

MLS RULES AND REGULATIONS OF THE REELFOOT REGIONAL ASSOCIATION OF REALTORS®, INC.

(ADOPTED January 24, 2024)

LISTING PROCEDURES

Section 1. LISTING PROCEDURES: Listings of real or personal property of the following types, which are listed subject to a real estate broker's license, and are located within the territorial jurisdiction of the Multiple Listing Service, and are taken by Participants on (Indicate form(s) of listings accepted by the Service - See Notes 1 and 2) shall be delivered to the Multiple Listing Service within three (3) business days after all necessary signatures of seller(s) have been obtained

- (a) Single-family homes for sale or exchange.
- (b) Vacant lots and acreages for sale or exchange.
- (c) Two-family, three-family and four-family residential buildings for sale or exchange.
- (d) Commercial/Industrial properties for sale or exchange.

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

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

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

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

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

The Service may not accept net listings because they are deemed unethical and, in most states, illegal. Open listings are not accepted except where required by law because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.

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

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

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

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

NOTE 4: The computerized Multiple Listing Service will be 100% broker loaded with no data or picture entry provided by staff.

TYPES OF PROPERTIES: The following are some of the types of properties that may be published through the Service, including types described in the preceding paragraph that are required to be filed with the Service and other types that may be filed with the Service at the Participant's option provided, however, that any listing submitted is entered into within the scope of the Participant's Licensure as a real estate broker:

1. Residential
2. Residential Income
3. Subdivided Vacant Lot
4. Land and Ranch
5. Business opportunity
6. Motel-Hotel
7. Mobile Homes
8. Mobile Home Parks
9. Commercial Income
10. Industrial

Section 1.01, 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), multi-brokerage listing sharing networks, and applications available to the general public.

Note: Exclusive listing information for required property types must be filed and distributed to other MLS Participants for cooperation under the Clear Cooperation Policy. This applies to listings filed under Section 1 and listings exempt from distribution under Section 1.3 of the NAR model MLS rules, and any other situation where the listing broker is publicly marketing an exclusive listing that is required to be filed with the service and is not currently available to other MLS Participants.

Section 1.1 LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE: Any listing taken on a contract to be filed with the Multiple Listing Service is subject to the Rules and Regulations of The Service upon signature of the sellers(s).

Section 1.2 DETAIL ON LISTINGS FILED WITH THE SERVICE: A Listing Agreement or Property Data Form, when filed with the Multiple Listing Service by the listing broker, shall be complete in every detail which is ascertainable.

Listings filed with the service will be monitored weekly for incomplete entries as per the MLS Policies & Procedures as from time to time amended as set out as required information.

Section 1.2.0 ACCURACY OF LISTING DATA: Participants and subscribers are required to submit accurate listing data and required to correct any known errors.

Appendix A of THESE RULES INCLUDES a SCHEDULE OF FINES. If the fine is not paid within ten days to the Multiple Listing Service of Reelfoot Regional Association of REALTORS[®] service may be suspended. A reinstatement fee of \$100.00 will be charged in addition to fines owed to reinstate the service.

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.

NOTE 1: Section 1.3 is not required if the Service does not require all (Indicate type(s) of listings accepted by the Service) listings to be submitted by a Participant to the Service.

NOTE 2: MLS Participants must distribute exempt listings within (1) one business day once the listing is publicly marketed. See Section 1.01, Clear Cooperation

Section 1.3.1: COMING SOON LISTINGS: Prior to being entered into the System or advertised, all Coming Soon Listings must have a valid, fully executed:

1. Exclusive Right to Sell listing agreement, or
2. Exclusive Agency to Sell

Coming Soon status indicates that the broker and the seller are preparing the property for sale and for marketing as Active status. This status is not intended to give the listing broker an advantage in finding a buyer for the property to the detriment of cooperating brokers or to circumvent the selling of the property on an open market. The intended use of this status is to provide a vehicle for participants and subscribers to notify other participants and subscribers of properties that will be made fully available for showing and marketing after preparations have been completed. While the property is in Coming Soon status, the seller and the listing broker may not promote or advertise the property in any manner other than as 'coming soon'.

Properties in this status may not be shown. This status is for short term use preparatory to Active status, 14 days or less, and must have a listing agreement and seller(s) written authorization using the RRAR's Seller (delayed or coming soon) Authorization Form, or such other authorization form as the listing broker may choose that contains similar disclosures.

