

HIGH COUNTRY MLS RULES AND REGULATIONS

Approved September 2016

DEFINITIONS

The following definitions of items used will apply:

A. PARTICIPANT: Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.* However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.** Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law. (Amended 11/08 NAR Adopted 02/09)

The participant may appoint a Broker member of the participant's firm who is a REALTOR® member of the Association of REALTORS® to act in his stead as participant by executing a written notice to MLS. This appointment is valid until the MLS receives written notice of change in Participant.

- B. AGENT:** A licensed salesperson or representative of any participant. Amended 9/10)
- C. PERSONAL ASSISTANTS:-** A personal assistant who is licensed or unlicensed for a participant (broker) or agent may be allowed. Fees will apply. See addendum 1 for further information and application form. (3/2012)
- D. PARTICIPANT VOTE:** Each participant shall have one (1) vote.
- E. PROXY:** Written permission signed by an Active Participant given to a member in good standing of the High Country Association of REALTORS, Inc. for the meeting prescribed.
- F. OWNER:** Owner or Seller of property offered in MLS.
- G. PURCHASER:** Buyer of property listed in MLS.
- H. NOTICES:** All notices provided for herein shall mean any statement, invoice or other written documentation sent from the MLS Office and shall be deemed received by the MLS participant three (3) days following the date mailed by first class mail, postage prepaid to the participant's last known address on file with the MLS office. It is the sole responsibility of the participant to immediately report any change in address, telephone number, fax number, or e-mail address to the MLS office.

- I. CERTIFICATION:** Each year, every participant shall certify on the prescribed certification form no later than July 31st to the MLS office the mailing address of the participant and those licensed individuals who are affiliated with said participant for the purpose of MLS billing. (Amended 9/10)
- J. LISTING DATE:** Term date/executed/commencement date on listing contract (Amended 9/10)
- K. GEOGRAPHIC AREA ENTRY:** One property that is entered by a participant under two or more different property types or in two or more different but contiguous geographical areas. This was removed by amendment 8/08 and is no longer allowed.
- L. MULTIPLE ENTRY:** One property that is entered by a participant under two or more different property types (Amended 9/10)
- M. JURISDICTION:** Any or all-geographical areas provided for in the MLS.
- N. PENDING CONTINGENCY SHOW:** A property under contract with contingencies that an agent may still "show" to potential buyers. Identified in the MLS as Listing Status "M". (Amended 9/10)
- O. PENDING CONTINGENCY NO SHOW:** A property under contract with contingencies that an agent may not "show" to potential buyers. Identified in the MLS as Listing Status "O". (Amended 9/10)
- P. PROPERTY INPUT DATA FORM:** Matrix MLS entries – Residential, Land, Multi-Family, Commercial as entered in computer. (Amended 9/10)
- Q. PUBLIC INPUT FIELDS:** All fields with the exception of Agent Private Remarks. (Amended 9/10)
- R. MANDATORY FIELDS:** All mandatory fields are identified in the MLS with a red asterisk.
- S. TRANSFER FORM:** This form is to be used when an agent is transferring offices and is available at the High Country Multiple Listing Service office. (Section 6d) (Amended 9/10)
- T. DELETE REQUESTS:** A written request shall be received by the High Country Multiple Listing Service within 5 days of an agent or administrative personnel leaving the firm. (Section 6d) (Amended 9-10)
- U. FIRM NAME CHANGE REQUESTS:** To change the name of the firm, a name change form shall accompany approved paperwork from the Commission. The form is available at the High Country Multiple Listing Service office. (Section 6d) (Amended 9/10)
- U. COMPARABLE SALE:** This should be used when entering a non High Country MLS listed property to be used as a comparable and reported sale. These listings shall be reported to the MLS office so the listing can be adjusted for accurate reporting. (Amended 9/10)

GENERAL

- A.** Each participant will observe and conduct their business in accordance with the Bylaws, and Rules and Regulations of High Country MLS. Additionally each participant will conduct their business in accordance with the Procedures and Guidelines and the Code of Ethics of the National Association of REALTORS®. A copy of the NAR MLS policy handbook is available online at www.realtor.org and at the Association office.
- B.** Each participant will be steadfast in upholding the creed of the REALTORS® which is the Golden Rule: "Do unto others as you would have them do unto you."
- C.** Remember, your fellow participant is a member of a vast organization of professional men and women. Derogatory remarks about, casting aspersions upon, or criticism of a fellow member's business practices are in violation of the Code of Ethics and are subject to disciplinary action.

NEW AND TRANSFERRING MEMBERS

- A.** Managing brokers or state licensed or certified appraisers who are REALTOR® members in good standing are eligible to participate in MLS upon executing the proper MLS forms, paying the necessary fees, and completing the required MLS orientation class.
- B.** Transfer of member to another MLS firm requires a properly executed Transfer Form signed by the participant with the firm they are leaving and by the participant of the new firm they are affiliating with and a transfer fee. When the form and fees are received by the MLS Service, the member's information will be transferred in the computer within two business days. Upon completed transfer by the MLS office the member will have full access under the new firm.

Listings taken by a broker prior to the time he/she became an MLS member must be entered into the MLS. All listings secured by a new agent or a new office prior to the date of admittance to membership will be input in accordance with the MLS Rules and Regulations and must be entered in to the MLS system within 15 days of completing orientation.

SECTION 1

LISTING PROCEDURES

Section 1 All listings of real or personal property which are listed subject to a real estate broker's license, and which are located within the territorial jurisdiction of the High Country MLS taken by participants shall be input into the Multiple Listing System within 7 Days of listing date. (Category II Violation, See Appendix 1) Current property types are:

- R. Single House
- T. Condo/Townhouse
- U. Duplex
- Q. Triplex/Quadplex
- P. Apartment Building

- H. Other Multi-Family
- L. <2 Acres/Subdivision
- A. Acreage
- Z. Commercial Land
- I. Building & Land
- C. Building, Land & Business
- B. Business Only

The Multiple Listing Service shall not require a participant to take listings on a form other than the form the participant individually chooses to utilize. The Multiple Listing Service, through it's legal counsel:

1. May reserve the right to refuse to allow a listing type, which fails to adequately protect the interest of the public and the participants.
2. Assure that no listing input into Multiple Listing system establishes, directly or indirectly, any contractual relationship between the Multiple Listing Service and the client (buyer or seller).

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

The listing agreement shall include the seller's authorization to input into the MLS.

3. The different types of listing agreements include:
 - a. Exclusive Right to Sell
 - b. Exclusive Agency
 - c. Open
 - d. Net

The MLS shall not allow net listings because they are deemed unethical, and in most states, illegal. Open listings are not allowable 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 input into MLS in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

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

On the Property Input Form a code E is used for exclusive right to sell, A for exclusive agency, or X for exclusive with exclusions.

A multiple listing service does not regulate the type of listings its members may take. This does not mean that a multiple listing service must accept every type of listing. The multiple listing service shall decline to accept open listings (except where acceptance is required by law) and net listings, and it may limit its service to listings of certain kinds of property. But, if it chooses to limit the kind of listings it will accept, it shall leave its members free to accept such listings to be handled outside the multiple listing service. (Amended 9/10)

A multiple listing service may, as a matter of local option, accept exclusively listed property that is subject to auction. If such listings do not show a listed price, they may be included in a separate section of the MLS compilation of current listings. (Amended 9/10)

Section 1.1 LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE: Any listing taken on a contract to be input with MLS is subject to the Rules and Regulations of the MLS upon commencement/execution. (see 6.e) Clear Cooperation Within one (1) business day of marketing a property to the public, the listing broker must submit the listing to the MLS for cooperation with other MLS participants. Public marketing includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multibrokerage listing sharing networks, and applications available to the general public. (Adopted 11/19) (Added 2/21 Clear Cooperation Violation Category IV Violation) (Amended 9/10)

Section 1.2 DETAIL ON LISTINGS INPUT INTO THE SERVICE: A listing agreement and/or a property input data sheet when input into the MLS by the listing participant, shall be complete and accurate in every detail which is ascertainable. A listing agreement will be held by the participant and all information on that agreement is to be accurate in the system. Any inconsistency between the Listing Agreement and the computer entry will incur a fine.(see 6.f) (Category I Violation, See Appendix 1) (Amended 9/10)

Public Fields: All fields with the exception of Agent Private Remarks.

Mandatory Fields: All mandatory fields are identified in the MLS with a red asterisk.

Section 1.3 EXEMPTED LISTINGS: If the seller refuses to permit the listing to be disseminated by the service, the participant may then take the listing (office exclusive) and such listing shall be filed with the service but not disseminated to the participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the service. Upon establishing an "Office Exclusive", the participant shall have 7 Days to notify the MLS office. (Category II Violation, See Appendix 1) MLS Participants must distribute exempt listings within (1) one business day once the listing is publicly marketed. See Section 1.01, Clear Cooperation (Added 2/21 Clear Cooperation Violation Category IV Violation) (Amended 9/10)

Section 1.4 CHANGE IN STATUS OF LISTING: a) Any change in listed price or other change in the listing agreement shall be made only when authorized in writing by the seller and shall be input into MLS within 7 Days. Anytime a listing goes under contract, pending contingency show, or pending contingency no show, the change in status shall be reflected in MLS within 7 Days or a fine will be assessed. (see 6.g)(Category II Violation, See Appendix 1)(Amended 9/10)

Section 1.5 WITHDRAWAL OF LISTING PRIOR TO EXPIRATION: Listings of property may be withdrawn from the multiple listing service by the listing broker before the expiration date of the listing agreement, provided notice is filed with the service, including a copy of the agreement between the seller and the listing broker which authorizes the withdrawal. (see 6.g)

Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated, the multiple listing service may remove the listing at the request of the seller. (Adopted 11/96) (Category II Violation, See Appendix 1)

Section 1.6 LISTING PRICE SPECIFIED: The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings.

Section 1.7 NO CONTROL OF COMMISSIONS RATES OR FEES CHARGED BY participants: The MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions for fees between cooperating participants or between participants and nonparticipants.

Section 1.8 EXPIRATION, EXTENSION AND RENEWAL OF LISTING: Listings filed (input into) with the multiple listing service will automatically be removed from the compilation of current listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed. (Amended 11/01)

If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and filed with the service. (Amended 9/10)

Section 1.9 TERMINATION DATE ON LISTING: Listings filed (input into) the service shall bear a definite and final termination date, as negotiated between the listing broker and the seller.

