

**MLS RULES AND REGULATIONS OF THE
FAYETTEVILLE ASSOCIATION OF REALTORS⁷, INC.
(Revised January, 2007)**

DEFINITIONS

MULTIPLE LISTING SERVICE: A multiple listing service is:

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

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

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

listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

PARTICIPANT: Where the term REALTOR⁷ is used in this explanation of policy in connection with the word member or the word participant, it shall be construed to mean the REALTOR⁷ principal or principals, of this or any other association, or a firm comprised of REALTOR⁷ principals participating in a multiple listing service owned and operated by the Association. Participatory rights shall be held by an individual principal broker unless determined by the Association or MLS to be held by a firm. It shall not be construed to include individuals other than a principal or principals who are REALTOR⁷ members of this or any other Association, or who are legally entitled to participate without Association membership. However, under no circumstances is any individual or firm, regardless of membership status, entitled to MLS membership or participation unless they hold a current, valid real estate broker=s license and are capable of offering and accepting cooperation and compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an Association multiple listing service is strictly limited to the activities authorized under a participant=s licensure(s) or certification and unauthorized uses are prohibited.

Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed by or published by an Association multiple listing service where access to such information is prohibited by law. Additionally, the foregoing does not prohibit Association multiple listing services, at their discretion, from categorizing non-principal brokers, sales licensees, licensed and certified appraisers and others affiliated with the MLS members or participants as users or subscribers and, holding such individuals personally subject to the rules and regulations and any other governing provisions of the MLS and to discipline for violations thereof. MLSs may, as a matter of local determination, limit participatory rights to individual principal brokers, or to their firms, and to licensed or certified appraisers, who maintain an office or Internet presence from which they are available to represent real estate sellers, buyers, lessors or lessees or from which they provide appraisal services.

Where the term subscriber or user are used in connection with a multiple listing service owned or operated by an Association of REALTORS⁷, they refer to non-principal brokers, sales licensees,

and licensed and certified real estate appraisers affiliated with an MLS participant and may, as a matter of local option, also include a participant=s affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers provided that any such individual is under the direct supervision of an MLS participant or the participant=s licensed designee. If such access is available to unlicensed or uncertified individuals, their access is subject to the rules and regulations, the payment of applicable fees and charges (if any), and the limitations and restrictions of state law. None of the foregoing shall diminish the participant=s ultimate responsibility for ensuring compliance with the rules and regulations of the MLS by all individuals affiliated with the participant.

Under the Board of Choice policy, MLS participatory rights shall be available to any RELATOR⁷ (principal) or any firm comprised of REALTORS⁷ (principals) irrespective of where they hold primary membership subject only to their agreement to abide by any MLS rules and regulations; agreement to arbitrate disputes with other participants; and payment of any MLS dues, fees, and charges. Participatory rights granted under Board of Choice do not confer voting privileges or eligibility for office as an MLS committee member, officer, or director, except as granted at the discretion of the local Association and/or MLS.

The universal access to services component of Board of Choice is to be interpreted as requiring that MLS participatory rights be available to REALTOR⁷ principals, or to firms comprised of REALTOR⁷ principals, irrespective of where primary or secondary membership is held. This does not preclude an MLS from assessing REALTORS⁷ not holding primary or secondary membership locally fees, dues, or charges that exceed those or, alternatively, that are less than those charged participants holding such memberships locally or additional fees to offset actual expenses incurred in providing MLS services such as courier charges, long distance phone charges, etc., or for charging any participant specific fees for optional additional services.

None of the foregoing shall be construed as requiring an Association to grant MLS participatory rights, under Board of Choice, where such rights have been previously terminated by action of that Association=s board of directors.

TYPES OF LISTING AGREEMENTS: Except where state law provides otherwise, the following terms shall be defined as follows when used in rules and regulations of any multiple listing service owned or operated by an Association of REALTORS⁷.

