

NORTHEAST FLORIDA MULTIPLE LISTING SERVICE, INC. RULES AND REGULATIONS

(As Amended on March 2, 2009)

Definitions: Unless otherwise defined herein, terms which are defined in the Bylaws of the Northeast Florida Multiple Listing Service, Inc. (the "Corporation" and "MLS" herein) shall govern terms used herein.

LISTING PROCEDURES

Section 1 **Listing Procedures** Listings of real property or any interest in or concerning real property of the following types, which are listed by a licensed real estate broker, and which are located within the territorial jurisdiction of the Shareholders of Northeast Florida Multiple Listing Service, Inc., shall be entered in to the system as follows. Broker-loaded listings ("broker loaded") shall be entered in the Corporation's computer system by the broker within 24 hours after all necessary signatures of seller(s) have been obtained. If Listings are unable to be Broker loaded, they must be delivered to the Corporation for entry by Staff within 72 hours of all necessary signatures of seller(s). Listings include but are not limited to:

- (a) Residential homes for sale; (Residential)
- (b) Two-family, three-family or four-family residential buildings for sale (Investment Income/Apartment)
- (c) Condominiums
- (d) Land
- (e) Rental
- (f) Commercial For Sale
- (g) Business opportunity
- (h) Motel-Hotel
- (I) Mobile/Manufactured homes with deeded land (09/26/06)
- (j) Mobile home parks
- (k) Commercial for Lease
- (l) Industrial
- (m) Equitable Interests in Purchase Contracts that are Assignable
- (n) Auction Properties (reserve if any, must not be higher than list price)
- (o) Boat Slips (with transferable interest)(10/07)

NOTE 1 The Corporation shall not require a Participant to submit listings on a listing agreement other than the listing agreement the Participant individually chooses to utilize provided the listing is of a type accepted by the Corporation, although a "Property Input Sheet" may be required as approved by the Corporation. However the Corporation, through its legal counsel:

May reserve the right to refuse to accept a listing agreement which fails to adequately protect the interest of the public and the Participants

May assure that no listing form filed with the Corporation establishes, directly or indirectly, any contractual relationship between the Corporation and the client (buyer or seller)

The Corporation shall accept exclusive right to sell or lease listing contracts and exclusive agency sale or lease listing contracts, and may accept other forms of agreement which make it possible for the listing broker to offer cooperation and compensation to the other Participants of the Corporation acting in a lawful brokerage relationship.

The Listing agreement must include the seller's authorization to submit the agreement to the Corporation.

The different types of listing agreement include:

- (a) Exclusive right to sell
- (b) Exclusive agency

Houses to be constructed Listings for builders' houses shall be entered into the system within 24 hours after listing with a Participant or when construction begins, whichever occurs last.

The Corporation 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 Corporation 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 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 insure that different codes or symbols are used to denote exclusive agency and exclusive right to sell listings with prospect reservations.

Non-representative or Limited Service listings may be Exclusive Right to Sell or Exclusive Agency but must be identified in the system with the appropriate code. These types of listings must provide that the Listing Broker, not the Seller, will cooperate with and compensate a cooperating broker.

TYPES OF PROPERTIES

The types of properties referenced Section 1 a-1 are some of the types of properties which may be submitted to the Corporation and other types that may be filed with the Corporation at the Participant's option, provided, however, that any listing submitted is entered into within the scope of the Participant's licensure as a real estate broker:

Note: In rare instances listings of residential, multiple unit properties or land may be entered, with advanced approval of NEFMLS staff, more than once, as long as the opposite listing number is identified in the private remarks and NEFMLS is notified when the status changes in order to delete any listing that expires or does not sell as listed.

E.g. Duplex or Vacant Land:	E.g. Residential
List#1- both units parcels	Residential and Commercial
List#2- unit # A or parcel 1	Residential and Investment
List#3- unit # B or parcel 2	Residential and Rental
	Residential and Vacant Land

Condominiums may NOT be entered into more than one property type with the exception of rental. Townhouses MUST be listed under Residential as they're considered a style and not a property type. Land may not be entered into residential unless a habitable structure exists or the price includes a habitable structure (for example a spec home) that will be built on the lot at the price listed with the Corporation. (10/07)

Section 1.1 **Listings Subject to Rules and Regulations of the Corporation** Any listing taken on a contract to be filed with the Corporation is subject to the Rules and Regulations of the Corporation upon signature of the seller(s).

Section 1.2 **Detail on Listings Filed with the Corporation** A Listing Agreement or Property Data Form and all data entered into the MLS system by the listing broker or their representative shall be complete and accurate in every detail which is ascertainable per the Rules and definitions established by the Corporation, including without limitation selecting all required and applicable fields and details. (10/07)

All owner contact or other information in private remarks must include first name, last name, phone number and title or interest disclosed. Exceptions include builder name or website and HUD websites. Names of licensees other than the listing licensee are not permitted.

Section 1.3 **Voluntary/Mandatory System** It is mandatory for a Participant to deliver all of the Participant's listings as identified in Section 1a through m to the Corporation. Cooperation is the norm expected of all Participants as expressed in Article 3 of the REALTOR Code of Ethics. If the seller refuses to allow the Participant to enter the listing in to the system, the Participant must have the seller sign a document acknowledging that it is in the seller's best interest. The Participant must maintain the seller's signed document in the Participant's file, in which event the Participant shall not be required to enter that listing in to the system. A copy of the seller's signed document may be requested as proof by the Corporation at any time.

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 delivered or entered with the Corporation within seventy-two (72) hours after notice of the change is received by the listing broker for staff loaded listings and within twenty-four (24) hours for broker loaded listings.

Section 1.5 **Temporarily Withdrawn from the Market** Listings of property may be withdrawn from active status by the listing broker before the expiration date of the listing agreement provided written notice is filed with the Corporation. Any listing that is currently in the MLS that cannot be shown for more than 3 days, with the exception of rentals, must be placed into temporarily Withdrawn status. (02/18/04) Temporarily withdrawing the listing shall not affect the contractual listing date between the broker and the seller.

Sellers do not have the unilateral right to require the Corporation to withdraw a listing without the listing broker's concurrence. However, when a seller can document that his exclusive relationship with the listing broker has been terminated, the Corporation may expire, delete or temporarily withdraw 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 with a CTG status code, the date the contingency expires and shall be noticed to the participants in the fields provided. The system default will include contingents in active listing searches. However users of the system may exclude contingent listings from their search criteria. If a listing is not available for back-up contracts and the owner does not desire showings to continue, that listing must be placed in pending. (09/15/04)

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 Corporation's compilation of current listings unless the property is subject to auction. Auction full gross list price must represent the minimum price the seller is willing to accept and must be greater than or equal to the reserve (10/07) Note: The seller always has the right to reject all offers.

Section 1.8 **Listing Multiple Unit Properties** All properties which are to be sold or leased or which may be sold or leased separately must be indicated individually in the listing and on the Property Data Form. When part of a listed property has been sold or leased, notification should be given to the Corporation by the Participant within 24 hours after the execution of a sales agreement.

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

Section 1.10 **Expiration, Extension, and Renewal of Listings** All extensions beyond the initial period must be signed by the Owner.

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

Section 1.12 **Jurisdiction** Only listings of the designated types of property located within the jurisdiction of the Shareholders are required to be submitted to the Corporation. Listings of properties located outside the Shareholders' jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the Corporation.

Section 1.13 **Listings of Suspended Participants** When a Participant is suspended from the Corporation for failing to abide by a participation duty (i.e., violation of the Corporation's Bylaws, the Corporation's Rules and Regulations, and, for Participants who are members of a Shareholder, violation of the Code of Ethics, all as may be amended from time to time, or other participation obligations as may be adopted by the Corporation's Board of Directors from time to time), except failure to pay appropriate dues, fees or charges, all listings currently filed with the Corporation by the suspended Participant shall, at the Participant's option, be retained in the Corporation until sold, withdrawn, or expired, and shall not be renewed or extended by the Corporation beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Corporation for failure to pay appropriate dues, fees, or charges, the Corporation is not obligated to provide services, including continued inclusion of the suspended Participant's listing in the Corporation's compilation of current listing information. Prior to any removal of a suspended Participant's listings from the Corporation, the suspended Participant should be advised in writing of the intended removal so that the suspended Participant may advise his clients. This section applies to MLS-Only brokers and their licensees as well.

Section 1.14 **Listings of Expelled Participants** When a Participant is expelled from the Corporation for failing to abide by a participation duty (i.e., violation of the Corporation's Bylaws, the Corporation's Rules and Regulations, and, for Participants who are members of a Shareholder, violation of the Code of Ethics, all as may be amended from time to time), or other participation obligations as may be adopted by the Corporation's Board of Directors from time to time), except failure to pay appropriate dues, fees or charges, all listings currently filed with the Corporation shall, at the expelled Participant's option, be retained in the Corporation until sold, withdrawn, or expired, and shall not be renewed or extended by the Corporation beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Corporation for failure to pay appropriate dues, fees, or charges, the Corporation is not obligated to provide services, including continued inclusion of the expelled Participant's listings in the Corporation's compilation of current listing information. Prior to any removal of an expelled Participant's listings from the Corporation, the expelled Participant should be advised, in writing, of the intended removal so that the expelled Participant may advise his clients. This section applies to MLS-Only brokers and their licensees as well.