Section 1.3.2: SYNDICATION OF COMING SOON LISTINGS: There shall be no syndication permitted of Coming Soon Listings. Coming Soon listings may not be included in IDX and VOW data feeds. Coming Soon Listings shall be available for promotion on social media and must be in compliance with The Code of Ethics and Tennessee License Laws, Rules, and Policies.

Section 1.4 CHANGE OF STATUS OF LISTING: Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the Service within three (3) business days after the authorized change is received by the listing broker.

Section 1.4.1 ENTERING UNAUTHORIZED LISTINGS: Upon discovery that a listing is submitted to the Multiple Listing Service without written authorization, a fine of two hundred fifty dollars (\$250) will be administered immediately.

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

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

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

Section 1.8 LISTING MULTIPLE UNIT PROPERTIES: All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the Property Data Form. When part of a listed property has been sold, proper notification should be given to the Multiple Listing Service. No listing shall be entered in the MLS database more than once, except when there is a varied price or class.

Section 1.9 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS: The Multiple Listing Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Multiple Listing Service shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and nonparticipants.

Section 1.10 EXPIRATION OF LISTINGS: Listings filed with the Multiple Listing Service will automatically be removed from the compilation of current listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed.

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

To avoid misleading the general public as to the number of days on market with the same agency, no listing shall be re-listed as a new listing within 30 days of being withdrawn-released by the same agency. At any time and for any reason, the MLS has the right to request a copy of the seller's written authorization to extend or renew a listing.

Section 1.11 TERMINATION DATE ON LISTINGS: Listings filed with the Service shall bear a definite and final termination date as negotiated between the listing broker and the seller.

Section 1.12 OTHER TERMS DEFINED: "Internet Data Exchange SM" is a means by which each Participant subscribing to the program (the "Internet Data Exchange Subscriber or "IDX Subscriber") permits the display of its active listings appearing in MLS on each other IDX Subscriber's Internet web site. The "Internet Data Exchange Database" is the current aggregate compilation of all active listings of all Internet Data Exchange Subscribers.

Section 1.13 JURISDICTION: Only listings of the designated types of property located within the service area of the MLS are required to be submitted to the Service. Listings of property located outside the MLS's service area will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service.

Section 1.14 LISTINGS OF SUSPENDED PARTICIPANT: When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the Service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Board (except where MLS participation without Board membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, a Board MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of 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 1.15 LISTINGS OF EXPELLED PARTICIPANT: 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, Board Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS shall, at the expelled Participant's option, be retained in the Service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Board (except where MLS participation without Board membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, a Board MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised in writing of the intended removal so that the expelled Participant may advise his clients.

Section 1.16 LISTINGS OF RESIGNED PARTICIPANTS: When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings from the MLS, the resigned Participant should be advised in writing of the intended removal so that the resigned Participant may advise his clients.

Section 1.17 PROPERTY ADDRESSES: At the time of filing a listing, participants and subscribers must include a property address available to other participants and subscribers, and if an address doesn't exist a parcel identification number can be used. Where an address or parcel identification number are unavailable, the information filed with the MLS must include a legal description of the property sufficient to describe its location.

SELLING PROCEDURES

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

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

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

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

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

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

Where the cooperating broker is not present during the presentation of the offer, the cooperating broker can request in writing, and the listing broker must provide, as soon as practical, written affirmation stating that the offer has been submitted to the seller, or written notification that the seller has waived the obligation to have the offer presented.

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

Section 2.5 REPORTING SALES TO THE SERVICE: Status changes, including final closing of sales and sale prices, shall be reported to the multiple listing service by the listing broker within 48 hours after they have occurred. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report accepted offers and prices to the listing broker within 48 hours after occurrence and the listing broker shall report them to the MLS within 48 hours after receiving notice from the cooperating broker. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report the status changes, to the listing broker within 48 hours after occurrence and the listing broker shall report them to the MLS within hours after receiving notice from the cooperating broker.

NOTE 1: The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its participants.

NOTE 2: In disclosure states, if the sale price of a listed property is recorded, the reporting of the sale price may be required by the MLS.