Section 1.10 JURISDICTION: Only listings of the designated types of property located within the jurisdiction of the High Country MLS are required to be input into the Service. Listings of property located outside the MLS's jurisdiction will be allowed to be input voluntarily by a participant, but cannot be required by the Service.

Section 1.11 LISTINGS OF SUSPENDED PARTICIPANTS: When a MLS participant is suspended from the MLS for failing to abide by a membership duty (i.e. violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges) all listings currently published by MLS of the suspended participant shall, at the participant's option, be retained in the MLS until closed/sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a participant has been suspended from the Association or MLS for failure to pay appropriate dues, fees or charges, the Service is not obligated to provide MLS services, including continued inclusion of the suspended participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended participant's listings from the MLS, the suspended

participant should be advised in writing of the intended removal so that the suspended participant may advise his clients.

Section 1.12 LISTINGS OF EXPELLED PARTICIPANTS: When a participant of the service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, association bylaws, MLS bylaws, MLS rules and regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed (input into) the MLS by the expelled participant shall, at the participant's option, be retained in the service until sold/closed, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a participant has been expelled from the association (except where MLS participation without association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an association MLS is not obligated to provide MLS services, including continued inclusion of the expelled participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled participant's listings from the MLS, the expelled participant should be advised, in writing, of the intended removal so that the expelled participant may advise his clients.

Section 1.13 LISTINGS OF RESIGNED PARTICIPANTS: When a participant resigns from the MLS, the MLS is not obligated to provide MLS services, including continued inclusion of the resigned participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned participant's listings from the MLS, the resigned participant should be advised in writing of the intended removal so that the resigned participant may advise his clients.

Section 1.14 QUICK SALE / QUICK UNDER CONTRACT: When a listing agreement is secured and goes under contract within the 5 business day period allowed for input into MLS, participant must submit a picture, or sketch to MLS. Participant must allow sellers of properties listed to have the ability to direct that photographs or other graphic representations of the property be withheld from the MLS compilation. Quick sale listings must be input into the MLS system accurately and completely, showing all the same information as if they are on the market for sale. If a quick under contract pending sale does not materialize, enter listing into Back on Market in order for it to resume an active status in the system.

Section 1.15 MULTIPLE ENTRY: Multiple Entries are allowed for one property under multiple configurations where there are separate listing contracts for each entry.

Section 1.16 PROMOTION: A fine and or suspension shall be imposed for placing any self-promotion (Agent Name, Agency Name) in any field displayed to the public by the public view sheet of the listing or any display of information transferred to the public via a website or link from our MLS system. This includes, but is not limited to websites, virtual tours, contact name and numbers. (Amended 6/08 & 9/10, 7/12) (Category II Violation See Appendix 1))

Exception: Subdivision names are allowed when street/road name not applicable.

SECTION 2

SHOWINGS, NEGOTIATIONS, AND SELLING PROCEDURES

Section 2 SHOWINGS AND NEGOTIATIONS: Appointments for showings and negotiations with the seller for the purchase of listed property input into MLS shall be conducted through the listing broker except under the following circumstances:

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

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

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

Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counteroffers 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. (Amended 11/05 NAR)

Section 2.3 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER: The cooperating broker (subagent or buyer agent) or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instruction to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's or lessor's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

Section 2.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFER: The listing broker or his representative has the right to 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 counteroffer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions. (Adopted 11/93)

Section 2.5 REPORTING OF SALES TO THE SERVICE: Status changes, including final closing of sales, shall be reported to the multiple listing service by the listing broker within 120 hours after they have occurred. If negotiations were carried on under Section 2(a) or (b) hereof the cooperating broker shall report, accepted offers to the listing broker within 120 hours after occurrence and the listing broker shall report them to the MLS within 120 hours after receiving notice from the cooperating broker. (Amended 5/07, 04/08, 11/08 NAR, 04/09) (see 6.h) (Category II Violation, See Appendix 1)

The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker the authority to advertise; to file the listing with the MLS; to provide timely notice of status of changes of the listing to the MLS; and to provide sales information including

selling price to the MLS upon sale of property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its participants. (Amended 11/01, 04/08, 11/08 NAR)

Section 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES: The listing broker shall input into MLS within 24 hours that a contingency has been fulfilled, property status must be entered as under contract at that time. (Category II Violation, See Appendix 1)

Section 2.7 PENDING CONTINGENCY-SHOW/PENDING CONTINGENCY-NO SHOW: Pending Contingency-Show shall be used when contingencies to a contract exist and the seller wishes to continue the showing process. Pending Contingency-No Show denotes that contingencies exist however the seller does not wish to continue the showing process.

Section 2.8 ADVERTISING A LISTING FILED WITH THE SERVICE: A listing shall not be advertised by any participant, other than the listing broker, without the prior consent of the listing broker.

Section 2.9 REPORTING CANCELLATION OF PENDING SALE: The listing broker shall report immediately to the multiple listing service the cancellation of any pending sale, and the listing shall be reinstated immediately (24 hours) (Category II Violation, See Appendix 1) (Amended 9/10)

Section 2.10 LEAVING CARDS WHEN SHOWING: participants and subscribers may leave the Service's "Notice of Showing" and/or their own business cards in homes and businesses when property is shown. (Amended 9/10)

SECTION 3

REFUSAL TO SELL

Section 3 REFUSAL TO SELL: If the seller of any listed property input into MLS refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the MLS and to all participants.

SECTION 4

PROHIBITIONS

Section 4 INFORMATION FOR PARTICIPANTS ONLY: Any listing filed (input) into MLS shall not be made available to any broker or firm not a Member of the MLS without the prior consent of the listing broker.

Section 4.1 "FOR SALE" SIGNS: Only the for sale sign of the listing broker/participant may be placed on a property. (Amended 11/89) The participant shall pay a fine for properties that have signs on them fifteen (15) days after a listing has expired, closed, or withdrawn. (Category II Violation, See Appendix 1)

Section 4.2 SOLD SIGNS: Prior to closing, only the sold sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign. (Amended 04/08 NAR) (Category II Violation, See Appendix 1)

Section 4.3 SOLICITATION OF LISTING FILED WITH THE SERVICE: participants shall not solicit a listing on property input into the MLS unless such solicitation is consistent with Article 16 of the REALTORS[®] Code of Ethics, its Standards of Practice, and its Case Interpretations.

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

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

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

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

Section 4.4 USE OF MLS LOGO: The NATIONAL ASSOCIATION of REALTORS[®] grants no variation of the design of the standard MLS service mark and will not review or authorize any multiple listing service insignia other than its own service mark. Further, the term REALTOR[®] may not be used in connection with any multiple listing service not owned and/or controlled by an association of REALTORS[®]

SECTION 5

DIVISION OF COMMISSIONS

Section 5 COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING: The listing broker shall specify, on each listing filed with the multiple listing service, the compensation offered to other multiple listing service participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or

lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid. (Amended 11/98)

In filing a property with the multiple listing service of an association of REALTORS®, the participant of the service is making blanket unilateral offers of compensation to the other MLS participants, and shall therefore specify on each listing filed with the service, the compensation being offered to the other MLS participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.* (Amended 11/96)

*The compensation specified on listings filed with the multiple listing service shall appear in one of two forms. The essential and appropriate requirement by an association multiple listing service is that the information to be published shall clearly inform the participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker, in writing, in advance of submitting an offer to purchase. The compensation specified on listings (Selling Agent = Code Sub Agent and Buyers Agent = Code Buyer Agent) published by the MLS shall be shown in one of the following forms:

1. by showing a percentage of the gross selling price
2. by showing a definite dollar amount (Amended 11/95)

Note: MLSs may also, as a matter of local discretion, allow participants to offer cooperative compensation as a percentage of the net sales price, with the net sales price defined as the gross sales price minus buyer upgrades (new construction) and seller concessions (as defined by the MLS unless otherwise defined by state law or regulation). (Adopted 5/08)

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

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

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

Note 2: The listing broker may, from time to time, adjust the compensation offered to other multiple listing service participants for their services with respect to any listing by advance published notice to the service so that all participants will be advised. (Amended 4/92)

Note 3: The multiple listing service shall make no rule on the division of commissions between participants and nonparticipants. This should remain solely the responsibility of the listing broker.

Note 4: Multiple listing services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval, and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they submit an offer that ultimately results in a successful transaction. (Amended 5/08)

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. (Adopted 11/05)

Note 6: Multiple listing services must give participants the ability to disclose to other participants any potential for a short sale. As used in these rules, short sales are defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies. Multiple listing services may, as a matter of local discretion, require participants to disclose potential short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they may, as a matter of local discretion, also be permitted to communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between listing and cooperating participants. All confidential disclosures and confidential information related to short sales, if allowed by local rules, must be communicated through dedicated fields or confidential "remarks" available only to participants and subscribers. (Amended 5/09)

Section 5 Amended by High Country Multiple Listing Service 9/10

Section 5.0.1 DISCLOSURE OF SHORT SALES: Participants may, but are not required to, disclose potential short sales to other participants and subscribers. When disclosed, participants may, at their discretion, advise other participants whether and how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating participants. (Adopted 5/09)

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

Section 5.2 PARTICIPANT AS PURCHASER: If a participant or any licensee (including licensed and certified appraisers) affiliated with a participant wishes to acquire 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 closed/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 closed/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

SECTION 6

SERVICE FEES, FINES, AND CHARGES

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

- a. **Initial Participation Fee:** An applicant for participation in the Service shall pay a one time nonrefundable, non-transferable application fee with such fee to accompany the application. Fee \$2,000
- b. **Inactive Status:** An MLS participant may put their status on inactive for up to one year (12 months) without having to reapply with fee. After one year (12 months) they must reapply to get access to the MLS.
- c. **Listing Input by the MLS Office:** A participant shall pay a service fee for each listing to be input into the MLS system by the MLS office. Each listing shall include a completed listing contract, Matrix property input form, and a picture or sketch must be received by the MLS office within 7 Days of the listing date. Fee \$35 per listing, with such fee to accompany the listing.
- c. **MLS Dues/Service Fee:** Participant shall be responsible for a Dues/Service Fee for use of the Multiple Listing Service to be supplied to each licensed, REALTOR® member of the service employed by or affiliated with the participant. Fee \$45.00 per month billed quarterly in advance - \$135.00 per quarter (Amended 9/10;1-12,1-14)
- d. **Additions, Deletions, Changes, and Transfers:** Additions, Deletions, Changes and Transfers: The participants' shall:
 - ❖ Report to the MLS new licensees (See Section 6m)
 - ❖ Report changes in licensee status and administrative personnel within 5 days
 - ❖ Report any Agent Transfers within 5 days. (Service fee \$50.00)