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

Section 1.16 **Co-Listings** Co-listings, defined as where the seller agrees to pay a commission to two or more different listing brokers, are not exclusive listings and are not accepted in NEFMLS, unless all listing brokers are identified in the listing agreement in which event co-listings are permitted. Co-listings between participating NEFMLS brokers are permitted. Co-listings between or among an NEFMLS Participant broker and non-NEFMLS brokers who are members of another Realtor owned mls in the state of Florida are permitted under the following conditions:

1. The non NEFMLS broker has agreed affirmatively in writing to guarantee compensation to the NEFMLS broker. NEFMLS reserves the right to request a copy of the listing agreement at any time.
2. The number of co-listings per non NEFMLS broker office does not exceed 5 active listings at any given time. (03/23/05)

SELLING PROCEDURES

Section 2 **Showings and Negotiations** Participants shall not misrepresent the availability of access to show or inspect any listed property. Listings of sellers who have identified in writing that they do not want showings to continue for more than 3 days must not be entered or if entered must immediately be put in temporarily withdrawn status. Appointments for showings and negotiations with the seller or lessor for the purchase or lease of listed property filed with the Corporation shall be conducted through the listing broker except under the following circumstances:

(a) The listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or

(b) After reasonable effort, the cooperating broker cannot contact the listing broker or his representative. However, if instructed by the seller in writing, the listing broker may preclude such negotiations by the cooperating broker.

Section 2.1 **Presentation of Offers** The Listing Broker must make good faith efforts to communicate the written offer to the seller within 24 hours after the listing broker receives it.

Section 2.2 **Submission of Written Offers** The listing broker shall submit to the seller or lessor all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller or lessor 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 or lessor 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. (03/22/06)

Section 2.3 **Right of Cooperating Broker in Presentation of Offer** The cooperating broker (subagent, buyer broker or transaction broker) or their representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However if the seller or lessor gives written instructions to the

listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control of the establishment of appointments for such presentation.

Section 2.4 **Rights of Listing Broker in Presentation of Counter-Offers** The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee unless 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**

Status changes, including without limitation, the fact of execution of a sales contract or lease and final closing of sales, shall be reported to the multiple listing service by the listing broker within 24 hours after they have occurred. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report the status changes to the listing broker within 24 hours after occurrence and the listing broker shall report them to the Corporation within 24 hours after receiving notice from the cooperating broker. (4/08)

Note: The listing agreement of a property filed with the Corporation by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the Corporation; to provide timely notice of status changes of the listing to the Corporation; and to provide sales information including selling price to the Corporation upon sale of the property. If deemed desirable by the Corporation 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 Corporation to its Participants. (04/08)

Section 2.6 **Reporting Resolutions of Contingencies** The listing broker shall report to the Corporation within 24 hours that a contingency on file with the Corporation has been fulfilled or renewed, or the agreement canceled.

Section 2.7 **Advertising of Listing Entered with the Corporation** A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker except as provided in these Rules and Regulations.

Section 2.8 **Reporting Cancellation of Pending Sale** The listing broker shall report to the Corporation the cancellation of any pending sale or lease within 24 hours for broker loaded listings and 72 hours for staff loaded listings and the listing shall be reinstated immediately.

Section 2.9 **Disclosing the Existence of Offers** Listing brokers, in response to inquiries from buyers or cooperating brokers shall, with the seller's approval, disclose the existence of offers on the property. Where disclosure is authorized, the listing broker shall also disclose whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating broker. (03/22/06)

Section 2.10 **Availability of Listed Property** Listing brokers shall not misrepresent the availability of access to show or inspect listed property. (03/22/06)

Section 3. [purposely omitted]

PROHIBITIONS

Section 4 **Information for Participants Only** Any listing entered with the Corporation shall not be made available to any broker or firm who is not a Participant of the Corporation without the prior consent of the listing broker.

Section 4.1 **"For Sale" Signs** Only the "For Sale" signs of the listing broker may be placed on the property.

Section 4.2 **"Sold" Signs** Prior to closing, only the "sold" sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating broker (selling) broker to post such a sign.

Section 4.3 **Security** No lockbox, alarm, gate or security access codes shall be published anywhere within the listing including but not limited to directions, public or private remarks and sellers contact info. (01/25/06)

Section 4.4 **Solicitation of Listing Entered With the Corporation** Participants shall not solicit a listing on property filed with the Corporation unless such solicitation is consistent with the REALTORS® Code of Ethics, its Standards of Practice and its Case Interpretations for Participants who are members of a shareholder of the Corporation, or in the case of a nonmember Participant, is consistent with Section 15 (H) hereof. This section is intended to encourage sellers to permit their properties to be entered with the Corporation 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 Corporation entry of the date the listing will expire and desire to substitute their selves for the present broker.

This section is also intended to encourage brokers to participate in the Corporation 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 the brokers.

This section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to the Code of Ethics for Participants who are members of a Shareholder of the Corporation, or in the case of nonmember Participants, under the circumstances recognized by Section 17 (H) hereof.

Section 4.5 Use of the Terms MLS and Multiple Listing Service

No Participant, Subscriber or licensee affiliated with any Participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is a multiple listing service, or that they operate a multiple listing service. Participants, Subscribers and licensees affiliated with Participants shall not represent, suggest, or imply that consumers or others have direct access to multiple listing service databases, or that consumer's or others are able to search multiple listing service databases available only to Participants and Subscribers. This does not prohibit Participants and Subscribers from representing that any information they are authorized under the Corporation's rules to provide to clients or customers is available on their websites or otherwise. (Adopted 03/08)

DIVISION OF COMMISSIONS

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

NOTE 1 In entering a property with the Corporation the Participant is making blanket unilateral offers of cooperation to the other Participants, and shall therefore specify on each listing entered with the Corporation the compensation being offered to the other Participants. Specifying the compensation on each listing is necessary because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.*

The listing broker retains the right to determine the amount of compensation offered to other Participants, which may be the same or different.

This shall not preclude the listing broker from offering any Participant compensation other than the compensation indicated on his listings as published by the Corporation provided the listing broker informs the other broker in writing in advance and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants in the Corporation. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount.

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

* The compensation specified on all listings including rentals (05/19/04) published with the Corporation shall appear in one of two forms. The essential and appropriate requirement by the Corporation is that the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions unless advised otherwise by the listing broker in writing in advance. The compensation specified on listings published by the Corporation 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.

Zero, CLO, etc are not acceptable.

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

NOTE 3 The Corporation shall make no rule or policy on the division of commissions between Participants and non-participants. Division of commissions shall remain at all times solely the responsibility of the listing broker.

NOTE 4 Only in instances where the gross commission established in the listing contract may be subject to final approval of a lender, other encumbrance holders, and/or court, is the Listing broker permitted to communicate to potential cooperating brokers that compensation payable to cooperating brokers may be reduced. Additionally in such instances, either the maximum 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 in the Corporation's private remarks to potential cooperating brokers prior to the time they produce an offer that ultimately results in a successful transaction. (10/07)

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 interest in property, the listing of which is to be disseminated through the Corporation, that person shall disclose that interest when the listing is filed with the Corporation and such information shall be disseminated to all Participants.

Section 5.2 **Participant as Purchaser** If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in 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 Corporation. 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.

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. (03/22/06)

CHARGES, FEES, DEPOSITS AND PENALTIES

Section 6 **Charges, Fees, Deposits and Penalties** NEFMLS may assess charges, fees, deposits and penalties to defray costs, and those are subject to change from time to time as adopted by the Board of Directors of the Corporation. The charges, fees, deposits and penalties shall be published by the Corporation from time to time in its Policy Manual.

Anyone who has been a member in good standing of NEFMLS, Inc. within the preceding 24 months shall not pay a new application fee.

A reinstatement fee may be charged for anyone terminating membership and rejoining within 12 months.

(a) **Initial Fees:** An applicant for membership as a Participant, NON-Member Broker or Subscriber in the Corporation shall pay fees and such fees shall accompany the application.

(b) **Annual Membership Fee:** The annual membership fee (dues) of each Participant, NON-Member Broker and Subscriber shall be an amount determined by the Board of Directors of the Corporation times the number of salespersons and licensed or certified appraisers employed by or affiliated as an independent contractor with such Participant or NON-Members Broker who have access to and use of the services provided by the Corporation, whether licensed as a broker, salesperson, or licensed or certified appraiser. Payment of such fees shall be made on or before the first day of each July to the Corporation. The Corporation shall publish and otherwise make its fee schedule available to Participants, NON-Member Brokers, Subscribers and applicants, as amended from time to time. Shareholder affiliates may have access to tax and comp

data (solds), but not actives, for a fee equal to that paid by a broker Participant. The second and each additional affiliate within the initial company may have the same access for a fee equal to that of subscribers of a broker Participant. Makers of returned checks may be charged the maximum amount allowed by law. Any participation other than annual, including participation status change, shall be prorated.