In states where the actual sale prices of completed transactions are not publicly accessible, failure to report sale prices can result in disciplinary action only if the MLS:

1. categorizes sale price information as confidential and
2. limits use of sale price information to participants and subscribers in providing real estate services, including appraisals and other valuations, to customers and clients; and to governmental bodies and third-party entities only as provided below.

The MLS may provide sale price information to governmental bodies only to be used for statistical purposes (including use of aggregated data for purposes of valuing property) and to confirm the accuracy of information submitted by property owners or their representatives in connection with property valuation challenges; and to third-party entities only to be used for academic research, statistical analysis, or for providing services to participants and subscribers. In any instance where a governmental body or third-party entity makes sale price information provided by the MLS available other than as provided for in this provision, a listing participant may request the sale price information for a specific property be withheld from dissemination for these purposes with written authorization from the seller, and withholding of sale price information from those entities shall not be construed as a violation of the requirement to report sale prices.

NOTE 3: As established in the Virtual Office Website ("VOW") policy, sale prices can only be categorized as confidential in states where the actual sale prices of completed transactions are not accessible from public records.)

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

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

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

Section 2.9 DISCLOSING THE EXISTENCE OF OFFERS: Listing brokers, in response to inquiries from buyers or cooperating brokers shall, with the seller's approval, disclose the existence of offers on the property. Where disclosure is authorized, the listing broker shall also disclose, if asked, whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating broker.

Section 2.10 AVAILABILITY OF LISTED PROPERTY

Listing brokers shall not misrepresent the availability of access to show or inspect listed property.

REFUSAL TO SELL

Section 3. REFUSAL TO SELL: If the seller of any listed property filed with the Multiple Listing Service refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the Service and to all Participants.

PROHIBITIONS

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

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

Section 4.1.1 REMOVAL OF SIGNS: For Sale signs should be removed upon listing expiration, withdrawal or sale; but no later than 30 days. Upon receiving notification that a sign has been abandoned on a property for 30 days or more, the Service will notify the Participant and the sign should be removed within 72 hours or be subject to a one hundred dollar (\$100) fine on first notice.

Section 4.1.2 PLACEMENT OF SIGNS: Written permission is required to place any sign on any property prior to a listing agreement. The written instructions must be signed by the seller and filed with the Service within ONE (1) business day of posting of any sign.

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.

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

NOTE 1: This Section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standard of Practice 16-4. This Section is intended to encourage sellers to permit their properties to be filed with the Service by protecting them from being solicited, prior to expiration of the listing, by brokers and salespersons seeking the listing upon its expiration.

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

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

This Section does not preclude solicitation of 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 THE TERMS MLS AND MULTIPLE LISTING SERVICE No MLS participant, subscriber or licensee affiliated with any participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants, subscribers and licensees affiliated with participants shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

Section 4.5 PHOTOS: Photographs, virtual tours and/or renderings submitted by a Participant or Subscriber shall not be copied by other Participants or Subscribers for use in the MLS or other marketing.

Photos entered into the MLS system must not contain listing agent, broker or company names or logos, or phone numbers, nor may they have any legible company signs on the property. MLS staff is authorized to immediately remove any photo in violation of this policy and send notification to the listing agent & office or broker.

VIRTUAL TOURS: The Service allows for one virtual tour to be attached to any listing.

Section 4.6 CO-LISTINGS: The RRAR MLS requires that both co-listing agents are participants or subscribers of the RRAR MLS in order to submit the listing. Inclusion of co-listings where the co-listing broker/agent is not a Participant or Subscriber in the MLS is prohibited.

Section 4.7 SERVICES ADVERTISED AS "FREE": MLS participants and subscribers must not represent that their brokerage services to a client or customer are free or available at no cost to their clients, unless the participant or subscriber will receive no financial compensation from any source for those services.

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.

NOTE 1: In filing a property with the Multiple Listing Service of a Board of REALTORS®, the Participant of the service is making blanket unilateral offers of cooperation to the other MLS Participants, and shall therefore specify on each listing filed with the service, the compensation being offered to the other MLS Participants. Specifying the compensation on each listing is necessary because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.*

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

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.

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

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

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

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

NOTE 3: The Multiple listing Service shall make no rule on the division of commissions between Participants and 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 or to lender 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.

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.

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 the participants to disclose short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they must 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 information related to short sales must be communicated through dedicated fields or confidential "remarks" available only to participants and subscribers.

