be a violation of the MRIS<sup>®</sup> Rules and Regulations and be subject to monetary fines stated in the MRIS<sup>®</sup> Schedule of Fees and Charges.
- Sec. 3. All listings in the service are subject to the MRIS<sup>®</sup> Rules and Regulations.
- Sec. 4. Exempted and Office Exclusive Listings
- A. If the seller refuses to authorize the listing to be entered into MRIS<sup>®</sup>, the listing information will not be entered into MRIS<sup>®</sup> by the agent. Certification by the owner that he does not want the listing to be entered into MRIS<sup>®</sup> shall be kept on file by the Shareholder Member, Non-Shareholder Member or the Non-REALTOR<sup>®</sup> Licensee. The seller may, at a later date, authorize the listing to be entered into MRIS provided written authorization is obtained. Shareholder Members, Non-Shareholder members and Non-REALTOR<sup>®</sup> Licensees are encouraged to add listing information on comparable properties. However, information on the sale of a property may be entered in the system from public databases such as Tax Assessment Records.
- B. Office Exclusive Listing – Listing where the offer of cooperation and compensation is not made to other brokers. These listings may not be entered into MRIS.
- Sec. 5. If a property is listed with two or more Principal Broker Subscribers, only one Principal Broker Subscriber will be allowed to enter the listing into the MRIS<sup>®</sup> system. Identification of the other Principal Broker Subscriber must be entered into the system under Agent Remarks. This shall not prevent one Principal Broker Subscriber from entering an exclusive sale listing and another an exclusive rental listing provided that this arrangement is reported under the Agent Remarks by both Principal Broker Subscribers.
- Sec. 6. Prior to adding a listing to the system, the listing agent shall check to verify that the property is not already entered into the system with another Principal Broker Subscriber. Adding a listing when a property is entered into the system with another Principal Broker Subscriber shall result in an additional fine. Extending a listing in the service without a signed extension shall result in an additional fine.
- Sec. 7. All arrangements, agreements or contingencies (exclusive of gross commissions) concerning the agency of the listing Principal Broker Subscriber shall be fully revealed in the listing data and made available to all Subscribers.
- Sec. 8. Failure to enter or maintain accurate and complete information relating to the listed property information will result in an additional fine as specified on the MRIS<sup>®</sup> Schedule of Fees and Charges.
- Sec. 9. Listings with named excluded prospects should be clearly noted as such in the Agent Remarks section. The excluded prospects should not be named, but rather the Agent Remarks should indicate that certain prospects are excluded and all inquiries should be directed to the listing Principal Broker Subscriber.
- Sec.10. A Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee may enter one or more sample listings with respect to any development or subdivision containing new dwellings which have never been occupied, or vacant residential building lots, and describe on such sample listings all other properties in the development or subdivision. When any property described on a sample listing other than the sample itself is sold, such property must be entered into MRIS<sup>®</sup> and simultaneously reported as sold. If a sample