COMPLIANCE WITH RULES AND REGULATIONS

Section 7. Compliance with Rules and Regulations / Authority to Impose Discipline

By becoming and remaining a Participant or Subscriber in the Corporation, each Participant and Subscriber agrees to be subject to the Rules and Regulations and any other Corporation governance provisions. The Corporation may, through the administrative and hearing procedures established in these Rules and Regulations, impose discipline for violations of the Rules and Regulations and other Corporation governance provisions. Discipline that may be imposed may only consist of one or more of the following :(4/08)

- a. letter of warning
- b. letter of reprimand
- c. attendance at the Corporation orientation or other appropriate courses or seminars which the Participant or Subscriber can reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed \$15,000 as specified in the Policy Manual
- e. probation for a stated period of time not less than thirty (30) days nor more than one (1) year
- f. suspension of Corporation rights, privileges, and services of the Corporation for not less than thirty (30) days nor more than one (1) year
- g. termination of Corporation rights, privileges, and services of the Corporation with no right to reapply for a specified period not to exceed three (3) years
- h. for failure to pay any service charge or fee within 45 days 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(4/08)

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 Corporation.
(Adopted 10/05)

Section 7.1 Applicability of Rules and Regulations to Users and/or Subscribers

Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the Corporation (collectively "Subscribers" or "users") are also subject to these Rules and Regulations and may be disciplined for violations thereof provided that the user or Subscriber has signed an agreement acknowledging that access to and use of multiple listing service information is contingent on compliance with the Rules and Regulations. Further, failure of any user or Subscriber to abide by the Rules and Regulations/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or Subscribers affiliated with the Participant.
(Adopted 4/92)

Subscribers' rights to use the services of the Corporation shall be terminated during the period of suspension or termination of the Participant of the firm, partnership or corporation with which the Subscriber is associated.

MEETINGS

Section 8 **Meetings** Meetings of Shareholders or of the Board of Directors of the Corporation for transaction of business of the Corporation shall be held in accordance with the provisions of the Bylaws of the Corporation. The Board of Directors may also convene meetings of the Participants as the Board deems advisable in order to receive input from Participants.

ENFORCEMENT OF RULES OR DISPUTES

Section 9 **Consideration of Alleged Violations** The Corporation shall give consideration to all written, signed complaints against Participants and/or subscribers having to do with a violation of the Bylaws or Rules and Regulations of the Corporation. These rules and regulations are established to give the public the best possible service and to provide proper and equitable cooperation among participants.

If the alleged offense is a violation of the Rules and Regulations or Bylaws, and involves a charge of alleged unethical conduct (unethical conduct being deemed to include but not be limited to a violation of the Standards of Conduct herein) the Board of Directors shall refer the complaint to the Association of REALTORS® to which the Participant or subscriber is a member for appropriate action in accordance with the usual procedures under the terms of the Bylaws of that Association. **If the Participant or subscriber against whom the complaint is made is not a member of an Association of REALTORS®, then the following shall apply.**

Non-Member Participants or Subscribers In any hearing convened to consider alleged violations of ethical membership duties, and in any arbitration hearing, the ultimate burden of proving the violation, or that an arbitration award should be issued to the requesting party, is at all times on complainants and parties requesting arbitration. The standard of proof by which alleged violations of ethical membership duties are determined shall be "clear, strong and convincing." Clear, strong and convincing shall be deemed to mean that measure or degree of proof which will produce a firm belief or conviction as to the allegations sought to be established. The standard of proof on which an arbitration hearing decision is based, shall be a "preponderance of the evidence." Preponderance of the evidence shall be deemed to mean evidence which is of greater weight or more convincing than evidence which is offered in opposition to it; that is, evidence which as a whole shows that the facts sought to be proved are more probable than not. When an ethics complaint and an arbitration request are filed at the same time arising out of the same facts and circumstances, the arbitration hearing shall be held first.

If a complaint or arbitration request is filed against a Participant or Subscriber who is not a member of an Association or Board of Realtors the President of the Corporation shall appoint a hearing panel from among the Corporation's membership. The panel shall consist of not more than five (5) or less than three (3) people, at least one of whom shall be a member of the Corporation but shall not be a member of an Association or Board of Realtors unless none is willing to serve.

The President shall designate one of the persons on the hearing panel as Chairperson of the hearing panel. If the complaint is from a member of the public and is vague or does not allege violations of the Standards of Conduct or other ethical obligations contained in these Rules, the Chairperson of the hearing panel may assign a member of the Arbitration and Complaint Committee who is not on the hearing panel to help the complainant draft a complaint in proper form. Only one person associated with any firm, partnership or corporation may serve on the hearing panel and no person associated with the same firm, partnership or corporation as the respondent or complainant may serve on the hearing panel. In addition, no person shall serve on the hearing panel in any case in which the person is related by blood or marriage to either the complainant or the respondent, or is an employer, partner, employee, or in any way associated in business with either the complainant or respondent, or is a party to the hearing or a party or witness to any other pending case involving a party to the hearing. Before sitting in any case, each member of the hearing panel shall sign a statement that they are not disqualified for any of the foregoing reasons and that they know of no other reason that might prevent them from rendering an impartial decision. The hearing panel members shall not discuss the hearing panel proceedings or deliberations with any person, except as required by the Board of Directors of the Corporation, the Bylaws, or by law, or where the dissemination of the decision to individuals who have some knowledge of the proceeding might vindicate a Participant or Subscriber's professional reputation or where there is a civil proceeding involving the same facts and circumstances which gave rise to the proceeding before the hearing panel. However, failure of confidentiality shall not invalidate the proceedings or the decision. Any party may file with the Corporation a written request for disqualification of a member of the hearing panel, stating the grounds alleged as the basis for disqualification. Challenges submitted for ethics and arbitration hearings will be determined by the other members of the hearing panel. A party shall be deemed to have waived any grounds of disqualification of which the party then has knowledge unless the party files the request within 10 days from the date a list of names of members of the hearing panel has been mailed to the party. However, any member of the hearing panel may be disqualified at any time if a majority of the members of the hearing panel are made aware of any grounds of automatic disqualification of a member of the hearing panel or find any new or previously undiscovered facts which in their judgment may prevent a member of the hearing panel from rendering an impartial decision. If a member of the hearing panel fails or is unable to participate in a hearing, the remaining members of the hearing panel may, at their option, but only with the express consent of the parties, proceed with the hearing; otherwise the hearing panel shall be postponed until the hearing panel member is replaced by the President of the Corporation. If a 5 member panel is appointed and one (1) panel member is not present the President may choose to remove one (1) of the remaining panel members who is a Realtor. Only the remaining members of the hearing panel may participate in the hearing and the determination thereof. If any member of the hearing panel must be absent during the progress of the actual hearing, the individual shall likewise not participate in the deliberation or determination thereof. Any action by the hearing panel dismissing the complaint as unworthy of further consideration may be appealed to the Board of Directors within 20 days from receipt of the dismissal notice. However only the information which was available to the hearing panel when it made its decision will be presented to the Directors and considered with the appeal and the complainant and the respondent do not have the right to appear at the hearing before the Directors. If the Directors determine that the complaint was improperly dismissed, they shall refer it back to the hearing panel for a hearing. If an ethics respondent resigns or otherwise causes participation in the Corporation to terminate after an ethics complaint is filed but before final action is taken by the Board of Directors, the hearing process shall be suspended until such time as the respondent applies to rejoin the Corporation as a Participant.

If the hearing panel finds a complaint to be worthy and instructs the Corporation Executive Vice President to arrange a hearing, the Executive Vice President shall serve a copy of the complaint on each party complained of (the respondent) and notify the respondent that the respondent may file a written reply to the Executive Vice President within 10 days. The hearing panel may accept late filing of a reply at its discretion. The Corporation shall provide a copy of the reply, if any, to the complainant within 10 days after it receives same. The Executive Vice President shall also provide copies of the complaint and reply, if any, to the Corporation President. The Executive Vice President shall promptly mail to each of the parties a list of names of members of the hearing panel. Any hearing panel must have an odd number of members. If challenge to members of the hearing panel results in less than 3 members to constitute a hearing panel, the President may appoint other qualified Participants or Subscribers from the Arbitration and Complaint Committee to serve as panel members, or if there are no such qualified Participants or Subscribers on the Arbitration and Complaint Committee, the President may appoint them from other Participants and Subscribers of the Corporation. The Chairperson of the hearing panel shall designate the time and place of the hearing and the Executive Vice President shall notify the complainant and the respondent thereof. An appearance at a hearing without objection by a party will constitute a waiver of any defective notice of hearing. The Chairperson of the hearing panel shall prescribe any procedures for the hearing not inconsistent with these Rules and Regulations. After the hearing panel is convened, the complaint may be withdrawn by the complainant only with the hearing panel's approval. At any time prior to the hearing, the complainant may file an amended complaint and the respondent shall be notified thereof, given a copy and provided an opportunity to file an amended response. In the event that the complaint scheduled for a hearing is from a member of the public who refuses or is unable to attend the hearing, the hearing panel may conduct the hearing but shall give due consideration to the lack of evidence presented at the hearing from the complainant.

The parties to ethics and arbitration hearings are primarily responsible for the production of witnesses and evidence they intend to present to the hearing panel. If a Participant or Subscriber is called as a witness and refuses to appear at the scheduled hearing, the witnesses' failure can be the basis for a charge of unethical conduct. Every party may be represented by legal counsel. In the event parties do not give 10 day's advance notice of their intention to have counsel, the hearing panel shall take all steps necessary to guarantee the rights of all parties to representation by counsel, including continuance of the matter. The hearing panel may have counsel present to advise it on issues of procedure and law. Each party may have witnesses present at the hearing and the hearing panel may summon its own witnesses. All witnesses will be excused from the hearing after completion of their testimony and cross examination. Any party who intends to call witnesses at the hearing must provide the hearing panel and all other parties with the names of these witnesses at least 10 days prior to the hearing. Failure to provide this information within the 10 days shall constitute a waiver of the right to call those witnesses at the hearing unless the other party agrees to allow their testimony. However if the hearing panel believes that the testimony of that witness is essential to insure due process, that witnesses' testimony may be permitted provided the other party has the right to request that the hearing be recessed and continued to a date certain not less than 10 days later.