NOTE 7: While MLSs are not required to authorize participants to offer cooperative compensation based on net sale prices, those that do permit such offers must define "seller concessions" for purposes other than new construction, unless that term is defined by applicable state law or regulation. The following definition of "seller concessions" is suggested but not required for adoption:

Points paid by seller on behalf of buyer, seller-paid buyer closing costs, cash or cash allowances not escrowed, down payment assistance, additions or alterations not considered deferred maintenance, and personal property not usual and customary to such transactions conveyed from seller to buyer having an agreed upon monetary value.

Section 5.0.1 DISCLOSING POTENTIAL 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.

Where participants 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 the listing and cooperating participants, listing participants shall disclose to cooperating participants in writing the total reduction in the gross commission and the amount by which the compensation payable to the cooperating broker will be reduced within hours of receipt of notification from the lender.

Section 5.1 PARTICIPANT AS PRINCIPAL: If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any interest in property, the listing of which is to be disseminated through the Multiple Listing Service, that person shall disclose that interest when the listing is filed with the Multiple Listing Service and such information shall be disseminated to all Multiple Listing Service Participants.

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

Section 5.3 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS: The existence of a dual or variable rate commission arrangement (i. e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

Section 5.4 DISPLAY OF LISTING BROKER'S OFFER OF COMPENSATION: Participants and subscribers who share the listing broker's offer of compensation for an active listing must display the following disclaimer or something similar. The listing broker's offer of compensation is made only to participants of the MLS where the listing is filed.

SERVICE CHARGES

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

(a) Initial Participation Fee: An applicant for participation in The Service shall pay an application fee of \$200.00 with such fee to accompany the application.

NOTE: The Initial Participation Fee shall approximate the cost of bringing the Service to the Participant.

(b) Recurring Participation Fee: The annual participation fee of each Participant shall be \$820.00 plus an amount equal to \$820.00 times each salesperson who has access to and use of the Service, whether licensed as a broker or affiliate broker, who is employed by or affiliated as an independent contractor with such Participant

The annual participation fee of each licensed or certified appraiser who has made proper application as such licensed or certified appraiser according to the Bylaws of the Multiple Listing Service shall be in an amount equal to \$600.00 times each participant. Payment of such fees shall be made on or before the first day of the fiscal year of the Multiple Listing Service.

A late fee of **\$25** will be assessed for payment received after the 1st day of the calendar quarter for MLS Fees per individual Participants and/or Subscribers.

However, MLSs must provide participants the option of a no-cost waiver of MLS fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS or CIE where the principal broker participates. MLSs may, at their discretion, require that broker participants sign a certification for nonuse of its MLS services by their licensees, which can include penalties and termination of the waiver if violated.

NOTE 1: A Multiple Listing Service may elect to have such fees payable on a quarterly or even on a monthly basis.

However, added administrative services are necessitated by increased frequency of such payments.

NOTE 2: Multiple listing services that choose to include affiliated unlicensed administrative and clerical staff, personal assistants, and/or individuals seeking licensure or certification as real estate appraisers among those eligible for access to and use of MLS information as subscribers may, at their discretion, charge recurring fees.

(c) Listing Fee: A Participant shall pay a monthly listing fee in an amount equal to the number of listing he had filed with the Service during the month multiplied by the listing fee of \$.00 per listing.

NOTE: An alternative provision for the "Listing Fee" is: "For filing a new listing or renewal of a listing with the Service a fee of \$ shall accompany each listing when filed with the Service."

OPTIONAL: It is a matter of agreement between the listing and selling broker as to whether or not the cooperating broker shall reimburse the listing broker for the listing fee. The Multiple Listing Service shall not be concerned as this is an arrangement between cooperating brokers and the Multiple Listing Service rules do not dictate the compensation offered to cooperating brokers by the listing broker.

(d) Affiliate Financial Program: The fee for affiliate members of the Association wishing to utilize the financial program shall be \$250.00 per year.

(e) Association members, who by virtue of their membership status are entitled to receive services other than current listing information, but do not participate in the MLS, may receive comparables for a monthly subscription fee of \$15.00, paid annually in advance.