- is sold before all other properties described on the listing for such sample have been sold, a new sample listing must be entered.
- Sec.11. Listing Price Specified - The full list price stated in the listing agreement will be included in the information published in any compilation of current listings unless the property is subject to auction.
- Sec.12. Listing Multiple Unit Properties - All properties which are to be sold or which may be sold separately must be indicated in the listing. When part of a listed property has been sold, notification of such sale shall be entered into the service within 48 hours (excluding weekends and holidays) after the sale.
- Sec.13. Duplicate Listing Submission - When a property falls into two or more classes of listings, the property may be listed in each of the appropriate classes provided that each listing is complete and accurate in itself and cross-references by Multiple List number the other listing for the same property. When sold or removed from the active listings, the Shareholder Member, Non-Shareholder Member or Non-REALTOR® Licensee shall notify MRIS® to ensure that one submission is properly removed or amended.
- Sec.14. Termination Date on Listings - Listings filed with MRIS® shall bear a definite and final termination date as negotiated between the listing Principal Broker Subscriber and seller.
- Sec.15. Listings must represent real property including co-ops and mobile homes that are currently available for sale or rent.
- Sec.16. A listing when entered into MRIS® by a listing agent, shall be complete, current and accurate in every detail as specified on the Profile Sheet. MRIS® does not require, but reserves the right to obtain a copy of the listing agreement or amendments upon request.
- Sec. 17 Only listings of the designated types of property within the jurisdiction of MRIS® are required to be entered into MRIS®. Listing of property located outside MRIS®'s jurisdiction will be accepted if submitted voluntarily by the Subscriber. For properties outside MRIS®'s jurisdiction, MRIS® is not required to maintain information such as, but not limited to, tax information, maps, photographs, etc.
- Sec. 18. Public/Internet Remarks are intended for the display of property descriptions only on Internet sites and on materials for public distribution. References to the following information are prohibited: commissions, showing contacts, agent or broker names, phone and fax numbers, all web site or email addresses, virtual tours, alarm codes, lockbox codes or other security measures. The inclusion of a link to active web content which activate or generates a web link is also prohibited.
- Sec. 19. Agent Remarks and Farm Remarks are intended to disseminate agent to agent information only. Agent and Farm remarks are intended to convey special showing instructions, contacts or phone numbers or special contract information. References to the following information are allowed: special compensation information, excluded prospects, virtual tours, broker or agent web sites and email addresses are allowed. Lockbox codes or other security system information are permitted with Seller's permission. Foreclosure or Auction listings may reference a third party web site (such as HUD, VA) where contracts must be registered.
- Sec. 20 – Submission of Images
- A - The Subscriber agrees that all images submitted to the MRIS database by Subscriber become the exclusive property of MRIS. The MRIS Subscriber submitting the images warrants and acknowledges that Subscriber has the right and authority to grant to MRIS unlimited copyright and license to use, duplicate, display and distribute submitted images in any manner MRIS deems appropriate. MRIS reserves the right to accept or decline all image submissions and may, in its own discretion, remove any image from the system for reasons it deems appropriate. Inappropriate information may include but is not limited to broker or agent information, email addresses, web site URLs, personal property, and obscene or profane material.

B - Images submitted to MRIS must represent depict real property or artists' representation, sketches, floor plans or plats of the property. The main exterior view of the building or the entrance of the lot, if vacant land, must be included with every listing containing images.

C - MRIS reserves the right to accept or decline all image submissions. MRIS may, at its own discretion, remove any image from the system that it considers inappropriate.

Sec. 21 The Directions field is intended for the display of directions to the property only. References to the following information are prohibited: commissions, showing contacts, agent or broker names, phone and fax numbers, all web site or email addresses, virtual tours, alarm codes, lockbox codes or other security measures. The Directions field may not reference a third party mapping web site. (e.g. MapQuest or similar).

Sec. 22 - Auction Listings - Auction listings entered into MRIS shall be clearly disclosed as Auction Listings in both the Internet and General Remarks. Furthermore, the reference to the Auctions must be on the first line of the remarks.

Sec. 23 The use of HTML and scripting is prohibited.

## ARTICLE XII - CHANGE OF STATUS

Sec 1. Any change in price or terms in the listing or sales/ rental agreement must be executed in writing, signed by the owner and Principal Broker Subscriber and entered into the service within 48 hours (excluding weekends and holidays) of the effective date. Failure to enter the change in a timely manner will result in an additional fine.

Sec. 2. - Listings of properties may be withdrawn from MRIS by the listing Principal Broker Subscriber before the expiration date of the listing agreement provided a written agreement is executed by the seller and the listing Principal Broker Subscriber and notice is filed with MRIS. MRIS reserves the right to request a copy of the signed withdrawal instructions. Sellers do not have the unilateral right to require MRIS to withdraw a listing without the listing Principal Broker Subscriber's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated, MRIS may withdraw the listing at the request of the seller.

## ARTICLE XIII - LISTINGS OF SUSPENDED OR EXPELLED SHAREHOLDER MEMBERS OR NON-REALTOR<sup>®</sup> MEMBER

Sec. 1. When a Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee of MRIS<sup>®</sup> is suspended or expelled from MRIS<sup>®</sup> for failing to abide by a membership duty (e.g. MRIS<sup>®</sup> Rules and Regulations, the MRIS<sup>®</sup> Bylaws or other obligation except failure to pay appropriate dues, fees or charges) and the Subscriber has active listing(s) in the system, the Subscriber's Principal Broker Subscriber shall, within 10 days of notification of the suspension or expulsion, designate a new Subscriber for the active listing(s). In the event the Principal Broker Subscriber does not designate a new Subscriber, the active listing(s) will be removed from the system.