At any ethics or arbitration hearing every party has the right to present any witnesses, to submit any evidence pertinent to the case and to cross examine witnesses. Witnesses giving oral testimony shall be sworn in by the Chairperson of the hearing panel. Before permitting testimony

relating to the character or general reputation of anyone, the hearing panel shall satisfy itself that the testimony has a direct bearing on the case at issue. The Corporation shall, and any party may, at their own expense, have a recorder or court reporter present at the hearing or may tape record the proceeding, and if a party has it transcribed, that party shall present a copy to the Corporation. Appeals to the Board of Directors may not be recorded in any manner by any party. Copies of any tape recording or transcript prepared from any tape recording of the hearing are to be used only for the purpose of appeal. Any party to a hearing has the right to obtain a copy of the Corporation's official tape recording, subject to payment of the Corporation's duplication cost, and any duplication will be conducted under the supervision of the Corporation. If the Corporation transcribes its official tape recording, any party to the hearing may obtain a copy of the transcript, subject to paying the Corporation's transcription cost. If more than one party requests copies of the transcript, the Corporation's costs will be apportioned between the requesting parties. Attendance at any hearing is limited to the parties and their respective counsel, witnesses (who are excused from the hearing except during their testimony), the hearing panel members, including alternates, the Corporation's staff and/or counsel, any court reporter as requested, and if the ethics respondent is a Subscriber, then the Participant with whom the Subscriber is associated.

Any notice required to be given or paper required to be served or filed may be given by personally handing it to the party to be notified or by registered or certified mail addressed to the party's last known mailing address. If mailed by registered or certified mail, any notice required to be given or paper required to be served or filed shall be deemed given, served or filed when so mailed. Notice of hearing shall include the names of the members of the hearing panel and shall be given not less than 10 days before the hearing. No minimum notice is required for rescheduling postponed or adjourned hearings.

Every Participant and Subscriber, for and in consideration of their right to invoke arbitration proceedings and to initiate complaints against other Participants and Subscribers, hereby waives any right of action against the Corporation, its officers, directors, employees, attorneys and the members of the hearing panel, arising out of any decisions, determinations or other action taken or rendered under these procedures in the absence of willful or wanton misconduct. Further, as a condition of continued participation, every Participant and Subscriber expressly waives any cause of action for libel, slander, or defamation that might arise from the filing or consideration of any ethics complaint or arbitration request.

All communications to the Corporation concerning ethics complaints and arbitration matters shall be directed to the Corporation Executive Vice President. The Executive Vice President shall furnish required forms, if any, and shall receive and file all documents or other papers and shall receive all fees and disburse all monies payable to the Corporation.

The decision of the hearing panel for arbitration and ethics matters shall be by simple majority vote and in writing and shall contain findings of fact, and for ethics complaints, a statement of the disciplinary action recommended to the Board of Directors, if any. The decision of the hearing panel shall be filed with the Executive Vice President within 10 days after the hearing panel's decision is final. Any member of the hearing panel not voting with the majority may dissent from all or any portion of the findings or decision and may file a dissent in writing with the Executive Vice President for consideration by the Directors. In the event the Respondent is found in violation, the hearing panel may, at its discretion, consider all records of previous violations and sanctions imposed, if any, in the respondent's file recommending discipline. The

Executive Vice President shall transmit the copy of the decision to the complainant and the respondent within 10 days after the Executive Vice President has received the hearing panel's decision in writing, except that reasonable delays shall not invalidate the procedures nor the decision. Within 10 days after the decision has been transmitted to the respondent by the Executive Vice President, the complainant or the respondent may petition for an appeal to the Board of Directors, solely on the grounds of newly discovered material evidence which could not with reasonable diligence have discovered, or based on alleged procedural deficiencies or other lack of procedural due process that may have deprived the complainant or respondent of a full and fair hearing. If no appeal is filed, the Directors shall adopt the hearing panel's findings of facts and shall impose discipline taking into account the recommendation of the hearing panel. All requests for appeals must be in writing and sent to the attention of the Executive Vice President of the Corporation. An appeal must be accompanied by a deposit in the sum of \$450.00 and must clearly indicate the basis on which it is founded. When a request for an appeal is received, the Executive Vice President shall immediately send a copy to the other party and notify all parties at least 10 days in advance of the time and place of hearing by the Directors and bring the matter before the Directors for a hearing at their next regular meeting or at a special meeting called for that purpose. At the hearing before the Directors, the Chairperson of the hearing panel shall present a transcript of the case or if there is none, shall summarize the case. Either party shall be entitled to offer corrections to the summary. Either party may present to the Directors reasons why the hearing panel's recommendation should be followed or not, but only on the grounds herein above stated. The Directors shall render their decision on the appeal promptly and in writing. The Directors may refer the decision back to the hearing panel for a new hearing if they are concerned with substantial procedural deficiency. If the recommendation of the hearing panel is adopted, the money deposited by the appellant shall pass into the general treasury of the Corporation. If the recommendation is rejected, the deposit shall be returned to the party who made the deposit. If the recommendation is modified, the Directors shall determine the disposition of the deposit. Any Director not concurring with the decision of the Directors shall be entitled to file a dissenting opinion. Under no circumstances may the discipline exceed that recommended by the hearing panel. The decision of the Directors is final and each Participant and Subscriber by becoming and remaining a Participant or Subscriber agrees not to seek review in any court of law in the absence of willful or wanton misconduct. If the respondent is currently on probation as a result of an earlier proceeding, the Directors shall also determine whether to impose the discipline that was held in abeyance during the probationary period. Appeals to the Board of Directors may be heard by a panel of Directors appointed by the President for that purpose. Five Directors shall constitute such an Appeal Panel and shall act on behalf of the Board of Directors. The decision of the Appeal Panel shall be final and binding and shall not be subject to further review by the Board of Directors.

If the Board of Directors has reason to believe that the imposition of a proposed sanction will become the basis of litigation in a claim for damages, it may specify that the discipline shall become effective upon entry of the final judgment of a court of competent jurisdiction in a suit by the Corporation for declaratory relief determining that the discipline proposed violates no rights of the Participant or Subscriber.

Power To Take Disciplinary Action After a hearing before the hearing panel as provided herein, and after receiving the recommendation from the hearing panel, the Directors of the Corporation may take disciplinary action against any participant or subscriber:

(a) For violation of any Standard of Conduct contained in the Rules and Regulations or ethical membership duty;

(b) On the Participant or Subscriber being convicted, adjudicated or otherwise recorded as guilty by a final judgment of any court of competent jurisdiction of a felony or a crime involving moral turpitude or of being determined by the Florida Real Estate Commission to have violated a provision of the Florida Real Estate License Law (Florida Statute 475) or any applicable regulation;

(c) For any act of any persons who are not themselves Participants or Subscribers but are employed by or associated with a Participant as an independent contractor. Lack of knowledge by the Participant of such independent contractor's conduct shall only go to mitigate the discipline imposed.

In any proceeding where the Participant is not joined in the complaint as a respondent, the Participant nonetheless retains the right to be present during the proceeding or may be required by the hearing panel to attend the proceeding. At the request of the respondent, the Participant may consult with or testify on behalf of the respondent. In all instances, the Participant shall receive copies of the complaint and response, be provided with notice of the hearing, may be called as a witness and shall receive copies of the hearing panel's decision and recommendation and the Board of Directors' action thereon. If an appeal is requested, the Participant shall receive copies of the requests, be provided with notice of the hearing, have an opportunity to be present, and receive a copy of the final action by the Directors.

In the event the respondent named in any complaint is involved in any criminal proceeding arising out of the same facts, the complaint shall not proceed to a hearing but rather shall be held in abeyance until the pending criminal proceedings have been concluded. In the event the respondent named in any complaint is involved in civil litigation or in any proceeding before the Florida Real Estate Commission or any other state or federal regulatory or administrative agency in a matter arising out of the same facts giving rise to the complaint, the complaint may, at the discretion of the hearing panel, proceed to a hearing after consultation with the Corporation's legal counsel.

Imposition of Discipline At the conclusion of the hearing and after deliberation by the hearing panel, the hearing panel shall recommend to the Board of Directors of the Corporation in writing the disciplinary action, if any that should be taken against the respondent. Disciplinary action may consist of any of the actions contained in section 7 hereof.

The Directors shall give written notification to the parties to the ethics complaint of the findings of the hearing panel and the imposition of sanctions, if any, within 20 days from the conclusion of the hearing by the hearing panel. In the case of arbitration, the Directors shall provide written notice to the parties of the decision of the Directors after consideration of the findings by the hearing panel within 20 days after the conclusion of the hearing by the hearing panel.