EXCLUSIVE RIGHT-TO-SELL LISTING: A contractual agreement under which the listing broker becomes the agent of the seller(s) and the seller(s) agree to pay a commission to the listing broker, regardless of whether the property is sold through the efforts of the listing broker, the seller(s), or anyone else; and a contractual agreement under which the listing broker becomes the agent of the seller(s) and the seller(s) agrees to pay a commission to the listing broker regardless of whether the property is sold through the efforts of the listing broker, the seller(s), or anyone else, except that the seller(s) may name one or more individuals or entities as exemptions in the listing agreement and if the property is sold to any exempted individual or entity, the seller(s) is not obligated to pay a commission to the listing broker.

EXCLUSIVE AGENCY LISTING: A contractual agreement under which the listing broker becomes the agent of the seller(s) and the seller(s) agree to pay a commission to the listing broker if the property is sold through the efforts of any real estate broker. If the property is sold solely through the efforts of the seller(s), the seller(s) is not obligated to pay a commission to the listing broker.

OPEN LISTING: A contractual agreement under which the listing broker becomes the agent of the seller(s) and the seller(s) agrees to pay a commission to the listing broker only if the property is sold through the efforts of the listing broker.

Note: These definitions are provided to facilitate categorization of listings in MLS compilations. In any area of conflict or inconsistency, state law or regulation takes precedence. These definitions are premised on the existence of agency relationships between sellers and listing brokers. However, if state law permits brokers to list property, on either an exclusive or open basis, without establishing an agency relationship, listings may not be excluded from MLS compilations on the basis that the listing broker is not the seller=s agent. Submission of such listings must be accompanied by the listing broker=s disclosure that the listing broker is not the agent of the seller and such status shall be communicated to the other participants as part of the property data information.

POLICIES

MLS ANTITRUST COMPLIANCE POLICY: The purpose of multiple listing is the orderly correlation and dissemination of listing information to participants so they may better serve the buying and selling public. Boards of Associations of REALTORS⁷ and their multiple listing services shall not enact or enforce any rule which restricts, limits, or interferes with participants in their relations with each other, in their broker/client relationships, or in the conduct of their business in the following areas.

Boards and Associations of REALTORS⁷ and their MLSs shall not:

- 1. Fix, control, recommend, or suggest the commissions or fees charged for real estate brokerage services (Interpretation 14).**
- 2. Fix, control, recommend, or suggest the cooperative compensation offered by brokers to potential cooperating brokers.**
- 3. Base dues, fees, or charges on commissions, listed prices, or sales prices. Initial participation fees and charges should directly relate to the costs incurred in bringing services to new participants.**
- 4. Modify, or attempt to modify, the terms of any listing agreement; this does not prohibit administrative corrections of property information necessary to ensure accuracy or consistency in MLS compilations.**
- 5. Refuse to include any listing in an MLS compilation solely on the basis of the listing price.**
- 6. Prohibit or discourage participants from taking exclusive agency listings or refusing to include any listing in an MLS compilation solely on the basis that the property is listed on an exclusive agency basis.**
- 7. Prohibit or discourage participants from taking Aoffice exclusive@ listings; certification may be required from the seller or listing broker that the listing is being withheld from the MLS at the direction of the seller.**
- 8. Give participants or subscribers blanket authority to deal with or negotiate with buyers or sellers exclusively represented by other participants (Interpretation 10).**
- 9. Establish, or permit establishment of, any representational or**

contractual relationship between an MLS and sellers, buyers, landlords, or tenants.

10. Prohibit or discourage cooperation between participants and brokers that do not participate in the MLS.
11. Prohibit or discourage participants or subscribers from participating in political activities (Interpretation 15).
12. Interfere in or restrict participants in their relationships with their affiliated licensees (Interpretations 16 and 17).

As used in this policy, **Arule@** includes all rules, regulations, bylaws, policies, procedures, practices, guidelines, or other governance provisions, whether mandatory or not. **AMultiple listing service@** and **AMLS@** means multiple listing service committees of boards and association of REALTORS⁷ and separately-incorporated multiple listing services owned by one or more boards or associations of REALTORS⁷.

These policy prohibitions are subject to and limited by applicable statutes, ordinances, and governmental regulations, to agreements entered into by an MLS or Board or Association of REALTORS⁷ and an agency of government, and to final decrees of courts or administrative agencies.

This policy does not prohibit Boards or Associations of REALTORS⁷ or their MLSs from adopting rules or policies establishing the legitimate uses of MLS information, from prohibiting unauthorized uses of MLS information, or from establishing rules or policies necessary to prevent illegal collective action, including price fixing and boycotts.