- ❖ Report any Firm going inactive within 5 days (firms and agents may reactivate at no additional charge within 1 year (12 Months) of inactive date). Any fees owed must be paid in full.
- ❖ Report any Firm Name Changes in a timely manner (Service Fee \$150.00)
*Agent Transfers and Firm Name Changes must accompany the proper internal form and fee. This includes the NCREC broker affiliation form with an agent transfer agent going inactive and the new NCREC firm license with a firm name change. (Category II Violation, See Appendix 1) (Amended 9/10)

e. Listings Subject to the Service: All listings subject to these Rules and Regulations (except listings as set forth in Section 1.3) shall be input into the MLS system within 7 Days of the listing date. When an "Office Exclusive" is taken by a participant, a copy must be filed with the MLS within 7 Days. Failure to comply with this listing procedure will result in an assessment of a fine. Exception: When a listing is received late and proper documentation (ie: dated email or legible postmark) is submitted to the MLS office the fine may be waived) (Category II Violation, See Appendix 1) (Amended 9/10)

e.1 Contract Request: MLS reserves the right to request from the participant at any time a copy of the written listing contract as well as any other documentation required by these Rules and Regulations and the customary business practices of the MLS. Failure to provide this documentation to MLS within twenty-four (24) hours shall result in the assessment of a fine and the listing will be removed from the MLS. If after 30 days a copy still has not been filed with the MLS Office, membership & services will be suspended until after the Board of Directors have reviewed the circumstances and the paperwork has been received and the fine is paid. The recipient of such sanction may request a hearing before the professional standards committee of the association in accordance with the bylaws and rules and regulations of the association of REALTORS® within twenty (20) days following receipt of the directors' decision. (Category III Violation, See Appendix 1)

- f. Mandatory Property Input Data:** Any inconsistencies between Listing Contract, Property Input Data Sheet, Legal description, and the information input into the system; may incur a fine. The listing broker will be notified and given 7 Days to complete a listing or submit a correction. Failure to complete a listing input, submit pictures or sketches, features, property taxes, pin number and square footage within 7 Days of notification shall incur a fine. Participant must allow sellers of properties listed to have the ability to direct that photographs or other graphic representations of the property be withheld from the MLS compilation. If after an additional 7 Days MLS has not received notification of the correction, an additional fine will be assessed and a daily amount thereafter until the necessary documentation is received. (Category I Violation, See Appendix 1) (Amended 9/10)
- g. Price Change, Extension of Expiration Date, Under Contract, or Withdrawal:** Changes requiring the owner's signature affecting the listing agreement shall incur a fine if not changed in the system within 7 Days of contract change. If after an additional 7 Days MLS has not received notification of the correction, an additional fine will be assessed and a daily amount thereafter until the necessary documentation is received. (Category II Violation, See Appendix 1) (Amended 9/10)
- h. Closed/Sold Listings:** Closed/Sold listings are to be input into the MLS system after closing. A fine will be imposed for any closed/sold listings that are not designated Sold in the MLS system within 7 Days of closing. (Category II Violation, See Appendix 1) (Amended 9/10)
- i. Billing and Service Fee:** Service fees are due and payable at the MLS Office by the 5th of the second month in the corresponding quarter: February 5th; May 5th; August 5th; and November 5th.

Failure to have the payment in the MLS office by the 5th will incur a late fee. If the service fee and late fee is not paid by the 20th of the month that the fees are due services shall be suspended on the 21st until participant has remitted in full to include the reconnect fee as outlined in Section 7. (Amended 9/10;1/14)

Example: If Bill of Queasy Creek Realty owes \$135.00 by April 20th and he does not pay; he will receive a second invoice reflecting the balance plus the late fee which will be due on May 20th. If May 21st arrives and Bill still has not paid, his MLS access will be suspended until he pays his balance due plus the reconnect fee.

- j. Certification by Office:** The Association office will send a certification form to each broker in charge (to include appraisers) during the month of June. The BIC will certify annually those licensees and office staff affiliated with said office on this form by July 31st. A reminder will be sent via e-mail and/or board message in July. Failure to return the certification form by July 31st will result in an office's inability to access the MLS system until the office has officially certified all required personnel and a fine will be assessed. (Category III Violation, See Appendix 1) (Amended 9/10)
- k. Waiver of Licensees:** Licensees affiliated with or employed by MLS participants who are (1) Secretaries, (2) Bookkeepers, (3) Clerical Staff, (4) Office Manager, (5) Property Manager, (6) or an individual who is engaged solely and exclusively in a specialty of the real estate business separate and apart from working and selling the types of properties which are required to be input into MLS, may qualify for a waiver of service fees. It is necessary for the participant to submit a written request for waiver signed by the licensee and participant, stating the licensee does not list or sell those properties required to be input into the service or utilize the service. Failure to submit a written request for waiver will result in the participant being billed MLS service fees for this licensee. (Category III Violation, See Appendix 1) (Amended 9/10)
- l. Report of new office broker affiliation:** Participants shall insure all new brokers affiliated with their offices along with any brokers going inactive submit their application/notices and fees within 30 days of broker's notification of affiliation with NCREC. After an additional 30 days it becomes a second violation; and every thirty (30) days thereafter incurs an additional violation (Category III violation, see Appendix I) (Amended 9/10)
- m. NSF Check Returns:** Participants shall be assessed a fee, based on the fees charged by the MLS depository bank, for each returned check by the banking institution on which the check was drawn. Minimum fee will be \$25.00 (Amended 9/10)
- n. Multiple Entry:** Non-compliant multiple entries shall incur a fine. See section 1.15. (Category II Violation, See Appendix 1)
- o. Comparable Sale (Comp):** When a comp sale is entered into the MLS system it must be entered accurately and the MLS office notified. (Category II Violation, See Appendix 1)(Amended 9/10)
- p. MLS Security Violations:** In order to protect the integrity and accuracy of the MLS system at no time and under any circumstances should individual MLS Usernames and Passwords be shared or divulged. Participants shall be responsible for the integrity of the security of all MLS usernames and passwords within their office. Any violation of this security will result in a fine. (Category III Violation, See Appendix 1) (Amended 9/10)

- q. IDX Violations:** Any violation of the IDX rules will result in a fine. See Section 18 for more information. (Category IV Violation, See Appendix 1)
- r. Security:** All agents shall insure the security of properties resulting from showings. Failure to do so will result in a fine or suspension from the service. The following shall provide examples of violations:

If the Property, Lockbox, and/or key is not secure. (Category IV Violation, See Appendix 1)

If the Property, Lockbox, and/or key is not secure, and the Listing Office or Agent was notified, but there was no mutually agreeable resolution between the listing agent/participant and the showing agent/participant. (Category III Violation, See Appendix 1)

If the Property, Lockbox, and/or key is not secure, and the Listing Office or Agent was notified, but there was a mutually agreeable resolution between the listing agent/participant and the showing agent/participant. (Category II Violation, See Appendix 1) (Adopted 9/10)

SECTION 7

COMPLIANCE WITH RULES

Section 7 COMPLIANCE WITH RULES-AUTHORITY TO IMPOSE DISCIPLINE: By becoming and remaining a participant or subscriber in this MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a.** letter of warning
- b.** letter of reprimand
- c.** attendance at MLS 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
- e.** probation for a stated period of time not less than thirty (30) days nor more than one (1) year
- f.** suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- g.** termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years. (Adopted 11/07)

The following action may be taken for non-compliance with the rules:

- a.** For failure to pay any service fees and miscellaneous charges by the twentieth (5th) of the 2nd month in the corresponding quarter (February 5, May 5th, August 5th, and November 5th):
 - 1.** MLS privileges shall be suspended until all unpaid service charges and fees including late charges and fees have been paid in full.

2. A late charge or fee shall be added to the outstanding balance on the sixth (6st) of the 2nd month in the quarter.
3. By the twentieth (20th) of the second month of the quarter with current and past fees of the quarter still outstanding, computer service shall be terminated.
4. By the twenty first (21st) of the second month with current and past due fees still outstanding, MLS membership shall be terminated.
5. Partial payments will not be accepted; only payments in full for outstanding and current charges and fees including any late charges and fees will be accepted.

There will be a re-connection fee of five hundred dollars (\$500) for connection of a terminated office due to failure to pay MLS or Association-Fees, Fines or Dues. (Amended 9/10;1/14)

- b. For failure to comply with Section 10 (Confidentiality of MLS Information), Section 11 (Ownership of MLS Compilations and Copyrights) and Section 12 (Use of Copyrighted MLS Compilations), the provisions of Sections 9 and 9.1(a) shall apply.
- c. For failure to comply with any other Rules, the provisions of Sections 9 and 9.1 shall apply.

Section 7.2 Appeals: Any fines under dispute will go through an appellant process. Documentation for the circumstances which negate the fine will be reviewed by the Executive Officer on an individual basis and must be submitted in a timely manner. Please note that utilizing the appeal process does not affect your individual ability to request a full due process hearing as described in section 9.1. (Reference 9.4)

SECTION 8

MEETINGS

Section 8 MEETINGS: The meetings of the participants of the Service or the Board of Directors of the Service for transaction of business of the Service shall be held in accordance with the provisions of Article 8, Bylaws of the Service.