NOTE: Clerical Users. Individuals (whether licensed or unlicensed) under the direct supervision of an MLS participant or subscriber that perform only administrative and clerical tasks that do not require a real estate license or an appraisers certificate or license. There are no additional fees for assigning Clerical Users system access. At the Service's request each participant and subscriber shall provide the MLS with a list of all clerical users employed by or affiliated as independent contractors with the participant or subscriber and shall immediately notify the MLS of any changes, additions or deletions from the list.

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. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- f. termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years

NOTE 1: A participant (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or user/subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the MLS rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the individual's record will reflect the fulfillment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance.

NOTE 2: MLS participants and subscribers can receive no more than three (3) administrative sanctions in a calendar year before they are required to attend a hearing for their actions and potential violations of MLS rules, except that the MLS may allow more administrative sanctions for violations of listing information provided by participants and subscribers before requiring a hearing. The MLS must send a copy of all administrative sanctions against a subscriber to the subscriber's participant and the participant is required to attend the hearing of a subscriber who has received more than three (3) administrative sanctions within a calendar year.

Section 7.1 Compliance with Rules The following action may be taken for noncompliance with the rules:

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

NOTE: Generally, warning, censure, and the imposition of a moderate fine is sufficient to constitute a deterrent to violation of the Rules and Regulations of the Multiple Listing Service. Suspension or termination is an extreme sanction to be used in cases of extreme or repeated violation of the Rules and Regulations of the Service. If the MLS desires to establish a series of moderate fines, they should be clearly specified in the Rules and Regulations.

Section 7.12 APPLICABILITY OF RULES TO USERS AND/OR SUBSCRIBERS: Non-principal brokers, sales licensees, appraisers and others authorized to have access to information published by the MLS are subject to these Rules and Regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the Rules and Regulations. Further, failure of any user or subscriber to abide by the Rules and/or sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

NOTE: Adoption of Section 7.12 is optional and it should be adopted by Multiple Listing Services desiring to establish authority to impose discipline on non-principal "Users" or "Subscribers" affiliated with MLS "Members" or "Participants."

MEETINGS

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

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

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

ENFORCEMENT OF RULES OR DISPUTES

Section 9. CONSIDERATIONS OF ALLEGED VIOLATIONS: The Committee shall give consideration to all written complaints having to do with violations of the rules and regulations. By becoming and remaining a participant, each participant agrees to be subject to these rules and regulations, the enforcement of which are at the sole discretion of the Committee (Board of Directors).

When requested by a complainant, the MLS will process a complaint without revealing the complainant's identity. If a complaint is subsequently forwarded to a hearing, and the original complainant does not consent to participating in the process, the MLS will appoint a representative to serve as the complainant.

Section 9.1 VIOLATIONS OF RULES AND REGULATIONS: If the alleged offense is a violation of the Rules and Regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the Multiple Listing Service Committee, and if a violation is determined, the Committee may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Board in accordance with the Bylaws and Rules and Regulations of the Board of REALTORS® within twenty (20) days following receipt of the directors' decision.

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

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

Section 9.3 Complaints of Unauthorized Use of Listing Content

Any participant who believes another participant has engaged in the unauthorized use or display of listing content, including photographs, images, audio, or video recordings, and virtual tours, shall send notice of such alleged unauthorized use to the MLS. Such notice shall be in writing, specifically identify the allegedly unauthorized content, and be delivered to the MLS not more than sixty (60) days after the alleged misuse was first identified. No participant may pursue action over the alleged unauthorized use and display of listing content in a court of law without first completing the notice and response procedures outlined in this Section 9.3 of the MLS rules.

Upon receiving a notice, the committee (Board of Directors) will send the notice to the participant who is accused of unauthorized use. Within ten (10) days from receipt, the participant must either: 1) remove the allegedly unauthorized content, or 2) provide proof to the committee (Board of Directors) that the use is authorized. Any proof submitted will be considered by the Committee (Board of Directors), and a decision of whether it establishes authority to use the listing content will be made within thirty (30) days.

If the Committee (Board of Directors) determines that the use of the content was unauthorized, the Committee (Board of Directors) may issue a sanction pursuant to Section 7 of the MLS rules, including a request to remove and/or stop the use of the unauthorized content within ten (10) days after transmittal of the decision. If the unauthorized use stems from a violation of the MLS rules, that too will be considered at the time of establishing an appropriate sanction.