It is the duty and responsibility of all Boards and Associations of REALTORS⁷ and MLSs owned by or controlled by Boards or Associations of REALTORS⁷ to ensure that all bylaws, rules, regulations, and other governance provisions comply with all mandatory multiple listings policies of the NATIONAL ASSOCIATION OF REALTORS⁷. Boards and Associations of REALTORS⁷ failing to conform with these policies will be required to show cause why their charters should not be revoked.

The numbered references refer to the official interpretations of Article I, Section 2 of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS⁷.

LISTING PROCEDURES

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

territorial jurisdiction of the Multiple Listing Service, and are taken by participants on exclusive right to sell and exclusive agency listings shall be delivered to the multiple listing service within forty-eight (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

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

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

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

The listing agreement must include the seller=s written authorization to submit the agreement to the multiple listing service.

Section 1.1 The different types of listing agreements include:

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

The Service may not accept Net Listings because they are deemed unethical and, in most states, illegal. Open Listings are not accepted, except where required by law, because the inherent nature of an open listing is such as to usually not include the authority to

cooperate and compensate other brokers and inherently provides a disincentive for cooperation

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

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral basis, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly distinguished by a simple designation such as a code or symbol from exclusive right to sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell listings with no named prospects exempted. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right to sell listings with prospect reservations.

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

Note 3. A Multiple Listing Service may, as a matter of local option, accept exclusively listed property that is subject to auction. If such listings do not show a listed price, they may be included in a separate section of the MLS compilation of current listings.

Section 1.1.1 LISTINGS SUBJECT TO RULES AND REGULATIONS OF SERVICE:
Any listing taken on a contract to be filed with the Multiple Listing Service is subject to the Rules and Regulations of the Service upon signature of the seller(s).

Section 1.2 DETAIL ON LISTINGS FILED WITH THE SERVICE: A Listing Agreement or Property Data Form, when filed with the Multiple

Listing Service by the listing broker, shall be complete in every detail which is ascertainable as specified on the Property Data Form.

Section 1.2.1 LIMITED SERVICE LISTINGS: Listing agreements under which the listing broker will not provide one, or more, of the following services:

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

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

Section 1.3 EXEMPTED LISTINGS : If the seller refuses to permit the listing to be filed with the MLS, he must sign a certificate to that effect, and such certification must be filed with MLS promptly.

Section 1.4 CHANGE OF STATUS OF LISTING: Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the Service within two (2) working days after the authorized change is received by the listing broker.

Section 1.5 WITHDRAWAL OF LISTINGS 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.

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 or her exclusive relationship with the listing broker has

been terminated, the multiple listing service may remove the listing at the request of the seller.

Section 1.6 CONTINGENCIES APPLICABLE TO LISTINGS: Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants.

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

Section 1.8 NO CONTROL OF COMMISSION RATES OR FEES CHARGED TO 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 1.9 EXPIRATION OF LISTINGS: Listings filed with the multiple listing service will automatically be removed from the compilation of current listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed.

If notice of renewal or extension is received 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 seller(s) and filed with the service.

Section 1.10 TERMINATION DATE ON LISTING: Listings filed with the Service shall bear a definite and final termination date as negotiated between the listing broker and the seller.

Section 1.11 JURISDICTION: Only listings of the designated type of property located within the jurisdiction of the Association of REALTORS⁷ are required to be submitted to the service. Listings of property located outside the Association's jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service.

Section 1.12 LISTINGS OF SUSPENDED PARTICIPANTS: When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, association bylaws, MLS bylaws, MLS rules and regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the service until sold, withdrawn or expired, and shall

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

Section 1.13 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 by the expelled participant shall, at the participant=s option, be retained in the service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a participant has been expelled from the association (except where MLS participation without association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an association MLS is not obligated to provide MLS services, including continued inclusion of the expelled participant 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 1.14 LISTINGS OF RESIGNED PARTICIPANTS: When a participant of the service 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.

SELLING PROCEDURES

Section 2 SHOWINGS AND NEGOTIATIONS: Appointments for showings and negotiations with the seller for the purchase of listed property filed with Multiple Listing Service shall be conducted through the listed 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 the cooperating broker.