Arbitration As used herein the term "dispute" means a controversy arising out of a real estate transaction and all of the related agency and subagency questions as between real estate agents and their clients or customers in the contractual matters arising out of their relationship with customers or clients. The terms "dispute", "controversy", and "arbitrable" manner" are defined synonymously as those contractual issues and questions, including entitlement to commissions or compensation that arise out of the business relationships between real estate agents and between real estate agents and their clients and customers.

Contractual disputes between Participants who are members of an Association or Board of Realtors of the Corporation shall be settled through the arbitration process as provided in the Code of Ethics in the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS® rather than by recourse to other tribunals. Contractual disputes between a Participant who is a member of an Association or Board of Realtors of the Corporation and a Participant who is not a member of an Association or Board of Realtors of the Corporation (a non-member broker) or between non-member brokers shall be settled through the arbitration process of the Corporation as herein described rather than by recourse to other tribunals. However, the hearing panel may recommend to the Board of Directors that the dispute shall not be arbitrated because of the legal complexity or the amount involved, and the Board of Directors shall decide whether or not to have the matter arbitrated. If the Board of Directors decides not to have the matter arbitrated by the Corporation, the parties shall be relieved of their obligation to arbitrate. If an otherwise arbitrable matter is the subject of civil litigation, arbitration shall not take place unless the litigation is withdrawn or referred to the Corporation by the court for arbitration. In instances where arbitration is mandatory as defined herein, the failure to arbitrate shall be grounds for a charge alleging violation of unethical conduct.

A non-member participant, or a participant who requests arbitration against a non-member participant, may request arbitration by the Corporation. The request for arbitration must be in writing and be signed by the complainant and must include the nature of the controversy, the amount in dispute, and must be accompanied by a required deposit of \$225.00. Requests for arbitration must be filed with the Corporation within 180 days after the closing of the transaction, if any, or within 180 days after the facts constituting the arbitrable matter could have been known in the exercise of reasonable diligence, whichever is later. When a request for arbitration has been timely filed, the President shall appoint a hearing panel from among the members of the Arbitration and Complaint Committee consisting of not more than 5 nor less than 3 arbitrators, plus 1 or more alternates at the President's discretion. The President shall designate one of the persons on the hearing panel as Chairperson of the hearing panel. The hearing panel shall first determine whether the matter is subject to arbitration. If the hearing panel finds the matter properly subject to arbitration, the Chairperson of the hearing panel shall request that the Corporation Executive Vice President arrange a hearing. The Executive Vice President shall notify the respondent within 10 days of receiving the hearing panel's instructions that the matter is subject to arbitration and shall inform the respondent to file a response within 10 days from the date of mailing to respondent. The respondent shall also deposit the sum of \$225.00 along with respondent's response. If the hearing panel dismisses the request as being unworthy of arbitration, the decision may be appealed to the Board of Directors of the Corporation within 10 days from the date of the notification to the complainant that the matter was deemed unworthy of arbitration. Only those materials which were presented to the hearing panel when it made its decision will be presented to the Board of Director and considered with the appeal and the complainant and

respondent do not have the right to appear at the hearing before the Directors. In the case of a dismissed arbitration request, the deposit shall be returned to the complainant. In the event the respondent fails to sign and return a response form (which may include confirmation of respondent's agreement to arbitrate) or fails or refuses to make the required deposit or fails or refuses to take part in the arbitration hearing, the arbitration hearing may be scheduled and conducted in the absence of the respondent.

Within 10 days after receipt of the response, the Executive Vice President shall mail complainant a copy of the response and shall mail to each of the parties a list of names of members of the hearing panel. The other members of the hearing panel shall determine if the challenged members shall serve on the hearing panel. The President shall appoint other qualified Participants or Subscribers from the Arbitration and Complaint Committee to replace the members on the hearing panel which were successfully challenged, or if there are none, from other Participants and Subscribers of the Corporation. The President shall also select one of the panel members, which may be the Chairperson of the Complaint Committee, to serve as Chairperson of the hearing panel. Any hearing panel must have an odd number of members. At least 2 shall be Participants and in the event a Subscriber is a party to the arbitration, one of the arbitrators must be a Subscriber. It shall be a membership duty of anyone so appointed to serve as an arbitrator unless disqualified. A party will be deemed to have waived all objections to any person whose name the party does not challenge.

The Executive Vice President shall inform the parties of the date, time and place of the hearing established by the arbitrators. The arbitration request and response, if any, shall be provided to the hearing panel members prior to the hearing. The parties shall be given at least 20 days prior notice of a hearing but appearance at a hearing without objection by a party will constitute a waiver of any defective notice of the hearing. The arbitrators may recess the hearing from time to time and, on request of a party or upon the arbitrator's own motion, may postpone the hearing for not more than 30 days, or a longer period if agreed to by the parties. Upon notice by the hearing panel, the parties to the dispute shall with diligence present to the arbitrators in writing such statements and proof which they deem necessary to support their claims. Proof may be submitted in the form of affidavits or otherwise. The hearing panel of arbitrators may require that statements be verified by affidavits or that accuracy or authenticity of any documents or other papers submitted be verified by affidavit. At the hearing the arbitrators shall receive any further written statements, documents, or other papers, shall hear oral testimony and shall determine what personal appearance shall be made by the parties and regulate the holding of hearings. The hearing panel may receive and consider any evidence they deem material and proper, including evidence of accountants and other experts. Each party is responsible for the expenses of expert witnesses they call. Parties to arbitration shall be entitled to have legal counsel present at any hearing. Each party is responsible for the expenses of their respective counsel.

The parties to arbitration may settle the issue between them by agreement at any time before the arbitrator's award is announced. In such event, upon notification to the Corporation, the arbitration proceeding shall be terminated and the termination shall be recorded in the file. All or a portion of each party's deposit may then be retained by the Corporation to cover the costs incurred by the Corporation up to the point of settlement of the dispute.

The award of the arbitrators shall be made in writing as soon as possible after the evidence is presented. It shall be signed by the arbitrators or a majority of them, shall state only the amount of the award, and when so signed and served on each of the parties shall be valid and binding and shall not be subject to review or appeal, except notwithstanding the foregoing, a party to an

arbitration proceeding may appeal to the Board of Directors only with respect to such alleged irregularities occurring in the conduct of the proceedings as may have deprived the party of fundamental due process. Each of the parties shall have 20 days after receipt of the written award to request procedural review of the arbitration procedure by the Board of Directors, or a panel of the Board of Directors of not less than 5 Directors appointed by the President. If no such review is requested, the award becomes final and binding following the 20 day period. If procedural review is requested, the award is not considered final and binding until after the Board of Directors has concluded that the hearing had been conducted in a manner consistent with the Corporation's procedures and the parties had been afforded due process.

If an award has been rendered, the non-prevailing party must within 10 days following receipt of the notification of the award, either pay the award or deposit the funds with the Corporation Executive Vice President to be held in a special escrow account maintained for this purpose. Failure to satisfy the award or deposit the funds within this time period may be considered a violation of an ethical membership duty and may subject the member to disciplinary action. If a request for a limited procedural review of the arbitration is received within 20 days, the funds deposited with the Corporation shall be retained in the escrow account until the review is completed. If the arbitration award is confirmed by the Board of Directors, the non-prevailing party shall have an additional 20 days to institute any legal challenge to the validity of the arbitration award deemed appropriate. In such case, the non-prevailing party or their legal counsel shall advise the Corporation in writing that a suit challenging the validity of the arbitration award has been filed during this additional 20 day period. After 20 days, if written notice of a suit challenging the validity of the award has not been received by the Corporation, the funds shall be released from escrow and paid to the prevailing party. If written notification has been received during the 20 day period, the funds will be held in escrow pending the determination of the matter by a court of competent jurisdiction. If the non-prevailing party does not request the Corporation to conduct a procedural review, then written notification that litigation challenging the award has been instituted must be received within 20 days following notification of the award and failure to do so shall result in the award being paid to the prevailing party. Any failure to make the necessary deposits with the Corporation shall be referred to the Board of Directors for action at their next meeting or at a special meeting called for that purpose. The party failing to make the deposit on a timely basis shall be advised of the date, time, and place of the meeting and shall have an opportunity to explain why the required deposits were not made on a timely basis. The Board of Directors may, at their discretion, impose discipline or may give the party an additional period to make the required deposits. The Directors may also stipulate appropriate discipline to be automatically imposed if the party fails to make the deposit within the time established by the Directors.

Any interest accrued on the escrowed funds shall automatically become the property of the party to whom the funds are ultimately released by the Corporation.

The hearing panel's award shall direct the deposit of the prevailing party to be returned and the deposit of the non-prevailing party shall be used by the Corporation to cover the costs of arbitration. Any portion not specifically used to cover the costs of arbitration shall go into the general operating funds of the Corporation.