SECTION 9

ENFORCEMENT OF RULES OR DISPUTES Amended 6/07

Section 9 CONSIDERATION OF ALLEGED VIOLATIONS: The board of directors shall give consideration to all written complaints having to do with violations of the rules and regulations. (Amended 2/98)

Section 9.1 VIOLATIONS OF RULES AND REGULATIONS: If the alleged offense is a violation of the rules and regulations of the service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the board of directors of the service, and if a violation is determined, during the appeals process (7.2) the board of directors may direct the

imposition of sanction, provided the recipient of such sanction may request a hearing before the professional standards committee of the association in accordance with the bylaws and rules and regulations of the association of REALTORS® within twenty (20) days following receipt of the directors' decision. (Amended 11/96)

If, rather than conducting an administrative review, the MLS has a procedure established to conduct hearings, any appeal of the decision of the hearing tribunal may be appealed to the board of directors of the MLS within twenty (20) days of the tribunal's decision. Alleged violations involving unethical conduct shall be referred to the professional standards committee of the association of REALTORS® for processing in accordance with the professional standards procedures of the association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the board of directors of the association of REALTORS®. (Amended 2/98)

- a. Violations of Sections 1, 2, 3, 4, 5, 6, 7, and 14: If the Board finds that there has been a violation of either Sections 1, 2, 3, 4, 5, 6, 7, and 14; then the sanction to be imposed shall be one of four Category Violations: Category I, Category II, Category III, or Category IV. Other violations of Sections 1, 2, 3, 4, 5, 6, 7, and 14 may incur a specified fine/fee. See Appendix I for Category Violations and Appendix II for Other Violations.
- b. Violations of Sections 10, 11, 12, 17, and 18; If the Board finds that there has been a violation of either Sections 10, 11, 12, 17, and 18 then the sanction to be imposed shall be as follows:
 1. For the first violation by the participant and/or the participant's agent or licensee, an applicable fine or such remedial/educational programs as the board deems appropriate, or both.
 2. For the second violation occurring within two (2) years from the date of the first violation by the participant and/or the participant's same agent or licensee, an applicable fine and remedial/educational programs as the board deems appropriate.
 3. For the third violation occurring within two (2) years from the date of the first violation by the participant and/or the participant's same agent or licensee, an applicable fine or suspension from the Multiple Listing Service for a period of time not to exceed six (6) months, or both.
- c. Violations – Other: Except as stated in 9.1(a) and 9.1(b), if the alleged offense is a violation of any other Rules and Regulations, then the Board may direct the imposition of a sanction which it deems reasonable and appropriate.

Section 9.2 SUSPENSION PROCEDURE: Upon the determination that a member is suspended, the Association/MLS Board will be notified and a registered letter will be mailed to the suspended member. The member will be suspended till such time as offense is redeemed or the time period of the suspension has expired. (Amended 9/10)

Section 9.3 COMPLAINTS OF UNETHICAL CONDUCT: All other complaints of unethical conduct shall be referred by the board of directors of the service to the association of REALTORS® for appropriate action in accordance with the professional standards procedures established in the association's bylaws. (Amended 11/88)

Section 9.4 APPEALS: Any fines under dispute will go through an appellant process. All appeals shall be received by the Board office within 20 days of notification of fine from the Board office. Appeals shall be documented on "High Country MLS – Appeal Form". Documentation for the circumstances which negate the fine will be reviewed by the Executive Officer on an individual basis. Depending on circumstances, Executive Officer may pass along any appeal to the Board of Directors. All appeals shall be

reviewed and any decision made by the Board shall be within 30 days of appeal. Please note an individual can request a full due process hearing and not request an appeal.

SECTION 10

CONFIDENTIALITY OF MLS INFORMATION

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

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

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

SECTION 11

OWNERSHIP OF MLS COMPILATIONS* AND COPYRIGHTS

Section 11 By the act of submitting any property listing content to the MLS the PARTICIPANT represents that he has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on "Comparables." Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property. (Rev. 04/08 NAR)(Ammended 5/06)

Note: The Digital Millennium Copyright Act (DMCA) is a federal copyright law that enhances the penalties for copyright infringement occurring on the Internet. The law provides exemptions or "safe harbors" from copyright infringement liability for online service providers (OSP) that satisfy certain criteria. Courts construe the definition of "online service provider" broadly, which would likely include MLSs as well as participants and subscribers hosting an IDX display.

One safe harbor limits the liability of an OSP that hosts a system, network or website on which Internet users may post user-generated content. If an OSP complies with the provisions of this DMCA safe harbor, it cannot be liable for copyright infringement if a user posts infringing material on its website. This protects an OSP from incurring significant sums in copyright infringement damages, as statutory damages are as high as \$150,000 per work. For this reason, it is highly recommended that MLSs, participants and subscribers comply with the DMCA safe harbor provisions discussed herein.

To qualify for this safe harbor, the OSP must:

- (1) Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, participant, subscriber, or other individual or entity.
- (2) Develop and post a DMCA-compliant website policy that addresses repeat offenders.
- (3) Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.
- (4) Have no actual knowledge of any complained-of infringing activity.
- (5) Not be aware of facts or circumstances from which complained-of infringing activity is apparent.
- (6) Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

Full compliance with these DMCA safe harbor criteria will mitigate an OSP's copyright infringement liability. For more information see 17 U.S.C. §512.

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

Section 11.1 All right, title, and interest in each copy of every multiple listing compilation created and copyrighted by the MLS and in the copyrights therein, shall at all times remain vested in the High Country MLS.

Section 11.2 Each participant shall be entitled to lease from the High Country Association of REALTORS® a number of copies of each MLS compilation sufficient to provide the participant and each person affiliated as a licensee (including licensed or certified appraisers) with such participant with one

copy of such compilation. The participant shall pay for each such copy the rental fee set by the association.**

Section 11.3 Participants shall acquire by such lease only the right to use the MLS Compilations in accordance with these rules.

*The term MLS compilation, as used in Sections 11 and 12 herein, shall be construed to include any format in which property listing data is collected and disseminated to the participants, including, but not limited to, bound book, computer data base, or any other format.

**This section should not be construed to require the participant to lease a copy of the MLS compilation for any licensee, (including licensed or certified appraisers) affiliated with the participant who is engaged exclusively as a bookkeeper or secretary, does not list or sell, and who does not, at any time, have access to nor use of the MLS information of MLS facility of the Service.

SECTION 12

USE OF COPYRIGHTED MLS COMPILATIONS – DISTRIBUTION

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

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

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

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

Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data of properties other than that in which the prospective purchaser or appraisal client has

expressed interest, or in which the participant or the affiliated licensees are seeking to promote interest, does not appear on such reproduction.

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

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

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, "sold" information, "comparables," or statistical information from utilizing such information to support ~~an estimate of value~~ valuations on a particular ~~property~~ properties for a particular clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. MLSs must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. However, only such ~~Information that an association or association-owned multiple listing service has deemed to be nonconfidential and necessary to support the estimate of value may not be reproduced and attached to the report-~~ used as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations. (Amended 05/14)

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

SECTION 13

USE OF MLS INFORMATION

Section 13 LIMITATIONS ON USE OF MLS INFORMATION: Use of information from the MLS Compilation of current listing information, from the statistical reports, or from any sold or comparable report of the MLS for public mass-media advertising by a MLS participant or in other public representations

is prohibited. All use of MLS information by Non-Listing participants/brokers must conform to Section 17 of the Internet Data Exchange, unless the listing broker provides authorization to another broker to advertise their listing. Noncompliance with Section 17 shall result in a fine.

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

"Based on information from the High Country Multiple Listing Service for the periods (insert date) through (insert date)."

SECTION 14

LOCK BOX POLICY

Section 14 LOCKBOXES: The Service shall maintain a supply of approved lockboxes, for lease or purchase by participants. Prior to use of any lockbox, the participant shall agree and sign the Lock Box Usage Agreement, and shall be responsible for regulating compliance of all licensees/brokers associated with their firm with the terms and conditions of said agreement. Participants shall also enforce the rules promulgated by the participants of the High Country Multiple Listing Service and abide by the security measures established by the National Association of REALTORS®. Lock boxes may not be placed on a property without written authority from a seller. This authority may be established in the listing contract or in a separate document created specifically for the purpose. Inclusion in MLS compilations cannot be required as a condition of placing lock boxes on listed property. Participants shall be responsible for losses, damages or expenses incurred that are not a direct result of a malfunction of the lockbox which is not covered by warranty. (Amended 2/09; 11/11)

Section 14.1 LOCKBOX KEYS: The Service shall maintain a supply of lockbox keys to be leased to participants. Each user shall sign a written agreement stipulating the responsibilities and liabilities of the parties to the agreement. The Service shall maintain an accurate inventory of all lockbox keys issued to members and in inventory.

Section 14.2 LOCKBOX KEY RETURN POLICY: If an agent transfers to an office that either does not use lock box keys, or is not participating in the MLS system the agent is required to return their lockbox key within 30 days to avoid a replacement charge. The same policy is applicable if an agent decides to no longer be a member of the High Country Multiple Listing Service.

Section 14.3 LOCKBOX KEY SECURITY: The lockbox system is set up on an electronic weekly renewal system and can be deactivated within 7 days of a security breach.

Any participant's office policy deviating from lockbox key security regulations shall be on file at the MLS office. This policy shall NOT allow a lockbox key to be lent, transferred, or assigned to anyone other than REALTORS® within the participant's office. (Amended 9/10)

Section 14.4 LOCKBOX & KEY VIOLATION: All agents shall Call the Listing Office or Agent before showing property to obtain permission. (Category IV Violation, See Appendix 1)
Agents shall insure the security of properties resulting from showings. Failure to do so will result in a fine or suspension from the service. The following shall provide examples of violations:

If the Property, Lockbox, and/or key is not secure. (see 6.r)(Category IV Violation, See Appendix 1)

If the Property, Lockbox, and/or key is not secure, and the Listing Office or Agent was notified, but there was no mutually agreed upon resolution between the listing agent/participant and the showing agent/participant. (see 6.r) (Category III Violation, See Appendix 1)

If the Property, Lockbox, and/or key is not secure, and the Listing Office or Agent was notified, but there was a mutually agreed upon resolution between the listing agent/participant and the showing agent/participant. (see 6.r)(Category II Violation, See Appendix 1) (Adopted 9/10)

Section 14.5 LOCKBOX REMOVAL: The participant shall pay a fine for properties that have participant's lockboxes on them seventy two hours (3 days) after a listing has expired, closed, or has terminated. (Category II Violation, See Appendix 1) (Adopted 9/10;1/14)

Periodic changes to the Multiple Listing By-Laws and/or Rules and Regulations regarding lockboxes will supersede the lockbox/key contracts. (Adopted 9/10)

SECTION 15

CHANGES IN RULES AND REGULATIONS

Section 15. CHANGES IN RULES AND REGULATIONS. (Rev. 10/08)

Any changes to the Rules and Regulations of the High Country Multiple Listing Service, Inc. may be made by a majority vote of a quorum of Participants present at a regularly scheduled meeting. Any changes to the Rules and Regulations are subject to approval by the board of directors of the High Country Multiple Listing Service, with final approval by the board of directors of the High Country Association of REALTORS, Inc. (Shareholder).