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

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

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

Section 2.3 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER: The cooperating broker (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 or lessor=s written instructions none of the foregoing diminishes the listing broker=s right to control the establishment of appointments for such presentations.

Section 2.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFER: The listing broker or his representative has the right to participant in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser=s or lessee=s written instructions.

Section 2.5 REPORTING SALES TO THE SERVICE: 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.

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

Section 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES: The listing broker shall report to the multiple listing service within twenty four (24) hours that a contingency on file with the multiple listing service has been fulfilled or renewed, or the agreement cancelled.

Section 2.7 ADVERTISING OF LISTING FILED WITH THE SERVICE: A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker.

Section 2.8 REPORTING CANCELLATION OF PENDING SALE: The listing broker shall report immediately to the multiple listing service the cancellation of any pending sale, and the listing shall be reinstated immediately.

REFUSAL TO SELL

Section 3 REFUSAL TO SELL: If the seller of any listed property filed with the Multiple Listing Service refuses to accept a written offer satisfying the terms and conditions state 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 Multiple Listing Service shall not be made available to any broker or firm not a Member of the MLS without prior consent of the listing broker.

Section 4.1 FOR SALE SIGNS: Only the AFor Sale@ signs of the listing broker may be placed on the property.

Section 4.2 SOLD SIGNS: Prior to closing, only the Asold@ sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

Section 4.3 SOLICITATION OF LISTING FILED WITH THE SERVICE: Participants shall not solicit a listing on property filed with the service unless such solicitation is consistent with Article 16 of the REALTORS⁷ Code of Ethics, its Standards of Practice, and its Case Interpretations.

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

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

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

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

DIVISION OF COMMISSIONS

Section 5 COMPENSATION SPECIFIED ON EACH LISTING: The listing broker shall specify, on each listing filed with the multiple listing service, the compensation offered to other multiple listing service participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker=s performance as the procuring cause of the

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

In filing a property with the multiple listing service of an association of REALTORS⁷, the participant of the service is making blanket unilateral offers of compensation to the other MLS participants, and shall therefore specify on each listing filed with the service, the compensation being offered to the other MLS participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell. The compensation specified on listings filed with the multiple listing service shall appear in one or two forms. The essential and appropriate requirement by the multiple listing service is that the information to be published shall clearly inform the Participant as to the compensation they will receive in cooperative transactions unless advised otherwise by the listing broker in writing in advance. The compensation specified on listings published by the MLS shall be shown in one of the following forms:

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

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

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 nonparticipants. This should remain solely the responsibility of the listing broker.

NOTE 4. Multiple Listing Services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listings contracts are subject to court approval or to lender approval; and the compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court or by a lender. In such instances, the fact that the gross commission is subject to court or to lender approvals and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they produce an offer that ultimately results in a successful transaction.

NOTE 5. Nothing in these MLS rules, precludes a listing participant and a cooperating participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction.

Section 5.1 PARTICIPANT AS PRINCIPAL: If a participant or any licensee or licensed or certified appraiser) affiliated with a participant has any ownership interest in a property, the listing of which is to be disseminated through the multiple listing service, that person shall disclose that interest when the listing is filed with the multiple listing service and such information shall be disseminated to all multiple listing service participants.

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

Section 5.3 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS: The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to

pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

SERVICE CHARGES

Section 6 SERVICE FEES AND CHARGES: The following service charges for operation of the Multiple Listing Service are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed:

Initial Participation Fee: An applicant for participation in the service shall pay an application fee of \$500 (Five Hundred Dollars) with such fee to accompany the application.

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

Subscription Fees: One complete set of current listings shall be supplied to the Participant upon payment of the Application Fee and the Participant shall be responsible for a subscription fee for each additional set of listings to be supplied to each individual licensed as an independent contractor with the Participant, who has access to and who utilizes the Service. The Participants may apply in writing to have an individual waived from the MLS Subscription Fee if the individual is not actively engaged in the listing or sale of real estate. The application must be approved by 2/3 (two thirds) of the MLS Committee. Any disapproval may be appealed to the Board of Directors of the Association.