A written request for procedural review of an arbitration hearing must be filed with the Corporation within 20 days after the award has been served on the parties. The request must cite

the alleged procedural deficiencies or other irregularities. Only the basis raised in the written request for procedure review may be raised during the review before the Directors. When a request for procedural review is received, the Executive Vice President shall send a copy to the other party, notify all parties of the time and place of review by Directors and bring the matter before the Directors for review at their next regular meeting or at a special meeting called for that purpose. The request for procedural review may be heard by a panel of Directors appointed by the President for that purpose consisting of 5 Directors, who shall act on behalf of the Board. The decision of the Board shall be final and binding. At the procedural review hearing, the party filing the request will have an opportunity to explain the bases on which the party is requesting that the award be overturned. The Chairperson of the arbitration hearing panel will have an opportunity to respond to the allegations. The other party shall have an opportunity to present to the Directors why the award should not be overturned. The Directors shall not hear an appeal with respect to the merits of an arbitration award and shall not review such evidence offered with respect to the merits of that award except as such evidence may bear upon a claim of deprivation of due process. The Directors shall render their decision promptly. The decision may be to adopt the award of the arbitrators or to overturn the award based on deprivation of due process, in which event the Directors shall invalidate the original arbitration award and direct that the matter be referred to the Arbitration and Complaint Committee for a hearing on the merits before a different hearing panel, or alternatively, the Directors may release the parties from their obligation to arbitrate if the directors conclude that the Corporation will be unable to empanel an impartial hearing panel.

The judgment of a court of competent jurisdiction may be rendered upon the award. If a member fails to comply with an award, the recipient to whom the award has been rendered by the arbitration panel may be advised by the Corporation to seek judicial enforcement of the arbitration award and to request reimbursement of legal fees incurred in seeking enforcement. At the discretion of the Board, the Corporation may support the request for judicial enforcement and may reimburse the individual for all or a portion of costs incurred in seeking such judicial enforcement if the court does not grant reimbursement of legal costs.

CONFIDENTIALITY OF CORPORATE INFORMATION

Section 10 **Confidentiality of Corporate Information** Any information provided by the Corporation to the Participants shall be considered official information of the Corporation. Such information shall be considered confidential and exclusively for the use of Participants and subscribing real estate licensees affiliated with such Participants and those individuals 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 **Corporation Not Responsible for Accuracy of Information** The information published and disseminated by the Corporation is communicated verbatim, without change by the Corporation, as filed with the Corporation by the Participant. The Corporation does not verify the information provided and disclaims any responsibility for its accuracy. By becoming a Participant or subscriber, each Participant and subscriber agrees to hold the Corporation and its employees, officers, and directors harmless against any liability arising from any inaccuracy or inadequacy of the information such person provides.

OWNERSHIPS OF CORPORATION COMPILATION AND COPYRIGHTS

Section 11 By the act of submission of any property listing content to the Corporation, the Participant represents that they have been authorized to grant and also thereby does grant authority and license for the Corporation to include the property listing content in its copyrighted multiple listing service compilation, statistical report on comparables and to otherwise use all or part of the data as the Corporation desires. 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. (01/24/2007)

Section 11.1 All right, title and interest in each copy of every multiple listing Compilation created by the Corporation and in copyrights therein, shall at all times remain vested in the Corporation.

Section 11.2 Each Participant shall be entitled to lease from the Corporation access to Compilation information for the Participant and each person affiliated as a licensee with such Participant. The Participant shall pay the rental fee set by the Corporation's Board of Directors from time to time and published in its fee schedule.

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

The term Compilation as used herein, shall be construed to mean the format in which active property listing data is collected and disseminated to the Participants.

USE OF COPYRIGHTED CORPORATE COMPILATIONS

Section 12 **Distribution** Participants shall at all times maintain control over and responsibility for all of the information provided to them in any format by the Corporation, and shall not distribute same to persons or entities other than persons or entities who are affiliated with such Participant as licensees or unlicensed administrative and clerical staff persons, and personal assistants to and those individuals who 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 the Corporation 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 the Corporation 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 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 Compilation.

Section 12.2 **Reproduction** Neither Participants nor their affiliated licensees, unlicensed administrative and clerical staff persons or personal assistants shall UNDER NO CIRCUMSTANCES REPRODUCE, ALLOW TO BE REPRODUCED OR DISTRIBUTE ANY COMPILATION OR ANY PORTION THEREOF. Nothing contained herein shall be construed to preclude any Participant from utilizing, displaying or reproducing property listing sheets or other

compilations of data pertaining exclusively to properties currently listed for sale with the Participant but ONLY the customer output format form created by the Corporation will be allowed to be distributed. No contact information including but not limited to Office/Licensee name, phone number, email address, website address, seller's name and seller's phone number shall be permitted in directions, customer (public) remarks or photos. Identifiable persons shall not be permitted in photos, unbranded tours or videos. Virtual tours without advertising must be supplied when available. All content including but 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 must be an accurate depiction of the property without enhancement, editing, alterations or misrepresentation. NEFMLS reserves the right to remove photos and virtual tours at anytime. (01/24/07).

Section 12.3 Only Participants who are members of a Shareholder of the Corporation may use the official registered Multiple Listing Service logo of the National Association of REALTORS®. Use by a nonmember Participant would be a misrepresentation and would violate the registration rights of the National Association of REALTORS®, the lawful owner of said collective service mark.

INTERNET DATA EXCHANGE (IDX)

Section 13 In accordance with the mandate from the National Association of Realtors®, the Corporation enacts the following rules to enable Participants to display on Participant's public web sites aggregated active listing information through, at Participant's option, either downloading and placing the data on Participant's public access web sites or by framing such information on the Corporation's public access web site subject to the requirements of state law and regulations. A Participant's consent for such display is presumed unless a Participant affirmatively notifies MLS that the Participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a Participant refuses on a blanket basis to permit the display of that Participant's listings, then 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 13.1 Definitions.

- A) **“Branding”** means any marks, language, contact or other information referring to the web site owning IDX Broker or its agents or any third party other than the listing broker.
- B) **“Detailed Display”** means any display containing more than five lines of text display and/or displaying a photo.
- C) **“IDX”** (Internet Data Exchange) is a means by which each principal Broker Participant in the MLS subscribing to the program permits the display of its active listings appearing in MLS on each other's Internet web sites.
- D) **“IDX Broker”** means a participant in the IDX program. To be an IDX Broker, a Participant must be actively engaged in providing real estate brokerage services to

buyers, sellers, landlords or tenants in real estate transactions, must be a Realtor® member of a local association of Realtors and must be a member in good standing of MLS. **Non-IDX Broker Participant**” means a Participant who is not a Realtor® member of a local association of Realtors®, but who is a Participant in good standing of MLS and is actively engaged in providing real estate brokerage services to buyers, sellers, landlords or tenants in real estate transactions. Non-IDX Broker Participants may only receive a download of all licensed data. (They may not frame on or from the Corporation’s public access web site).

- E) **“IDX Database”** means the current aggregate compilation of all IDX Brokers’ exclusive right to sell or lease listings and listings obtained via other forms of exclusive agreement that make it possible for the listing broker to offer cooperation and compensation to the other MLS Participants except those listings where the property seller or lessor has opted out of Internet publication by so indicating on the listing agreement. If a Participant refuses on a blanket basis to permit the display of that Participant’s listings, then that Participant may not display data of other Participants.
- F) **“MLS”** means Northeast Florida Multiple Listing Service, Inc.
- G) **“Thumbnail Display”** means any display containing no more than five lines of text and/or small photograph. Thumbnail Display shall be deemed to include single line displays.

Section 13.2 Republication of IDX Database on Internet An IDX Broker may republish all or a portion of the IDX Database on the Internet in accordance with the following provisions and in keeping with any policies that MLS may adopt from time to time. Unless expressly contravened by the provisions of this section, all other MLS rules and regulations remain in full force and effect. Broker-salespersons and salespersons may be included in this program only with the consent of their principal Broker Participant.

- A) **Displayable Data Fields.** An IDX Broker may display ALL information relating to its own listings, but an Internet republication of another IDX Broker’s listing shall contain only those data fields designated by MLS or the listing broker for IDX purposes for each different property type. An IDX Broker may display fewer fields than designated by MLS or the listing broker but must comply with Section 13.2 (F) hereof.
- B) **Displayable Listing Records.** An IDX Broker need not display the whole IDX Database, but may choose to display only listings in a particular price range, geographical area or property type. An IDX Broker may also choose not to display the listings of other brokers. If an IDX Broker chooses to display less than the entire IDX Database, it is recommended but not required that this be disclosed on the web site using a disclosure such as the following:

! “[Firm Name”] participates in the Northeast Florida Multiple Listing Service, Inc. data exchange program, allowing us to display other broker’s listings on our site. However, [firm name] displays

only [listings in a particular city] [only condominium listings] [exceptional properties (with list prices above \$500,000)]”.

! “[Firm Name] does not display the entire Northeast Florida Multiple Listing Service, Inc. data exchange program database on this web site. The listings of some real estate brokerage firms have been excluded”.

C) **Updates.** An IDX Broker shall update the information on its Internet web site at least every seven (7) days but is strongly encouraged to update its web site with fresh IDX data DAILY. If the information is not updated at least every seven days, the IDX Broker’s access to the IDX Database will be suspended until MLS is satisfied that the IDX Broker has taken appropriate action to comply with this requirement. Repeated violations may result in permanent suspension from the IDX program. If an IDX Broker updates IDX data on its site less frequently than daily, the search and/or results page must include a disclosure indicating the frequency and days of update. For example:

- On the search page: “Data last updated: xx/xx/xx.
- On the search page: This data is updated weekly on Saturday nights. Some properties that appear for sale on this web site may subsequently have been sold and may no longer be available.”
- On the results page: This data up-to-date as of [fill in update date here]. For the most current information, contact [firm name, phone number, and e-mail address].”

D) **Modifications to Data.** An IDX Broker may not modify or manipulate the data relating to another IDX Broker’s listing. (This is not a limitation on the design of the site but refers to the actual data.)