SECTION 16

SOFTWARE AND SUPPORT

Core Logic Computer Software provides support to High Country MLS participants.
The support department can be reached at 1-800-367-8756.

SECTION 17

Orientation

Section 17 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 (Amended 11/04)

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancements and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated additional training remotely. (Adopted 11/09)

SECTION 18

INTERNET DATA EXCHANGE ("IDX")

Section 18 IDX Defined: IDX affords MLS participants the Ability to authorize limited electronic display of their listings by other participants. (Amended NAR 5/12)

Section 18.1 Participants' consent for display of their listings by other participants pursuant to these rules and regulations must be established in writing. If a participant withholds consent on a blanket basis to permit the display of that participant's listings, that participant may not download, frame or display 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 where the seller has prohibited all Internet display. (Amended 5/12)

Section 18.2 Participation in IDX is available to all MLS participants who are REALTORS who are engaged in real estate brokerage who consent to display of their listings by other participants. (Amended NAR 11/09)

Section 18.2.1 Participants must notify the MLS of their intention to display IDX information and must give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies. (5/12)

Section 18.2.2 MLS participants may not use IDX-provided listings for any purpose other than display as provided for in these rules. This does not require participants to prevent indexing of IDX listings by recognized search engines. (Amended 5/12)

Section 18.2.3 Listings including property addresses can be included in IDX displays except where a seller has directed their listing broker to withhold their listing or the listing's property address from all display on the internet. (Including but not limited to publically-accessible websites or VOWs). (Amended 5/12)

Section 18.2.4 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-

tosell, or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed on any IDX site must be independently made by each participant. (Amended 11/06)

Section 18.2.5 Participants must refresh all MLS downloads and IDX displays automatically fed by those downloads at least once every three (3) days 12 hours. (Amended 11/14)

Section 18.2.6 Except as provided in the IDX policy and these rules, an IDX site or a participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity. (5/12)

Section 18.2.7 Any IDX display controlled by a participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the IDX policy and these rules, "control" means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules. (5/12)

Section 18.2.8 Any IDX display controlled by a participant or subscriber that allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, either or both of those features shall be disabled or discontinued for the seller's listings at the request 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 displays controlled by participants'. Except for the foregoing and subject to Section 18.2.9, a participant's IDX display may communicate the participant's professional judgment concerning any listing. Nothing shall prevent an IDXdisplay from notifying its customers that a particular feature has been disabled at the request of the seller. (Adopted 5/12)

Section 18.2.9 Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property . Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment. (Adopted 5/12)

Section 18.2.10 An MLS Participant (or where permitted locally, an MLS Subscriber) may comingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in this policy, "co-mingling" means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display. (Adopted 11/14)

Section 18.2.11 Participants shall not modify or manipulate information relating to other participants listings. MLS Participants may augment their IDX display of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated by the data supplied by the MLS. The source(s) of the information must be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized fields.

Section 18.3 Display of listing information pursuant to IDX is subject to the following rules:

Section 18.3.1 Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS participants and users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed on IDX sites.

~~**Section 18.3.2** Participants shall not modify or manipulate information relating to other participants' listings. (This is not a limitation on site design but refers to changes to actual listing data.) MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields.~~

Section 18.3.3 All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. Displays of minimal information (e.g. thumbnails, text messages tweets etc. ,of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.(Amended 5/12)

Section 18.3.4 All listings displayed pursuant to IDX shall identify the listing agent.

Section 18.3.5 Non-principal brokers and sales licensees affiliated with IDX participants may display information available through IDX on their own Web sites subject to their participant's consent and control and the requirements of state law and/or regulation.

Section 18.3.6 Deleted November 2006

Section 18.3.7 All listings displayed pursuant to IDX shall show the MLS as the source of the information. Displays of minimal information (e.g. thumbnails, text messages tweets etc. ,of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. (5/12)

Section 18.3.8 Participants (and their affiliated licensees, if applicable) shall indicate on their Web sites that IDX information is provided exclusively for consumers' personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that the data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect participants and/or the MLS from liability. Displays of minimal information (e.g. thumbnails, text messages, tweets etc. of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. (Amended 5/12)

Section 18.3.9 The data consumers can retrieve for download in response to an inquiry shall be determined by the MLS but in no instance shall be limited to fewer than one hundred (100) listings or five percent (5%) of the listings available for IDX display, which ever is fewer. (Amended 11/09)

Section 18.3.10 The right to display other participants listings pursuant to IDX shall be limited to a participants' office(s) holding participatory rights in this MLS.

Section 18.3.11 Listings obtained through IDX feeds from REALTOR Association MLS's where the MLS Participant holds participatory rights must be displayed separately from listings obtained from other sources, ~~including information provided by other MLS's~~. Listings obtained from other sources (e.g., from other MLS's, from non-participating brokers, etc.) must display the source from which each such listing was obtained. Displays of minimal information (e.g. thumbnails, text messages tweets etc. ,of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. (Amended 5/12 11/14)

Note: An MLS Participant (or where permitted locally, an MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in this policy, "co-mingling" means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display.

Section 18.3.12 Display of expired, withdrawn, pending and sold listing * is prohibited. (11/09)

* Note: If "sold" information is publicly accessible, display of "sold" listings may not be prohibited.
(Amended 11/09 11/14)

Section 18.3.13 Display of seller's(s) and or occupant's (s) name(s), phone number(s), and email address(es) is prohibited.

Section 18.4 Service fees and charges for participation in IDX shall be as established annually by the Board of Directors. (5/05)

SECTION 19

VIRTUAL OFFICE WEBSITE (VOW) (Adopted 01/09)

Section 19.1

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

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

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

Section 19.2

(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 19.3

(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 19.4: 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 19.5: A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of MLS Listing Information. A Participant's

VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

(MLS 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 19.6

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

Seller Opt-Out Form

1. Please check either Option a or Option b

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

OR

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

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

initials of seller

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

Section 19.7

- (a) Subject to subsection (b), a Participant’s VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing
- (b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants’ websites. Subject to the foregoing and to Section 18.8, a Participant’s VOW may communicate the Participant’s professional judgment

concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

Section 19.8: 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 19.9: A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

Section 19.10: 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 19.11: 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 19.12: 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 19.13: 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 19.14: 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.

APPENDIX 1 – CATEGORY VIOLATIONS

	<u>Category I</u>	<u>Category II</u>	<u>Category III</u>	<u>Category IV</u>
	(5 days to correct before Violation)	(Automatic Fine)	(Automatic Fine)	(Automatic Fine)
1 st Violation	\$25.00	\$25.00	\$250.00	\$1,000.00
2 nd Violation	\$50.00	\$50.00	\$500.00	-
3 rd Violation	\$75.00	\$75.00	-	-
4 th Violation	\$100.00	\$100.00	-	-

*After violation is assessed a \$5 a day penalty will be added until corrected.	*After notification of fine a \$5 a day penalty will be applied to fine if not corrected.	*After notification of fine a \$100 a month penalty will be applied to fine if not corrected.	*After notification of fine a \$100 a month penalty will be applied to fine if not corrected.
**Fines cannot exceed twice the amount, but late fees may apply.	**Fines cannot exceed twice the amount, but late fees may apply.	**Fines cannot exceed twice the amount, but late fees may apply.	**Fines cannot exceed twice the amount, but late fees may apply.
***After Fourth Violation (within 12 months) the Board may add additional Fines and Suspensions.	***After Fourth Violation (within 12 months) the Board may add additional Fines and Suspensions.	***After Second Violation (within 12 months) the Board may add additional Fines and Suspensions.	***Each subsequent violation (within 12 months) the Board may add additional Fines and Suspensions.
****The First Violation can be removed by attending an entire, Board approved, educational class.	****The First Violation can be removed by attending an entire, Board approved, educational class.	-	-

Appeals may be made by completing a High Country MLS Appeal Request Form (available at Board office or online). After receiving the Appeal Request Form, the Board shall meet and render a decision based upon available information. All fines shall be paid before an Appeal shall take place. See Section 9.4 for more information.

APPENDIX 2 – MLS FINES

Section	Offense	Category Violation
Sec.1	Listing Procedures	Category II

Sec.1.2	Detail on Listings Input into Service	Category I
Sec.1.3	Exempted Listing	Category II
Sec.1.4	Change in Status of Listing	Category II
Sec.1.5	Withdrawal of Listing Prior to Expiration	Category II
Sec.1.16	Promotion	Category II
Sec.2.5	Reporting of Sales to the Service	Category II
Sec.2.6	Reporting Resolutions of Contingencies	Category II
Sec.2.9	Reporting Cancellation of Pending Sales	Category II
Sec.4.1	For Sale Signs	Category II
Sec.4.2	Sold Signs	Category II
Sec.4.4	Advertising of Property	Category II
Sec.6.d	Reporting New Licensee	Category II
Sec.6.e	Inputting a Listing	Category II
Sec.6.e.1	MLS Contract Request	Category III
Sec.6.f	Mandatory Property Input Data	Category I
Sec.6.g	Changes to Listing	Category II
Sec.6.h	Closed/Sold Listings	Category II
Sec.6.j	Return Office Certification after July 31st	Category III
Sec.6.k	Waiver of Licensees	Category III
Sec.6.l	Report of New Office Broker Affiliation	Category III
Sec.6.n	Multiple Entry	Category II
Sec.6.o	Comparable Sale	Category II
Sec.6.p	MLS System Security	Category III
Sec.6.q	IDX Violation	Category IV
Sec.6.r	Security of Property	Category IV, III, or II
Sec.14.3	Lockbox Key Security	Category III
Sec.14.3.a	Permission for Showings	Category IV
Sec.14.3.b	Secure Property and Key	Category IV
Sec.14.3.c	Leaving Property as Found	Category III
Sec.14.4	Lockbox & Key Violation	Category IV, III, or II
Sec.14.5	Lockbox Removal	Category II

APPENDIX 3 – MLS FEES

Section	Fee	Category Violation
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Definitions	Personal Assistant Application Fee	\$50.00
Sec.6	Initial Participation Fee	\$2,000.00
Sec.6	MLS Office Input Fee	\$35.00
Sec.6	MLS Service Fees ("Dues")	\$45.00/month \$135.00/quarter (billed quarterly)
Sec.6	Agent Transfers	\$50.00
Sec.6	Firm Name Change	\$150.00
Sec.6.o	NSF Check Return	\$25.00 minimum
Sec.6.j	Late payment Fee - 1st Time	\$25.00
Sec.6.j	Late payment Fee - 2nd Time (repeat)	\$50.00
Sec.7.1.a	MLS Service Reconnect Fee	\$500.00
Sec.14	Loss or Damaged Lockbox	\$100.00
Lease	SentriLock Smart Card/Reader –New Member	no charge
Lease	SentriLock Smart Card – Replacement	\$20.00
Lease	SentriLock Smart Card Reader - Replacement	\$30.00

AGREEMENT AND APPLICATION FOR UNLICENSED ASSISTANT ACCESS

An Unlicensed Assistant Access (UAA) is the sole property of the real estate Broker employing the assistant. The UAA cannot be transferred and is non-refundable. The Employing Broker and Broker in Charge are **solely responsible** for the activities of the Unlicensed Assistant.