Listing Fee: A Participant shall pay a listing fee for each new listing filed with the Service.

Multiple Listing Service Fees are due and payable on the first day of each month and delinquent if not paid by the fifteenth (15th) day of each month. If the Multiple Listing Fees are not paid within thirty (30) days of the delinquent date, the delinquent MLS AParticipant@ shall be automatically suspended from the Association and MLS Services (subject to existing MLS Rules pertaining to listings of expelled Participants). The

delinquent Member may be reinstated upon payment in full of the amount due, plus a reinstatement charge of \$50.00 (fifty dollars). If no reinstatement is made within thirty (30) days of suspension, the delinquent Members= Association Membership and all Association services will be terminated with the approval of the Board of Directors, after verification of the amount owed.

Leaves of Absence for more than 120 days may be considered by letter to the MLS Committee. The letter should be directed to the Association Office prior to the first day of the month in which the leave is to begin. Each request will be dealt with on its own merits. Members= accounts must be current prior to a leave of absence being granted.

Fines: Any MLS Participant/Agent that gives their login and password to unauthorized persons shall be fined \$1000.00 (one thousand dollars).

Any Participant that fails to include street address in the closed information (within 48 hours of change of status) will be fined \$100 for each listing that is not in compliance. This fine will be after the company is warned in writing of the discrepancy. If they still do not update the data, then the Participant will be summoned before the MLS Committee for a hearing and face suspension from MLS. *This policy includes any violation of MLS data.*

Branded Virtual Tours are against IDX Rules and Regulation and any Participant in violation will be fined \$250.00 per inappropriate tour.

Also, failure to comply with the MLS Rules and Regulations and the IDX Rules and Regulations can result in expulsion and/or fines up to \$1000.00 (one thousand dollars.)

COMPLIANCE WITH RULES

Section 7 COMPLIANCE WITH RULES: The following action may be taken for noncompliance with the rules:

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

Note: Generally, warning, censure, and the imposition of a moderate fine are sufficient to constitute a deterrent to violation of the rules and regulations of the multiple listing service. Suspension or termination is an extreme sanction to be used in cases of extreme or repeated

violation of the rules and regulations of the service. If the MLS desires to establish a series of moderate fines, they should be clearly specified in the rules and regulations.

MEETINGS

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

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

Section 8.2 CONDUCT OF MEETINGS: The Chairperson shall preside at all meetings or, in their absence, a temporary Chairperson from the Membership of the Committee shall be named by the Chairperson or, upon his failure to do so, by the Committee.

ENFORCEMENT OF RULES OR DISPUTES

Section 9 CONSIDERATION OF ALLEGED VIOLATIONS: The Committee shall give consideration to all written complaints from Participants having to do with violations of the 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 association in accordance with the bylaws and rules and regulations of the association of REALTORS⁷ within twenty (20) days following receipt of the committee's decision.

If, rather than conducting an administrative review, the multiple listing committee has a procedure established to conduct hearings, the decision of the multiple listing committee may be appealed to the Board of Directors of the Association of REALTORS⁷ within twenty (20) days of the tribunal's decision being rendered. Alleged violations involving unethical conduct shall be referred to the association's Grievance Committee for processing in accordance with the Professional Standards procedures of the Association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the Association of REALTORS⁷.

Section 9.2 COMPLAINTS OF UNETHICAL CONDUCT: All other complaints of unethical conduct shall be referred by the committee to the Secretary of the Association of REALTORS⁷ for appropriate action in accordance with the Professional Standards procedures established in the Association's bylaws.

CONFIDENTIALITY OF MLS INFORMATION

Section 10 CONFIDENTIALITY OF MLS INFORMATION: Any information provided by the Multiple listing service to the participants shall be considered official information of the service. Such information shall be considered confidential and exclusively for the use of participants and real estate licensees, affiliated with such participants and those participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such participants.

Section 10.1 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION: The information published and disseminated by the service is communicated verbatim, without change by the service, as filed with the service by the participant. The service does not verify such information provided and disclaims any responsibility for its accuracy. Each participant agrees to hold the service harmless against any liability arising from any inaccuracy or inadequacy of the information such participant provides.