Sec. 2. If the Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> has been suspended or expelled from MRIS<sup>®</sup> for failure to pay appropriate dues, fees or charges, MRIS<sup>®</sup> is not obligated to provide service including the inclusion of the suspended or expelled Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee's listings in the MRIS<sup>®</sup> compilation of current listing information.

ARTICLE XIV - LISTINGS OF RESIGNED SHAREHOLDER MEMBERS  
OR NON-REALTOR<sup>®</sup> MEMBERS

- Sec. 1. When a Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee resigns from MRIS<sup>®</sup>, MRIS<sup>®</sup> is not obligated to provide services including continued inclusion of the resigned Shareholder Member's, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee's listing in the MRIS<sup>®</sup> compilation of current listing information.
- Sec. 2. Prior to any removal of a resigned Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee listing from the MRIS<sup>®</sup>, the resigned Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee will be advised electronically or by other means of the intended removal by MRIS<sup>®</sup> so that the resigned Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee may advise his or her clients.

ARTICLE XV - FAIR HOUSING

- Sec. 1 No listing may be entered into the system or revised to contain language which violates the Federal Fair Housing Act, as amended from time to time.
- Sec. 2 If a listing is found to contain offensive language, MRIS<sup>®</sup> Staff will notify (through the MRIS<sup>®</sup> Intranet Site, or e-mail, or facsimile, or telephone, or US Mail or by other means) the listing agent and Principal Broker Subscriber that the offensive language must be changed within 48 hours (including weekend and holidays). Failure to change the offensive listing within the specified time frame will result in removal of the listing from the MRIS<sup>®</sup> system.

ARTICLE XVI - SHOWING

- Sec. 1. All listings entered into the system shall be available for showing immediately upon their entry. It is the duty of the listing Principal Broker Subscriber to be certain that the seller is aware that the property will not be entered into the system if the property is not immediately available for showing by all agents.
- Sec. 2. All appointments for showing of listed property filed with MRIS<sup>®</sup> shall be conducted through the listing Principal Broker Subscriber unless the listing Principal Broker Subscriber gives the cooperating Principal Broker Subscriber (subagent or buyer's agent or both, as the case may be) specific authority to show directly.
- Sec. 3. Subscribers are prohibited from distributing information to the public intended for cooperating brokers and agents. This information includes but is not limited to commissions, showing contacts, agent or broker names, phone and fax numbers, broker or agent web site or email addresses, virtual tours, alarm codes, lockbox codes or other security measures.

ARTICLE XVII - PRESENTATION OF OFFERS

- Sec. 1. The listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee must make arrangements to present all offers as soon as possible or give the cooperating Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee (subagent or buyer's agent) a satisfactory reason for not doing so.
- Sec. 2. All appointments for negotiations with the seller for the purchase of listed property filed with MRIS<sup>®</sup> shall be conducted through the listing agent unless after reasonable effort, the cooperating Principal Broker Subscriber (subagent or buyer's agent or both, as the case may be) cannot contact the listing Principal Broker Subscriber or his or her representative. However, the listing Principal Broker Subscriber, at his or

her option may preclude such direct negotiations by the cooperating Principal Broker Subscriber (subagent or buyer's agent or both, as the case may be.)

- Sec. 3. The listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee shall submit to the seller all written offers until closing unless precluded by law, government rules, regulations, or agreed otherwise in writing between the seller and the listing Principal Broker Subscriber. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing Principal Broker Subscriber shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

### ARTICLE XVIII - NEGOTIATIONS

- Sec. 1. Shareholder Members, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensees shall not solicit information from the owner of a property listed with another agent and shall avoid discussions with the owner as much as possible. Shareholder Members, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensees shall conduct negotiations through the listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee unless specially authorized by the listing Principal Broker Subscriber.
- Sec. 2. Rights of Cooperating Shareholder Members, Non-Shareholder Members or Non-REALTOR<sup>®</sup> Licensees in the Presentation of Offer: The cooperating Principal Broker Subscriber, subagent or buyer agent or his representative, shall have the right to participate in the presentation to the seller or lessor of any offer he or she secures to purchase or lease. The cooperating Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee does not have the right to be present at any discussion or evaluation of that offer by the owner or lessor and the listing Principal Broker Subscriber. However, if the seller or lessor gives written instruction to the listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee or lessor that the cooperating Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee not be present when an offer that the cooperating Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee has secured is presented, the cooperating Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee has the right to a copy of the owner's written instructions. None of the foregoing diminishes the listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee's right to control the establishment of appointments for such presentations.
- Sec. 3. Rights of the Listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee in the Presentation of Counter-Offers: the listing Shareholder Member or Non-REALTOR<sup>®</sup> Licensee 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. However, if the purchaser or lessee gives the written instructions to the cooperating Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee that the listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee not be present when a counter-offer is presented, the listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee has the right to a copy of the purchaser's or lessee's written instructions.