Unlicensed Assistants may:

- Gather data and information through surveys
- Order reports and services from third parties (i.e., pest control reports, title companies, appraisers) Place signs
- Greet the public as a host or hostess only
- Deliver flyers or handouts (if they do not verbally make a sales pitch)
- Perform secretarial and bookkeeping functions, including checking documents and files for completeness
- Prepare and design advertising that must be approved by Broker
- Do mailing, delivering or picking up of documents
- Obtain signatures from a Principal, after a conversation between Broker and Principal.

Unlicensed Assistants **may not**:

- Solicit for new business or make a sales pitch about any Licensee or company
- Show property for sale (except resident managers or employees of a property management company)
- Use keysafe/keybox key, without prior permission from the MLS

- Discuss terms or conditions of a possible sale
- Discuss features of a property including location, schools or other features
- Discuss with or give MLS information to the public
- Discuss the content, relevance, importance or significance of documents or instruments with a principal or service provider
- Solicit appointments for a Licensee.

The foregoing permitted activities as well as prohibitive activities are subject to any modifications, alterations and changes as from time to time may be promulgated by the North Carolina Real Estate License Commission, the North Carolina Association of Realtors®, the National Association of Realtors®, and the High Country Association of Realtors®.

If an Unlicensed Assistant performs any of the functions denied them in the above paragraph the Employing Broker and Broker in Charge will be held accountable through the High Country MLS and the High Country Association of REALTORS.

The applicant's Employing Broker and Broker in Charge agrees to the following terms:

- The Unlicensed Assistant's access to MLS is subject to MLS Rules and Regulations and Policies as may be amended or supplemented from time to time.
- The Employing Broker is responsible for ensuring and monitoring compliance.
- Use of UAA is limited to the purposes permitted by the MLS Bylaws and Rules & Regulations.
- UAA shall not be loaned, shared, disclosed or allowed to come into the possession of any other person with the exception of the Designated REALTOR® and/or Office Administrator.
- Disclosure of UAA which results in access to the MLS by an unauthorized third party, whether such disclosure is the result of intention or negligence, shall result in the following sanctions against the Employing Broker and/or his or her Broker: first offense, \$500; second offense, \$1,000; third offense, revocation of the UAA. All other alleged violations of the MLS Rules and Regulations by an Unlicensed Assistant shall subject the Employing Broker and/or his or her Broker in Charge: to discipline in accordance with the MLS Rules and Regulations.

APPLICATION FOR UNLICENSED ASSISTANT ACCESS

I understand the limitations of obtaining an Unlicensed Assistant Access through the High Country Multiple Listing Service. I hereby request one Broker's Unlicensed Assistant Access at a one-time non-refundable cost of \$50.00. **Renewal is not automatic, renew in July of each year on the annual office certification form.**

Broker Name (Last, First MI)	
Company Name:	
Address:	
Office Phone #:	Office Fax #:
Name of Assistant:	
Assistant's email address:	Assistant's Phone #:
<i>By signing below, Broker and Broker in Charge acknowledge primary responsibility for the misuse or sharing of the Unlicensed Assistant Access, including any fines and penalties pursuant to MLS Rules and Regulations and MLS Policies.</i>	
Broker Signature:	Date:
Broker in Charge Signature:	Date:
*****FOR HIGH COUNTRY MLS USE ONLY*****	
Delivered By: MAIL FAX IN PERSON OTHER(specify):	
Date Received Application:	
Login Name Assigned:	Login Password Assigned:
Access Created by:	Access Creation Date:

Please check here if this is your first request for Unlicensed Assistant Access.

Please fax or return to: High Country Multiple Listing Service
 PO Box 607, Boone, NC 28607
 Phone: (828) 262-5437 Fax: (828) 262-1530

HIGH COUNTRY MLS - APPEAL FORM

You only need to submit this form if you intend to appeal your violation or fine.

Name _____ NRDS # _____

Office Name / Number _____

Email Address _____

Date of Notification from the Board _____

Referenced Violation _____ Amount Assessed _____

You must provide a statement of the grounds upon which you claim that the violation or fine should be dismissed or modified. I request a hearing because: _____

(If you need additional space, please attach a letter to this form.)

Attached _____ (#) of items.

Payment made by ()Check ()Cash

All documentation shall accompany this form, including any written statements from witnesses.

IF YOU DO NOT COMPLETE THIS FORM IN ITS ENTIRETY, AND INCLUDE PAYMENT, YOUR APPEAL WILL BE DENIED.

Mail or hand-deliver to High Country MLS PO BOX 607 Boone, NC 28607.

FOR

OFFICIAL USE ONLY

MLS Board of Directors

High Country Multiple Listing Service

SENTRILOCK SMART CARD AUTHORIZED USER AGREEMENT

IT IS HEREBY AGREED BETWEEN THE HIGH COUNTRY MULTIPLE LISTING SERVICE

AND **MLS PARTICIPANT** (known as 'Authorized User')

(Name of MLS Participating **Broker** and Company) (Please Print)

AND **MLS PARTICIPANT'S LICENSEE** ('Authorized User' or 'Agent')

(Name of **Agent**) (Please Print)

1. **SMART CARD RECEIPT:** Participant and Agent acknowledge receipt of a SentiLock Smart Card from the MLS.
2. **TITLE TO SMART CARD:** Participant and Agent acknowledge that the Smart Card shall be the sole property of SentiLock and shall be returned as required by SentiLock or the MLS.
3. **CARD EXCHANGE BY SENTRILOCK OR MLS:** SentiLock may at its discretion require the MLS to replace the Smart Cards used by the MLS and it's Authorized Users with replacement Smart Cards compatible with the system. SentiLock shall make the exchange of Smart Cards at no cost to the MLS unless the exchange is necessary due to Customer negligence.
4. **CURRENT UPDATE:** Agent acknowledges that the Smart Card has an update and that this code expires weekly at regular intervals determined by the MLS, prohibiting further use of the Smart Card until a new update is obtained from the MLS by placing the Smart Card in an MLS Card Reader or by another authorized method.
5. **TERM OF AGREEMENT:** The term of this Agreement begins on the date of the execution of this Agreement and ends on the date the Authorized User either terminates Membership with the MLS, transfers to a non-mls firm or to a firm that does not have keys.
6. **RETURN OF SMART CARD:** Participant and Agent agree to return the Smart Card within the earlier of (1) 48 hours of receipt of a request to do so by the MLS or SentiLock or (2) within five working days after occurrence of any of the following events:
 - a. Termination of a Participant as a Participant in the MLS
 - b. Termination of Agent's association with the said Participant for any reason or transfers to a firm who has either elected not to have keys or is a non-mls firm.
 - c. Failure of the Participant/Agent to perform in accordance with any and/or all terms and conditions herein set forth, including, but not limited to, the provisions for security in paragraph 7 below.

d. In the event of the death of the Participant/Agent, heirs or personal representatives will surrender the Smart Card to MLS.

7. SECURITY OF SMART CARDS: Participant and Agent acknowledge that it is necessary to maintain security of the Smart Card to prevent its use by unauthorized persons. Consequently, Authorized User agrees: a. To keep the Smart Card in Agent's possession or in a safe place at all times.

b. To not allow his/her personal identification number (PIN) to be attached to the Smart Card or disclose to any third party his/her personal identification number (PIN).

c. TO NOT LOAN THE SMART CARD TO ANY PERSON FOR ANY PURPOSE WHATSOEVER OR TO PERMIT THE SMART CARD TO BE USED FOR ANY PURPOSE BY ANY OTHER PERSON.

d. To not duplicate the Smart Card or allow any person to do so.

e. To not assign, transfer or pledge the rights of the Smart Card.

f. To notify the MLS within three days of the loss or theft of a Smart Card. The Participant/Agent shall sign and deliver a statement to the MLS with respect to the circumstances surrounding the loss or theft. MLS shall charge for the replacement of Smart Cards either lost or damaged.

g. To follow all additional security procedures as specified by the MLS.

8. REPLACEMENT SMART CARDS: Replacement Smart Cards will be issued to Agents who:

a. have complied with this Agreement and the policies and procedures of the MLS with respect to the SentiLock System.

b. pay a fee and/or deposit specified by the MLS to replace a Smart Card lost, stolen, damaged or defective.

9. DISCIPLINARY ACTION: Participant and Agent agree to be subject to the disciplinary rules and procedures of the (MLS) Professional Standards Committee for violation of any provision of this Agreement. Discipline may include forfeiture of the Smart Card and the Participant or Agent's right to be issued a Smart Card.

10. INDEMNIFICATION: Participant and Agent agree to indemnify and hold the MLS and all of its respective officers, directors and employees harmless from any and all loss, cost, expense, claims or demands whatsoever by or against the MLS resulting from loss, use or misuse of the SentiLock System, including, but not limited to, any and all liabilities, including attorney's fees, incurred by them as a result of damage or injuries to property or persons arising out of entry by any person into any premises by use of the SentiLock System.

11. REIMBURSEMENT: Participant and Agent agree that, in the event that the MLS shall prevail in any legal action brought by or against the Participant/Agent to enforce the terms of this Agreement, the Participant/Agent as appropriate may be assessed a reasonable amount of attorney's fees in addition to any other relief to which the Court rules the MLS may be entitled.