E) **Thumbnail Display Requirements.** A Thumbnail Display of another IDX Broker’s listing must include the listing broker’s name conspicuously displayed in type that is at least as large as the largest type size used to display the listing data. A Thumbnail Display of another IDX Broker’s listing may not include any Branding. A Thumbnail Display may only include the following additional information:

- ! Text data about the listing property.
- ! A photo of the listing property.
- ! “Buttons” providing links to the Detailed Display.

F) **Detailed Display Requirements.** A Detailed Display of another IDX Broker's listing shall not include any Branding within the "body" of the listing data. The "body" is defined as the space whose borders are delimited by the utmost extent in each direction of the listing text and photo data. Immediately following the property information on a Detailed Display of another IDX Broker's listing, the following information shall be displayed conspicuously in type that is at least as large as the largest type size used to display the listing data.

- ! Listing IDX Broker's Firm name ~~and~~ under which they operate in a readily visible color and typeface.
- ! MLS copyright notice. One of the following copyright notices must be displayed **exactly** as specified below on any display of detailed listing data of another IDX Broker ("nnnn" is the current year):
 - ! "Copyright nnnn Northeast Florida Multiple Listing Service, Inc. All rights reserved."
 - ! "©nnnn Northeast Florida Multiple Listing Service, Inc. All rights reserved."
- It is not permissible to substitute a "c" in parenthesis - "(c)" - for the copyright symbol - ©. If a web site cannot display the copyright symbol, the word "Copyright" must be spelled out.

G) **Required Disclosures.**

1. **Information Source Disclosure.** The following disclosure, or similar language that achieves the same objective, must appear on the first page where any IDX listing data is displayed: "The data relating to real estate for sale on this web site comes in part from the Internet Data Exchange (IDX) program of the Northeast Florida Multiple Listing Service, Inc. Real estate listings held by brokerage firms other than [insert firm name] are marked with the listing broker's name and detailed information about such listings includes the name of the listing brokers. Data provided is deemed reliable but is not guaranteed." At the option of MLS, any MLS logo, icon or symbol may be displayed next to this disclosure.

2. **Accuracy Disclaimer on Search Results.** Any search result shall include the disclaimer "Information deemed reliable but not guaranteed" or similar language indicating that the listing broker believes the data provided to be accurate but does not guarantee the data. Some examples of acceptable alternatives:

- "The broker providing this data believes them to be correct, but advises interested parties to confirm them before relying on them in a purchase or lease decision."
- "Listing broker has attempted to offer accurate data, but buyers/lessees are advised to confirm all information."

- 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 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.
- H) **Control of Displaying Web Site.** Any Internet web site used for publication of the IDX Database or any portion thereof must be controlled by a single IDX Broker and advertised as that IDX Broker's Internet web site.
- I) **Scraping.** An IDX Broker displaying the IDX Database or any portion thereof shall make reasonable efforts to avoid "scraping" of the data by third parties or displaying of that data on any other web site. Reasonable efforts shall include but not be limited to:
- ! Monitoring the web site for signs that a third party is "scraping" data, and
 - ! Prominently posting notice that any use of search facilities of data on the site, other than by a consumer looking to buy, sell or lease real estate is prohibited.
 - ! Restricting the number of Thumbnail Displays to no more than fifty (50) per display.
 - The data consumers can retrieve or download in response to an inquiry shall be limited to fifty (50) listings per search.

If an IDX Broker suspects scraping of the data has occurred, the suspicion and all evidence must be reported to MLS immediately for investigation and possible action.

- J) **Violations.** An IDX Broker must make changes to an Internet site necessary to cure a violation of IDX rules within five business days after notice of the violation from MLS. Failure to comply may result in suspension from the IDX Program until such time as the violation is cured. Repeated violations may result in expulsion of the MLS participant from both the IDX Program and MLS.
- K) **Use by Third Parties.** No portion of the IDX Database shall be used or provided to a third party for any purpose other than those expressly provided for in these rules. Providing an NEFMLS password to an unauthorized recipient is a serious violation of these rules that may subject the IDX Broker to sanctions. An IDX Broker that authorizes its affiliated salespersons and broker-salespersons to participate in IDX is responsible for ensuring such agent's compliance with these rules.

- L) **Use of a Web Site Provider.** Any third party involved in development/design of an IDX Broker's or agent's web site must enter into a written agreement in the form prescribed by MLS.
- M) **Co-Mingling Prohibited.** No portion of the IDX Database shall be co-mingled on the IDX Broker's Internet web site with any listings that are not in any Realtor® association multiple listing service.
- N) 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.
- O) 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.
- P) Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to, publicly-accessible Web sites or VOWs) shall not be accessible via IDX sites. Notwithstanding this prohibition, listing brokers may display on their IDX sites or their other Web sites(s) the listing or property address of consenting sellers.
- Q) Participants 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, 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.
- R) Display of expired, withdrawn, pending and sold listings is prohibited.
- S) Display of seller's(s') and/or occupant's (s') names(s), phone numbers(s), and email addresses (es) is prohibited.

VIRTUAL OFFICE WEBSITES (VOWs)

Section 14.1 (a): A Virtual Office Website ("VOW") is a Participant's Internet website, or a feature of a Participant's website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant's oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant may, with his or her Participant's consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant's oversight, supervision, and accountability.

(b) As used in Section 14 of these Rules, the term “Participant” includes a Participant’s affiliated non-principal brokers and sales licensees – except when the term is used in the phrases “Participant’s consent” and “Participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner (“AVP”) on behalf of a Participant.

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

(d) As used in Section 14 of these Rules, the term “MLS Listing Information” refers to active listing information and sold data provided by Participants to the MLS and aggregated and distributed by the MLS to Participants.

Section 14.2 (a): The right of a Participant’s VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.

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

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

Section 14.3 (a): Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:

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

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

- (iii)** The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.
- (b)** The Participant must assure that each Registrant's password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant's password.
- (c)** If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.
- (d)** The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a "Terms of Use" provision that provides at least the following:
- i.** That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
 - ii.** That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;
 - iii.** That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;
 - iv.** That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;
 - v.** That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.
- (e)** The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- (f)** The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the

VOW. The Agreement may also include such other provisions as may be agreed to between the Participant and the Registrant.

Section 14.4: A Participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the Participant to ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principal broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

Section 14.5: A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of MLS Listing Information. A Participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed by the MLS.

(NOTE: MLSs may adopt rules requiring Participants to employ specific security measures, provided that any security measure required does not impose obligations greater than those employed by the MLS.)

Section 14.6 (a): A Participant's VOW shall not display listings or property addresses of any SELLER who has affirmatively directed the listing broker to withhold the SELLER's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the SELLER has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of SELLERS who have determined not to have the listing for their property displayed on the Internet.

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

SEE NEXT PAGE



SELLER Opt-Out Form/Amendment
 Internet Display/Virtual Office Website
 Amendment to Listing Agreement
 Copyrighted and Suggested for Use by Subscribers of the
 Northeast Florida Multiple Listing Service, Inc.



This Amendment is made to the existing listing agreement (“Agreement”) between _____ (“BROKER”) and _____ (“SELLER”) for the following Property: _____

The existing Listing Agreement between the undersigned SELLER and BROKER is hereby amended as follows:

INTERNET DISPLAY

If not addressed in the Agreement, mark one as applicable:

SELLER authorizes BROKER to display all listing content relating to the Property on the Internet without restriction except that information deemed confidential by NEFMLS.

SELLER authorizes BROKER to display all listing content relating to the Property on the Internet except the street address of the Property and that information deemed confidential by NEFMLS.

VIRTUAL OFFICE WEBSITE

If either of the above two boxes is marked here or in the Agreement, then SELLER must complete both of the following two selections:

NOTE: A Virtual Office Website (VOW) is a password-protected website or a feature of a website that allows brokers to operate their businesses online.

SELLER does does not allow a Virtual Office Website to perform and display an Automated Valuation Model (AVM) estimate of the market value of the Property or to hyperlink to a website to obtain such estimate.

SELLER does does not allow third parties to write comments, reviews or blogs concerning the Property, or to hyperlink to a website to obtain such comments, reviews or blogs on a Virtual Office Website.

NO INTERNET DISPLAY

SELLER does not authorize BROKER to display listing content relating to the Property on the Internet except internally within the NEFMLS system. SELLER understands and acknowledges that if SELLER has selected this option, consumers who conduct searches for listings on the Internet will not see information about the Property in response to their search. _____/_____ **initials** of SELLER

If SELLER withholds consent for listing content display on all Internet sites except BROKER’s, BROKER may take the listing but it is not eligible for inclusion in MLS. _____/_____ **initials** of SELLER

_____	_____	_____
BROKER Firm Name	SELLER	Date
By: _____	_____	_____
Authorized Listing Licensee	Date SELLER	Date

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

Section 14.7: (a) Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing

(b) Notwithstanding the foregoing, at the request of a SELLER the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the SELLER. The listing broker or agent shall communicate to the MLS that the SELLER has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 19.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the SELLER."

Section 14.8: A Participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 48 hours following receipt of a communication from the listing broker explaining why the data or information is false. The Participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 14.9: A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

Section 14.10: Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS[®] VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.

Section 14.11: A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

Section 14.12: A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR[®].