Section 10.2 ACCESS TO COMPARABLE AND STATISTICAL INFORMATION: REALTORS⁷ who are actively engaged in real estate brokerage, management, appraising, land development, or building, but who do not participate in the MLS are nonetheless entitled to receive by purchase or lease all information other than current listing information that is generated wholly or in part by the MLS, including comparable information, sold information, and statistical reports. This information is provided for the exclusive use of these members and individuals affiliated with these members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm, except as otherwise provided in these rules and regulations.

OWNERSHIP OF MLS COMPILATION AND COPYRIGHT

Section 11 By the act of submitting any property listing content to the MLS, the participant represents that he has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report or comparables. Listing content includes, but is not limited to, photographs,

images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

Section 11.1 All rights, title, and interest in each copy of every Multiple Listing compilation created and copyrighted by the Fayetteville Association of REALTORS⁷ and in the copyrights therein, shall at all times remain vested in the Fayetteville Association of REALTORS⁷.

Section 11.2 Each participant shall be entitled to lease from the Fayetteville Association of REALTORS⁷ a number of copies of each MLS compilation sufficient to provide the participant and each person affiliated as a licensee (including licensed or certified appraisers) with such participant with one copy of such compilation. The participant shall pay for each such copy the rental fee set by the Association.

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

USE OF COPYRIGHTED MLS COMPILATION

Section 12 DISTRIBUTION: Participants shall, at all times, maintain control over and responsibility for each copy of any MLS compilation leased to them by the association of REALTORS⁷, and shall not distribute any such copies to persons other than subscribers who are affiliated with such participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant=s licensure(s) or certification, and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed or published by an association multiple listing service where access to such information is prohibited by law.

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

Section 12.2 REPRODUCTION: Participants or their affiliated licensees shall not reproduce any MLS Compilation or any portion thereof except in the following limited circumstances:

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

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

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

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

***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 Areasonable@, 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 made are consistent with this intent, and this Areasonable@ 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 properties which would be shown to the prospective purchaser.**

USE OF MLS INFORMATION

Section 13 LIMITATIONS ON USE OF MLS INFORMATION: Use of information from MLS compilation of current listing information, from the Association's Statistical Report, or from any sold or comparable report of the Association or MLS for public mass-media advertising by an MLS Participant or in other public representations may not be prohibited.

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

Based on information from the Fayetteville Association of REALTORS for the period (Date) through (Date).

*NOTE: This representation is based in whole or in part on data supplied by the Fayetteville Association of REALTORS or its Multiple Listing Service. Neither the Association nor its MLS guarantee 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.

Section 13.1 WEBSITES THAT DISPLAY LISTING DATA: Any website that displays listings must be under the control of the broker.

CHANGES IN RULES AND REGULATIONS

Section 14 CHANGES IN RULES AND REGULATIONS: Amendments to the Rules and Regulations of the Service shall be by a 2/3 (two-thirds) vote of the Members of the Multiple Listing Service Committee, subject to approval by the Board of Directors of the Fayetteville Association of REALTORS

ORIENTATION

Section 15 ORIENTATION: Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within a timely manner after access has been provided.

INTERNET DATA EXCHANGE (IDX)

Section 15 IDX DEFINED: IDX affords MLS participants the option of authorizing display of their active listings on other participants' Internet Web sites.

Section 15.1 AUTHORIZATION: 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. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis as instructed by the seller.

Section 15.2 PARTICIPATION: Participation in IDX is available to all MLS participants who are REALTORS⁷ who are engaged in real estate brokerage and who consent to display of their listings by other participants. This requirement can be met by maintaining an office or Internet presence from which participants are available to represent real estate sellers or buyers (or both).

Section 15.2.1 Participants must notify the MLS of their intention to establish an IDX site and must make their site directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies.

Section 15.2.2 Participants must protect IDX information from misappropriation by employing reasonable efforts to monitor and prevent scraping or other unauthorized accessing, reproduction, or use of the MLS database.

Section 15.2.3 Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to, publicly-accessible Web sites) shall not be accessible via IDX sites. Notwithstanding this prohibition, listing brokers may display on their IDX sites or their other Web site(s) the listing or property address of consenting sellers.