### ARTICLE XIX - REPORTING SALES

- Sec. 1. The listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee shall make all necessary changes in the MRIS<sup>®</sup> database within 48 hours (excluding weekends and holidays) that a contingency on file has been removed, modified or renewed, or the contract amended or canceled.
- Sec. 2. Acceptance by a seller of a contract of sale on a listed property shall be reported to MRIS<sup>®</sup> by the listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee within 48 hours (excluding weekends and holidays) after acceptance.

- Sec. 3. Comparable properties may only be entered into MRIS after the property has settled and proper deed recordation has occurred. Once settlement has occurred on the purchase and sale of a listed property, the listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee shall change the status in the MRIS<sup>®</sup> data base within 48 hours of settlement (excluding weekends and holidays) to "Sold".
- Sec. 4. The listing Shareholder Member, Non-Shareholder Member or Non-REALTOR<sup>®</sup> Licensee shall notify MRIS<sup>®</sup> of any cancellation of any pending sale. The listing shall be reinstated immediately if the listing period has not expired.
- Sec. 5. Comparable properties may only be entered into MRIS after the property has settled and proper deed recordation has occurred.

#### ARTICLE XX - USE OF BULLETIN BOARD AND MAILBOX FUNCTIONS

- Sec. 1. The MRIS<sup>®</sup> bulletin board and mailbox are communication options available to users. Advertisements for items other than real estate are prohibited from the bulletin board.
- Sec. 2. Any defamatory or obscene statements, or use of the bulletin board or mailbox which violates federal, state or local laws or the rights of other parties are expressly prohibited.
- Sec. 3. MRIS<sup>®</sup> has the specific unilateral right to cancel, suspend or terminate any participant's or user's access to the bulletin board without notice.
- Sec. 4. Help Desk will monitor its e-mail box during normal business hours for inquires and support request and respond to such inquiries and requests as soon as practicable under the circumstances.

#### ARTICLE XXI - CONFLICT OF INTEREST POLICY

- Sec. 1. A member of any MRIS decision making body such as the Board of Directors, the Finance Committee, the Subscriber Advisory Council, the Compliance Committee, or any other ad hoc committee or task force appointed by the Board of Directors or Chairman of the Board will be considered to have a conflict of interest whenever that member:
- A. is a principal, partner or corporate officer of a business providing products or services to MRIS or in a business being considered as a provider of products or services; or
  - B. holds a seat on the board of directors of the business unless the person's only relationship to the business is service on such board of directors as MRIS's representative; or
  - C. holds an ownership interest of more than one (1) percent of the business.

Members with a conflict of interest must immediately disclose their interest at the outset of any discussions by a decision making body pertaining to the business or any of its products or services. Such members may not participate in the discussion relating to that business other than to respond to questions asked of them by other members of the body. Furthermore, no member with a conflict of interest may vote on any matter in which the member has a conflict of interest, including votes to block or alter the actions of the body in order to benefit the business in which they have an interest.

- Sec. 2. Ownership Disclosure Policy
- A. When MRIS has an ownership interest in an entity and a member has an ownership interest in that same entity, such member must disclose the existence of his or her ownership interest prior to speaking to a decision making body on any matter involving that entity.
  - B. If a member has personal knowledge that MRIS is considering doing business with an entity in which a member has any financial interest, then such member must disclose the existence of his or her financial interest prior to speaking to a decision making body about the entity.
  - C. If a member has a financial interest in an entity that the member knows is offering competing products and services as those offered by MRIS, then such member must disclose the existence of his or her

financial interest prior to speaking to a decision making body about an issue involving those competing products and services.