12. GOVERNING LAW: The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of North Carolina, and venue shall be the county in which the Participant and/or Agent reside.

13. PARTIAL INVALIDITY: If any provision of this contract is held by any court to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force.

14. DISCLOSURE TO CLIENTS: The Listing Participant/Agent shall obtain specific written authorization from the seller before placing a lockbox on the owner's property and before the listing is inputted to the MLS, reflecting that a lockbox has been authorized by seller.

15. SECTION 14 OF THE RULES AND REGULATIONS of the High Country Multiple Listing Service, Inc By-laws is hereby incorporated into this user agreement.

16. ADDITIONAL CONDITIONS SET FORTH ON THE SECOND PAGE HEREOF ARE PART OF THIS AGREEMENT:

This written contract expresses the entire agreement between Participants, Agents and the MLS with respect to SentiLock Smart Cards. This Agreement supersedes any and all other agreements, either oral or in writing. No other agreement, statement or promise relating to the subject matter of the Agreement which is not contained herein shall be valid or binding. This Agreement is binding upon the heirs and personal representatives of the Participant or Agent.

The lessee and co-lessee hereby agree that he/she has read, understands, and is bound by this agreement and the Rules and Regulations of the High Country Multiple Listing Service, Inc. Bylaws Section 14.

DATED: _____

Agent/Lessee _____
Signature

**HIGH COUNTRY MULTIPLE LISTING SERVICE, INC.
RULES AND PROCEDURES
SENTRILOCK SMART CARD AND NXT WIRELESS LOCKBOX
NOVEMBER 2011**

The SENTRYLOCK Smart Card and NXT Wireless Lockbox System shall be an activity of the HIGH COUNTRY Multiple Listing Service, Inc. (HIGH COUNTRY MLS). SENTRYLOCK Smart Cards shall be leased from the HIGH COUNTRY MLS per the SENTRYLOCK Smart Card Lease Agreement provided by the HIGH COUNTRY MLS. MLS Participants may lease NXT Wireless Lockboxes from the HIGH COUNTRY MLS per the SENTRYLOCK NXT Wireless Lockbox Lease Agreement provided by the HIGH COUNTRY MLS, subject to the MLS Participant’s execution of the SENTRYLOCK Smart Card Lease Agreement.

Eligibility: Every MLS Participant, non-principal broker, sales licensee, licensed, registered, or certified appraiser, shall be eligible to hold a SENTRYLOCK Smart Card Use of the SENTRYLOCK Smart Card and NXT Wireless Lockbox System is entirely voluntary for MLS members and Sellers. The SENTRYLOCK Smart Card Lease Agreement shall be signed by the Keyholder.

Administration: The SENTRYLOCK Smart Card and NXT Wireless Lockbox System shall be under the supervision of the High Country MLS. The High Country MLS shall draw and the Board of Directors shall adopt written reasonable and appropriate Rules and Procedures for the use of the SENTRYLOCK Smart Card and NXT Wireless Lockbox System, which may include appropriate fines, not to exceed \$5,000. All Keyholders shall agree, as a condition of the SENTRYLOCK Smart Card Lease Agreement, to be bound by the rules and procedures governing the operation of the SENTRYLOCK Smart Card and NXT

Wireless Lockbox System. Any noncompliance not specifically addressed in the Rules and Regulations will be handled under the MLS Rules of the HIGH COUNTRY MLS.

The HIGH COUNTRY MLS shall maintain records as to SENTRILOCK Smart Cards and SENTRILOCK NXT Wireless Lockboxes issued and in inventory. There may be an annual audit of all SENTRILOCK Smart Cards. A physical inventory and/or by receipt of a statement signed by the Participant, attesting that the SENTRILOCK Smart Cards are in the possession of the Participant or his or her subscribers.

- a) If an inventory is taken annually, or during a spot check, and a Keyholder refuses or is unable to produce a SENTRILOCK Smart Card within their physical control, then the SENTRILOCK Smart Card will be considered unaccounted for.
- b) Board staff may conduct a spot audit at any time to insure proper control of a SENTRILOCK Smart Card by a Keyholder. The SENTRILOCK Smart Card must be in the possession of the Keyholder and must be shown at the time of the spot audit.

Fees: New Keyholders will be charged \$50 for a Smart Card and Reader. The replacement cost of the SentiLock Smart Card will be \$20 and \$30 for the reader.

Obligations: The HIGH COUNTRY MLS shall charge Keyholders and their co-signatories with the joint obligation of immediately reporting lost, stolen, or otherwise unaccountable SENTRILOCK Smart Cards and SENTRILOCK NXT Wireless Lockboxes to the HIGH COUNTRY MLS. Upon receipt of notice, the Board of Directors shall take any steps deemed necessary to re-secure the system.

Default: If lessee fails to observe, keep, or perform any provision of the Lease Agreement as to the SENTRILOCK Smart Card or NXT Wireless Lockbox system required to be observed, kept, or performed by lessee, lessor shall have the right to exercise any one or more of the following remedies:

- a) To take possession of the SENTRILOCK Smart Card with or without demand or notice, wherever it may be located, and with or without any court order or other process of law, lessee hereby waives any and all damages occasioned by such taking of possession. Any said taking of possession shall not constitute termination of the SENTRILOCK Smart Card Lease Agreement and/or SENTRILOCK NXT Wireless Lockbox Lease Agreement as to any or all items unless lessor expressly so notifies lessee in writing.
- b) To assess a fine of up to \$5,000.00
- c) To terminate the Lease Agreement as to the SENTRILOCK Smart Card or SENTRILOCK NXT Wireless Lockboxes
- d) To pursue any other remedy at law or inequity. Any such remedies are cumulative and may be exercised concurrently or separately

Noncompliance with Rules: For failure to pay any services charges or fees as of the date due, all SENTRILOCK Smart Card access shall be suspended and remain suspended until all service charges or fees are paid in full.

The Association/MLS service may refuse to lease SENTRILOCK Smart Cards, may terminate existing SENTRILOCK Smart Card Lease Agreements, and may refuse to activate or reactivate any SENTRILOCK Smart Card held by an individual convicted of a felony or misdemeanor, if the crime in the determination of the Association relates to the real estate business or put clients, customers, or other real estate professionals at risk.

Factors that may be considered in making such a determination include, but are not limited to: a)

The nature and seriousness of the crime

- b) The relationship of the crime for the purposes for limiting SENTRILOCK NXT Wireless Lockbox accesses
- c) The extent to which access (or continued access) might afford opportunities to engage in similar criminal activity. d)
The extent and nature of past criminal activity
- e) Time since criminal activity was engaged in

Update Code: Update codes for SENTRILOCK Smart Cards shall be issued only to Keyholders in good standing with the MLS and/or Association and who are in compliance with these Rules, or the SENTRILOCK Smart Card Lease Agreement, the SENTRILOCK NXT Wireless Lockbox Lease Agreement, the MLS rules, or any other policies of the HIGH COUNTRY MLS. The SENTRILOCK Smart Card expires every seven (7) days prohibiting use of the SENTRILOCK Smart Card until a new current update code is obtained from SENTRILOCK and entered by the Keyholder into the SENTRILOCK Smart Card.

Termination of SENTRILOCK Smart Card service: A Keyholder may terminate the SENTRILOCK Smart Card Lease

Agreement at any time if they are terminating their association with the HIGH COUNTRY MLS or transferring to a HIGH COUNTRY member office who does not use the Smart Cards by paying any delinquent fees and returning the SENTRILOCK Smart Card to the Association office. All SENTRILOCK NXT Wireless Lockboxes must be returned to the Participant.

Acknowledgement: Keyholder acknowledges that neither the SENTRILOCK NXT Wireless Lockboxes, nor the SENTRILOCK Smart Cards, nor any other SENTRILOCK product used in connection with the SENTRILOCK Smart Card and NXT Wireless Lockbox System is a security system. This SENTRILOCK Smart Card and NXT Wireless Lockbox System is a marketing convenience and key control system, and as such, any loss of SENTRILOCK Smart Cards or disclosure of PIN's compromises the integrity of the SENTRILOCK Smart Card and NXT Wireless Lockbox System. Keyholders shall use best efforts to insure the confidentiality and integrity of ALL components of the SENTRILOCK Smart Card and NXT Wireless Lockbox System. Neither SENTRILOCK nor the HIGH COUNTRY MLS shall be liable for any lost business or direct, incidental, or consequential damages or any other claim arising out of or relating to the use or inability to use the SENTRILOCK Smart Card and NXT Wireless Lockbox System for any reason whatsoever.

Access by unauthorized persons: In no event may the SENTRILOCK Smart Card or SENTRILOCK Smart Card and NXT Wireless Lockbox System be utilized by anyone not eligible for access to the MLS, or authorized by the High Country MLS (formerly known as MLS Committee) and the Board of Directors of the HIGH COUNTRY MLS. Noncompliance of this rule will result in a maximum fine of \$5,000.00 paid by the unauthorized user.

Remedies for breach of rules: If the Keyholder breaches these Rules and Procedures or the Rules of the SENTRILOCK Smart Card or NXT Wireless Lockbox System, the High Country MLS (formerly known as MLS Committee) or Board of Directors of the HIGH COUNTRY MLS may (a) deactivate the SENTRILOCK Smart Card; (b) take legal action against the Keyholder to recover all damages incurred by SENTRILOCK or HIGH COUNTRY MLS® resulting from such default and/or improper use of the SENTRILOCK Smart Card; (c) demand the return of all SENTRILOCK Smart Cards; and/or (d) pursue any other remedy at law or in equity. A maximum fine of \$5,000 will be assessed against the Keyholder. Any claim or dispute howsoever arising out of the SENTRILOCK Smart Card Lease Agreement shall be resolved solely by arbitration. In the event there is any disagreement on the selection of the arbitrator, a presiding judge in North Carolina shall choose the arbitrator. The prevailing party shall be entitled to recover any fees of the arbitrator, reasonable attorney's fees, costs and expenses of the arbitration.

SENTRILOCK Smart Card Lease Agreement Responsibilities: The SENTRILOCK Smart Card Lease Agreement shall state the responsibilities and shall incorporate by reference any applicable rules or other governing provisions of the MLS that relates to the operation of the SENTRILOCK Smart Card and NXT Wireless Lockbox System.