Section 15.2.4 Participants may select listings they choose to display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography or location (uptown, downtown, etc), list price, type of property, (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right to sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed on any IDX site must be independently made by each Participant.

Section 15.2.5 Participants must refresh all MLS downloads and refresh all MLS data at least once every seven (7) days.

Section 15.2.6 Except as provided in these rules, an IDX site or a Participant or user operating an IDX site may not distribute, provide, or make any portion of the MLS database available to any person or entity.

Section 15.2.7 When displaying listing content, a Participant or user operating an IDX site must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.

Section 15.2.8 An MLS Participant must make changes to an Internet site necessary to resolve a violation of Fayetteville Association of REALTORS' MLS Rules and Regulations within five (5) business days of notice of the violation.

Section 15.2.9 Any Fayetteville Association of REALTORS' IDX Participant using a third party to develop/design its web site will have a written agreement with that third party approved by the Fayetteville Association of REALTORS' MLS.

Section 15.3 DISPLAY: Display of listing information pursuant to IDX is subject to the following rules:

Section 15.3.1 Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS participants and users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed on IDX sites.

Section 15.3.2 Participants shall not modify or manipulate information relating to other participants' listings. (This is not a limitation on site design but refers to changes to actual listing data.) MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the additional data is clearly identified. This requirement does not restrict the format of MLS display or display of fewer than all of the available listings or fewer authorized data fields.

Section 15.3.3 All listings displayed pursuant to IDX shall identify the listing firm in a readily visible color and typeface not smaller than the median used in the display of listing data.

Section 15.3.4. Non- principal brokers and sales licensees affiliated with IDX participants may display information available through IDX on their own

Web sites subject to their participant=s consent and control and the requirements of state law and/or regulations.

Section 15.3.5 All listings displayed pursuant to IDX shall show the MLS as the source of the information.

Section 15.3.6 Participants (and their affiliated licensees, if applicable) shall indicate on their Web sites that IDX information is provided exclusively for consumers= personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that the data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect participants and/or the MLS from liability.

Section 15.3.7 The data consumers can retrieve or download in response to an inquiry shall be limited to 50 (fifty) listings per search.

Section 15.3.8 Listings obtained through IDX must be displayed separately from listings obtained from other sources, including information provided by other MLSs. Listings obtained from other sources (e.g., from non-participating brokers, etc.) must display the source from which each such listing was obtained.

Section 15.3.9 Display of expired, withdrawn, pending or closed listings is prohibited.

Section 15.3.10 Display of seller=s (s=) and /or occupant=s (s=) names(s), phone numbers (s), and email address(es) is prohibited.

Section 15.3.11 Participants are required to employ appropriate security protection such as firewalls, provided that any security measures required may not be greater than those employed by the MLS.

Section 15.3.12 IDX operators must maintain an audit trail of consumer activity on the IDX site and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers.

Section 15.4 WEB SITE REQUIREMENTS AND DISCLOSURES:

- a. All IDX Participants are required to use the approved Fayetteville Association of REALTORS7 IDX logo.
- b. The Fayetteville Association of REALTORS7 IDX approved icon and an explanation that those properties marked with the icon are provided courtesy of the Fayetteville Association of REALTORS7,

Inc., Internet Data Exchange (IDX), must appear on the first page where any listing data is displayed.

- c. Any search result identifying another Fayetteville Association of REALTORS⁷ IDX Participant=s listing in a brief or thumbnail@ formal shall bear the Fayetteville Association of REALTORS⁷ IDX approved icon or the Fayetteville Association of REALTORS⁷ IDX-approved thumbnail icon immediately adjacent to the property information to identify the listing as a Fayetteville Association of REALTORS⁷ IDX listing.
- d. A search result producing a display of another IDX Participant=s listing shall bear the IDX Participant=s name, the IDX approved icon, and the MLS=s copyright notice immediately following the property information. The IDX Participant=s name, IDX approved icon, and copyright notice shall be at least as large as the largest type size used to display the listing data.

Section 15.5 SERVICE FEES AND CHARGES: Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

Section 15.6 FINES: Failure to comply with these rules and regulations can result in expulsion and/or fines up to \$1000.00 (one thousand dollars).