After making the necessary disclosure, a member may participate in the discussion and vote on the matter unless that member has a conflict of interest as defined in Article XXI Sec. 1.

## Article XXII- INTERNET POLICY

- Sec. 1 Only the Principal Broker Subscriber may authorize the display of listing information to a broker web site or a publicly accessible site. Under MRIS Internet Data Exchange (IDX) policy listing content may be shared among Principal Broker Subscribers participating in the IDX program. Broker's consent for the display of their active listings is presumed unless the broker affirmatively notifies MRIS that the broker refuses to permit display (either on a blanket or on a listing-by-listing basis). If a broker refuses on a blanket basis to permit the display of that broker's listings, that broker (or his licensees) may not download or frame the aggregated MLS data of other brokers. Where brokers 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. Participation in IDX is available to all MRIS Brokers who consent to display of their listings by other Brokers.
- Sec. 2. Display of another MRIS Principal Broker Subscriber's listing must indicate MRIS as the source of the information. Information must be updated at least once every seven (7) calendar days and must display the last update date.
- Sec. 3. Principal Broker Subscribers and their affiliated licensees and Appraisers may not modify listing information (such as list price, lot size, postal city, etc.) from another Principal Broker Subscriber's listings.
- Sec. 4. Principal Broker Subscribers and their affiliated licensees and Appraisers are prohibited from displaying information intended for cooperating brokers rather than consumers.
- Sec. 5 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 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.
- Sec. 6 Brokers and their affiliated licensee may select the listings they choose to display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography or location ("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.
- Sec. 7. When displaying listing content, a broker or their licensee's IDX site must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.
- Sec. 8 The Listing Broker's name and other pertinent information must be displayed as required by law.
- Sec. 9 Principal Broker Subscribers and their affiliated licensees and Appraisers are prohibited from sharing or selling MRIS database information to any third party. Each Subscriber must abide by the appropriate language contained in either Article III, Sec. 4 of the MRIS Rules and Regulations and Sec. 5 of the MRIS Principal Broker Subscriber License and Access Agreement and the Appraiser License and Access Agreement, or Sec. 4 of the MRIS Subscriber License and Access Agreement. Brokers and their licensees must protect MRIS listing content from misappropriation by employing reasonable efforts to monitor and prevent "scraping" or other unauthorized access, reproduction or use of the content.
- Sec. 10 Database information obtained from the MRIS system to display on a Principal Broker Subscriber's web site or other publicly accessible site is provided for the consumer's personal, non-commercial use and may

not be used for any purpose other than to identify prospective properties that consumers may be interested in purchasing or selling.

- Sec. 11 In order for an affiliated licensee to obtain an Agent IDX web site, the licensee's Principal Broker Subscriber or Broker's Designee must indicate their consent by executing the Broker Authorization for Agent Operated IDX Website form and providing a copy to MRIS. The Principal Broker Subscriber and Broker Designee are responsible for monitoring the web sites of its licensees.
- Sec. 12 MRIS reserves the right to limit the number of property listings that are retrieved in response to a customer's inquiry on Principal Broker Subscriber's web sites and other publicly accessible web sites.
- Sec. 13. The Principal Broker Subscriber's web site and their licensees' web sites and other publicly accessible sites must contain a disclaimer indicating that the accuracy of the data is not guaranteed. Additionally, Principal Broker Subscriber's web site and their licensee's web sites and other publicly accessible sites must contain a disclosure indicating that the listings come from many brokers and that not all listings from MRIS may be visible on the site.
- Sec. 14 MRIS reserves the right to determine the data fields, property status and listing types that may be displayed on the Principal Broker Subscriber web site and their licensee's web sites and other publicly accessible web sites.
- Sec.15. Brokers and their affiliated licensees must notify MRIS of their intention to establish an IDX site and must make their site directly accessible to MRIS for purposes of monitoring and ensuring compliance with applicable rules and policies.
- Sec. 16. All listings pursuant to IDX shall show MRIS as source of the information.
- Sec 17. Only Brokers IDX web sites may display limited sold listing data. Sold listing data may not be displayed on the web sites of Broker's affiliated licenses or third party aggregate web sites.
- Sec 18. Specific information on the MRIS VOW Policy and Regulations may be found in a separate document, which shall be deemed to be part of these Rules and Regulations.