Discretion of Board of Directors: All issuing fees, recurring fees, other administrative costs, or rules and procedures shall be established by the Board of Directors and may be changed at their discretion.

Modification by Board of Directors: The Board of Directors may at any time modify or cancel the SENTRILOCK Smart Card or SENTRILOCK Smart Card and NXT Wireless Lockbox System with 60 days notice to the Keyholders; at the end of 60 days, all SENTRILOCK Smart Cards must be returned or the SENTRILOCK Smart Card will be deactivated.

Purpose: A SENTRILOCK Smart Card and NXT Wireless Lockbox System is a means by which authorized MLS Participants place SENTRILOCK NXT Wireless Lockboxes on a listed property, and lease SENTRILOCK Smart Cards to access the SENTRILOCK NXT Wireless Lockboxes.

Access Numbers: The HIGH COUNTRY MLS will issue SENTRILOCK Smart Cards and Access numbers to Keyholders. In order to enhance the integrity and security of the system, Access Numbers will be known only to HIGH COUNTRY MLS® and the Keyholder to whom they are assigned. Each Keyholder and his or her Participant will be required to sign a SENTRILOCK Smart Card Lease Agreement. Participant agrees to be bound by and comply with all terms and conditions of the SENTRILOCK Smart Card Lease Agreement signed by each licensee employed by or affiliated with a Participant. This applies to authorized affiliate Keyholders as well.

Liability: Participant acknowledges and accepts joint and several liability with any licensee affiliated with the Participant for any noncompliance with either the provisions of this agreement or any SENTRILOCK Smart Card Lease Agreement executed.

Keyholders leaving the business: Any Keyholder leaving the real estate business or discontinuing their membership in the HIGH COUNTRY MLS must return their used SENTRILOCK Smart Card. SENTRILOCK NXT Wireless Lockboxes are returned to the Participant office. SENTRILOCK Smart Cards must be returned within 7 Days following the Keyholders discontinuation of membership.

Recall/Repossess: **Keyholder acknowledges that title and ownership of the SENTRILOCK Smart Cards and the SENTRILOCK NXT Wireless Lockboxes are the sole property of The High Country MLS and that SENTRILOCK or the HIGH COUNTRY MLS reserves the right to recall or repossess SENTRILOCK Smart Cards or SENTRILOCK NXT Wireless Lockboxes for any reason. In the event of a recall or repossession, SENTRILOCK NXT Wireless Lockboxes and /or SENTRILOCK Smart Cards must be returned to the HIGH COUNTRY MLS® within 7 Days.**

Participant's Default:

- A. HIGH COUNTRY MLS shall have the option to terminate the Participant's rights under these Rules and Procedures for default. Likewise, if the Participant defaults under the separate SENTRILOCK Smart Card or NXT Wireless Lockbox Rules, the HIGH COUNTRY MLS® can terminate the Participant's rights.
- B. Participant agrees to return all SENTRILOCK Smart Cards and other information concerning the SENTRILOCK Smart Card and NXT Wireless Lockbox System in the possession of the Participant or any licensee employed by or affiliated with the Participant to the HIGH COUNTRY MLS immediately upon default, or upon demand by HIGH COUNTRY MLS.
- C. If Participant fails to return all SENTRILOCK Smart Cards, or information about the SENTRILOCK Smart Card and NXT Wireless Lockbox System to the HIGH COUNTRY MLS as provided herein, HIGH COUNTRY MLS shall be entitled to an injunction restraining Participant and every licensee employed by or affiliated with the Participant from utilizing any SENTRILOCK Smart Card or SENTRILOCK NXT Wireless Lockbox, or information concerning the SENTRILOCK Smart Card and NXT Wireless Lockbox System for any purpose whatsoever, and requiring the immediate return of all SENTRILOCK Smart Cards and information of the HIGH COUNTRY MLS. HIGH COUNTRY MLS' right to an injunction shall be in addition to any other remedies available to HIGH COUNTRY MLS under the terms and conditions of this Agreement, at law or in equity.
- D. Keyholder shall be responsible for losses, damages, or expenses incurred as a result of the default.

Participant's Responsibilities:

- A. Participant warrants that Participant is both a licensed real estate broker and Participant of the High Country MLS.
- B. Participant warrants that Agent possesses a real estate license and is in fact associated with Participant in an active effort to sell real estate or is a licensed or certified real estate appraiser affiliated with the MLS Participant.
- C. Participant agrees to enforce the terms of the Agreement with respect to any Agent associated with him/her and understands that he/she is not relieved of any responsibility or obligation by the mere fact of such disassociation with Agent.
- D. Participant agrees to notify the MLS immediately, in writing, should the Participant or Agent terminate their relationship or should the Agent's license be transferred.
- E. Participant agrees to take all responsible means to obtain Agent's Smart Card or cause Agent to return Smart Card to MLS. The Participant will continue to be charged a service fee for the disassociated subscriber until the next billing cycle after the card is returned. If an Agent does not return the Smart Card, Participant agrees to furnish the MLS with copies of written correspondence of all attempts made to obtain said Smart Card.
- F. Participant agrees that he/she is jointly and severally liable, together with the Agent, for all duties, responsibilities and undertakings of the Agent under this Agreement and understands that failure to follow the provisions of the SentiLock Smart Card User Agreement may result in the loss of MLS Smart Card privileges and, further, could cause the MLS to recall all Smart Cards issued to the Participant and the Participant's Agents.

Indemnification: Participant agrees to indemnify, hold harmless, and defend HIGH COUNTRY MLS, its Directors, officers, employees, and agents, from and against any and all liability obligations, damages, claims, or actions arising out of or as a result of Participant's, or any licensee employed by or affiliated with the Participant's, use of any SENTRILOCK Smart Card or

SENTRILOCK NXT Wireless Lockbox or information concerning the SENTRILOCK Smart Card and NXT Wireless Lockbox System or Participant's default under this agreement, and all expenses and costs including attorneys' fees, resulting therefrom or incident thereto.

Subject to Rules: Operation of the SENTRILOCK Smart Card and NXT Wireless Lockbox System shall at all times be subject to the SENTRILOCK Smart Card and NXT Wireless Lockbox Rules and Procedures, SENTRILOCK Smart Card Rules, SENTRILOCK NXT Wireless Lockbox Rules, MLS Rules, or any other policies adopted by the HIGH COUNTRY MLS as amended from time to time.

_____ Office
Name (Please Print)

Broker-In-Charge (Please Print)

Broker-In-Charge (Signature)

Date

SENTRILOCK NXT WIRELESS LOCKBOX RULES HIGH COUNTRY MULTIPLE LISTING SERVICE NOVEMBER 2011

Definition: The SENTRILOCK NXT Wireless Lockbox is a safe that is placed on a listed property for the purpose of accessing the property in the owner's absence. SENTRILOCK NXT Wireless Lockboxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or in a separate document created specifically for this purpose. The Keyholder agrees to disclose to the property owner or tenant that the SENTRILOCK NXT Wireless Lockbox is not designed or intended as a security device.

Use of SENTRILOCK NXT Wireless Lockboxes: All Keyholders are authorized under certain conditions to open the SENTRILOCK NXT Wireless Lockboxes under terms specified by the listing broker. Cooperating brokers and sales licensees, whether functioning as the listing broker or as agents of the broker, must contact the listing broker to disclose their agency status and to arrange appointments to show listed property even if the property has a SENTRILOCK NXT Wireless Lockbox affixed to it, unless the listing broker has given specific permission (through information published in the MLS or otherwise) to show the property without first contacting the listing broker. Lockboxes can only be accessed during the hours of 7 am to 10 pm ET. Lockboxes will be 'locked out' from 10pm to 7 am.

The SENTRILOCK Smart Card and NXT Wireless Lockbox System is strictly voluntary. No Participant is required to lease a SENTRILOCK Smart Card; however, Participants must have a SENTRILOCK Smart Card if he or she has SENTRILOCK NXT Wireless Lockboxes in their possession.

PLEASE NOTE: YOU ARE ONLY USING THE SENTRILOCK NXT WIRELESS LOCKBOXES. YOU DO NOT OWN THEM. PLEASE DO NOT MARK ON THEM OR WRITE ON THEM.

MLS Rules and Regulations: The SENTRILOCK NXT Wireless Lockbox Lease Agreement shall state the responsibilities and shall incorporate by reference any applicable rules and other governing provisions of the MLS that relates to the operation of the SENTRILOCK Smart Card and NXT Wireless Lockbox System.

Return of SENTRILOCK NXT Wireless Lockboxes not in use: The HIGH COUNTRY MLS reserves the right to request the return of SENTRILOCK NXT Wireless Lockboxes not in use.

SENTRILOCK NXT Wireless Lockbox Lease Agreements: A Participant will be required to sign a SENTRILOCK NXT Wireless Lockbox Lease Agreement outlining their responsibility to maintain a record of the location of each SENTRILOCK NXT Wireless Lockbox, and establishing their liability, should SENTRILOCK NXT Wireless Lockboxes be lost or otherwise unaccounted for. Such liability is established at the replacement cost of each SENTRILOCK NXT Wireless Lockbox.

Privilege information to law enforcement officials: Law enforcement officials may have access to the information held within the SENTRILOCK NXT Wireless Lockboxes on properties where a SENTRILOCK NXT Wireless Lockbox was on the property and criminal activity is suspect. Access will only be allowed with HIGH COUNTRY MLS' Board of Directors written approval.

Responsibilities: Participants will:

- 1) Maintain the SENTRILOCK NXT Wireless Lockboxes in working order and will be responsible to pay for any repairs or replacement, if not covered under warranty. Replacement cost for boxes will be \$100.00.
- 2) Pay for any SENTRILOCK NXT Wireless Lockbox assigned to the Participant if not accounted for at the time of any audit.
- 3) Not remove the serial number or damage the serial number sticker on the SENTRILOCK NXT Wireless Lockbox
- 4) Be charged the replacement cost per SENTRILOCK NXT Wireless Lockbox if the serial number has been altered or if it is missing from the SENTRILOCK NXT Wireless Lockbox. A SENTRILOCK NXT Wireless Lockbox without a serial number will be considered as an unassigned SENTRILOCK NXT Wireless Lockbox and the HIGH COUNTRY MLS will confiscate all such SENTRILOCK NXT Wireless Lockboxes.

Int: _____ Date: _____