Section 14.13: A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

Section 14.14: A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the

AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the Participant.

Note: Adoption of Sections 14.15 –14.19 is at the discretion of the MLS. However, if any of the following sections are adopted, an equivalent requirement must be imposed on Participants’ use of MLS Listing Information in providing brokerage service through all other delivery mechanisms.

Section 14.15: A Participant’s VOW may **not** make available for search by, or display to, Registrants any of the following information, which is confidential:

- a. The SELLER’s and occupant’s name(s), phone number(s), or e-mail address (es).
- b. The compensation offered to other MLS Participants.
- c. The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- d. The fields defined by the board of directors from time to time as Confidential.
- e. Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.

DEFINED CONFIDENTIAL IN FLEXMLS

DEFINED CONFIDENTIAL BUT IN CURRENT DATA FEEDS The following do not appear on Customer Printouts but are included in data feeds for reference

Original List Price
Cumulative DOM
DOM on all statuses except Sold
CTG Remarks
CTG Date going into Pending
Listing Type
Listing Date
Expiration Date
Compensation
Duval Variable Compensation
Call SELLER Direct Information
Under Contract Date
Fall through Date
SELLER Concession Y/N
SELLER Concession \$
Concession Description
Cancel Date
Private Remarks
Listing Member Information
Listing Office Information

Status Change Date
Publish to Internet
Publish to Address
Publish Sq Ft
Publish Public Remarks
Publish Directions

Co-Listing Member Information
Selling Member Information
Co-Selling Member Information
Title Status
Showing Instructions
Photo Instructions
Additional Photo Instructions
FileLogix
Referral Fee on Rentals only

Section 14.16: A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS Listing information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields.

Section 14.17: A Participant shall cause to be placed on his or her VOW a notice indicating that the MLS Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by the MLS. A Participant’s VOW may include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

Section 14.18: The name of the listing brokerage firm, listing broker or licensee’s name are not required on a VOW display of a listing broker’s listing because the rules and regulations of the Northeast Florida MLS, Inc. do not impose this requirement upon cooperating participants when they deliver listing information to potential buyers through non-browser based media, such as by mail, email, facsimile or hand delivery.

Section 14.19: A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 100 current listings and not more than 100 sold listings in response to any inquiry.

Section 14.20: A Participant shall require that Registrants’ passwords be reconfirmed or changed every 90 days.

(**Note:** Participants may, at their option, require Registrants to reconfirm or change passwords more frequently.)

Section 14.21: A Participant may display advertising and the identification of other entities (“co-branding”) on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant’s logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of

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

Section 14.22: A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing somewhere on the page displaying listing information.

Section 14.23: A Participant shall not be required to cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to be searched separately from listings in the MLS as long as the source of the listings is identified somewhere on the page displaying listing information.

Section 14.24: Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

Section 14.25: Where a SELLER affirmatively directs their listing broker to withhold either the SELLER's listing or the address of the SELLER's listing from display on the Internet, a copy of the SELLER's affirmative direction shall be provided to the MLS within 48 hours.

USE OF CORPORATION INFORMATION

Section 15 **Limitations On Use Of Corporate Information.** 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 Corporation must clearly demonstrate the period of time over which such claims are based and include the following or a substantially similar notice:

"Based on information from Northeast Florida Multiple Listing Service, Inc. for the period (date) through (date)." The Corporation does not guarantee and is not in any way responsible for, its accuracy. Data maintained by Northeast Florida Multiple Listing Service, Inc. does not reflect all real estate activity in the market".

CHANGES IN RULES AND REGULATIONS

Section 16 **Changes in Rules and Regulations.** Amendments to the Rules and Regulations of the Corporation shall be by consideration and approval of the Board of Directors of the Corporation, in accordance with the Bylaws of the Corporation. At any time a Participant or subscriber may request in writing and receive a current copy of the Rules and Regulations and Bylaws from the Corporation at no cost.

STANDARDS OF CONDUCT FOR MLS PARTICIPANTS AND SUBSCRIBERS

Section 17 **Standards of Conduct for Participants.** As used in this Section 17, Participant shall include subscribers (users) of the Corporation's multiple listing service.

- A) Participants shall not deliberately mislead property owners as to the market value of their property.
- B) Participants shall not accept compensation from more than one party, even if permitted by law, without the full knowledge of all parties to the transaction.

C) Participants shall, with respect to offers of compensation to other Participants timely communicate any change of compensation to the other Participants prior to the time another Participant produces a prospective buyer who has signed an offer to purchase the property.

D) Participants, for the protection of all parties, shall see that financial obligations and commitments regarding real estate transactions are in writing, expressing the exact agreement of the parties. A copy of each agreement shall be furnished to all parties upon their signing such agreement.

E) Participants shall not engage in any practice or take any action inconsistent with the brokerage relationship of other Participants.

F) Signs giving notice of property for sale, rent, lease or exchange will not be placed on property without the consent of the owner.

G) Participants obtaining information from a listing broker about a specific property shall not convey this information to, nor invite the cooperation of a third party broker without the consent of the listing broker.

H) Participants shall not solicit a listing which is currently listed exclusively with another broker. However, if the listing broker when asked by the Participant refuses to disclose the expiration date and nature of such listings (i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client) the Participant may contact the owner to secure such information and may discuss the terms upon which the Participant might take a future listing or alternatively, may take a listing to become effective upon expiration of an existing exclusive listing.

I) Participants shall not use information obtained by them from the listing broker, through offers to cooperate received through the Corporation or from other sources authorized by the listing broker, for the purpose of creating a referral prospect to a third broker, or for creating a buyer prospect unless such use is authorized by the listing broker.

J) The fact that a property has been listed exclusively with a Participant shall not preclude or inhibit any other Participant from soliciting such listing after its expiration.

K) The fact that a property owner has retained a Participant in an exclusive brokerage relationship in respect to one or more past transactions creates no interest or brokerage relationship which precludes or inhibits other Participants from seeking such owner's future business.

L) Participants shall be free to list property which is "open listed" at any time but shall not knowingly obligate the seller to pay more than one commission except with the seller's knowledgeable consent.

M) When Participants are contacted by owners regarding the sale of property that is

exclusively listed with another broker, and Participants have not directly or indirectly initiated the discussion, Participants may discuss the terms upon which they might take a future listing, or alternatively, may take a listing to become effective upon expiration of any existing exclusive listing.

N) In cooperative transactions, Participants shall compensate cooperating Participants (principal brokers) and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other Participants without prior express knowledge and consent of the cooperating brokers and then only as allowed by applicable law.

O) Participants may engage in solicitation of clients using a general telephone canvass as allowed by applicable law, general mailing or distribution addressed to all property owners in a given geographical area or in a given profession, business, club, or organization or other classification or group deemed "general" even if the recipients of such general communication have already listed their property with another Participant. The following two types of solicitation are prohibited:

(1) Telephone and personal solicitation of property owners who have been identified by real estate signs, multiple listing compilations, or other information services as having exclusively listed their property with another Participant; and

(2) Mail and other forms of solicitations of property owners whose properties are exclusively listed with another Participant when such solicitations are not part of a general mailing or canvass but are directed specifically to property owners identified through compilations of current listings, "for sale" signs or other sources of information intended to foster cooperation with other Participants.

P) Participants, prior to accepting a listing, have an affirmative obligation to make reasonable efforts to determine whether the property is subject to a current, valid exclusive listing agreement.

Q) Participants, acting as a cooperating broker in an authorized brokerage relationship with a buyer, shall disclose their brokerage relationship with the buyer to the seller's broker at first contact.

R) On unlisted property, Participants acting as a cooperating broker in an authorized brokerage relationship with a buyer shall disclose their brokerage relationship with the buyer to the seller at first contact.

S) Participants are not precluded from contacting the client of another broker 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 brokerage. However, information received from the Corporation or any other offer of cooperation may not be used to target property owners to whom such offers to provide services are made.

T) Participants, when acting as a cooperating broker, shall not use the terms of an offer to purchase to attempt to modify the listing broker's offer of compensation to the cooperating

broker nor may they make the submission of an executed offer to purchase contingent on the listing broker's agreement to modify the offer of compensation.

U) It is the obligation of a cooperating broker acting as subagent of the listing broker to disclose immediately all pertinent facts to the listing broker before as well as after the contract is executed.

V) Participants, when submitting offers to the seller, shall present them in an objective and unbiased manner.

W) Participants shall disclose the existence of an accepted offer to any broker seeking cooperation.

X) Participants shall not disseminate the Participant's name and password or allow access to the Corporation's computer system to any non-participant or subscriber.

Y) Participants' firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner. (04/08)

Z) Websites of licensees affiliated with a Participant's firm shall disclose the firm's name and the licensee's state(s) of licensure in a reasonable and readily apparent manner. (Adopted 04/08)

AA) Participants shall present a true picture in their advertising and representations to the public, including the URLs and domain names they use, and participants may not:

1. Engage in deceptive or unauthorized framing of real estate brokerage websites;
 2. Manipulate (e.g., presenting content developed by others) listing content in any way that
 3. Produces a deceptive or misleading result; or deceptively use metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic, or to otherwise mislead consumers
- (04/08)

Section 18 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 thirty (30) days after access has been provided.

[END]

Executed for identification

Robert Powell

Robert Powell
President

Gene Jones

Gene Jones
Corporate Secretary