If after ten (10) days following transmittal of the Committee's (Board of Director's) determination the alleged violation remains uncured (i.e. the content is not removed or the rules violation remains uncured), then the complaining party may seek action through a court of law.

Section 9.4 MLS RULES VIOLATIONS

MLS participants may not take legal action against another participant for alleged rules violation(s) unless the complaining participant has first exhausted the remedies provided in these rules.

CONFIDENTIALITY OF MLS INFORMATION

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

Section 10.1 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION: The information published and disseminated by the Service is communicated verbatim, without change by The Service, as filed with the Service by the Participant. The Service does not verify 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: REALTORS® who are actively engaged in real estate brokerage, management, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of these members and individuals affiliated with these members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations.

OWNERSHIP OF MLS 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 license and also thereby does license 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.

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.

Section 11.1 All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Reelfoot Regional Association of REALTORS®, Inc., and in the copyrights therein, shall at all times remain vested in the Reelfoot Regional Association of REALTORS®, Inc.

Section 11.2 Each Participant shall be entitled to lease from the Reelfoot Regional Association of REALTORS®, Inc. 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 Board.**

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

USE OF COPYRIGHTED MLS COMPILATIONS

Section 12. DISTRIBUTION: Participants shall at all times maintain control over and responsibility for each copy of any MLS compilation leased to them by the Board of REALTORS®, 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 a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law.

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

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

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

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 valuations on particular properties for 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. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations.

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 Board's "Statistical Report," or from any "sold" or "comparable" report of the Board or MLS for public mass-media advertising by any MLS Participant or in other public representations may not be prohibited.

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

"Based on information from the Board/Association of REALTORS® (alternatively, from the MLS) for the period (date) through (date)."

CHANGES IN RULES AND REGULATIONS

Section 14. CHANGES IN RULES AND REGULATIONS: Amendments to the rules and Regulations of the Service shall be by a majority vote of the Members of the Multiple Listing Service Committee, subject to final approval by the Board of Directors of the Reelfoot Regional Association of REALTORS®.

NOTE: Some Boards may prefer to change Rules and Regulation by vote of the Participants of the Service subject to approval by the Board of Directors of the Board of REALTORS®.

LOCKBOXES

Section 16 LOCK BOXES

- A. The Lock Box Security Requirements of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended, are hereby adopted and made a part of these Rules and Regulations.

Section 16.1 MLS COMMITTEE

- A. The MLS Committee enforces these rules and administers the lockbox system. The committee may make recommendations related to its purpose to the Board of Directors, including but not limited to amending these rules and purchasing new equipment.

Section 16.2 DEFINITIONS

- A. "Association" means the Reelfoot Regional Association of REALTORS®.
- B. "Keycard holder" means a person issued SentriKEY® access, SMARTCARD® access, or leased application by the Association.
- C. "Lockbox" means a locked container placed on a property into which a key to the property is placed. The term includes those lockboxes that are issued or leased by the Association to persons entitled to the lockbox service.
- D. "Lockbox keycard" means a special keycard, program, or other device, which opens a lockbox.
- E. "Participant" means an individual who: (1) is a REALTOR®; (2) is a principal of a firm participating in the lockbox service; (3) voluntarily participates and subscribes to the lockbox service by paying the required fees and complying with these rules; and (4) is responsible to the Association for compliance with these rules for himself and all Subscribers associated with the Participant.
- F. "Principal" means an owner, partner, corporate officer, or branch office manager acting on behalf of a principal.
- G. "Subscriber" means non-principal brokers, salespersons, licensees, and licensed or certified real estate appraisers affiliated with a Participant and who offices at the location the Participant's office or branch office or Affiliate Member (ie. Certified Appraisers, Licensed Home Inspectors or Pest Control Inspectors).

Section 16.3 ELIGIBILITY OF PARTICIPATION

- A. Participants may hold a lockbox keycard if the Participant signs a lockbox keycard lease agreement with the Association and agrees to abide by these rules, as may be amended from time to time.
- B. Subscribers may hold a lockbox keycard if the Subscriber and the Subscriber's Participant sign a lockbox keycard lease agreement, agree to abide by these rules, as may be amended from time to time, and agree that the Participant is responsible for the Subscriber's compliance with these rules.

Section 16.4 OBLIGATIONS OF PARTICIPANTS AND SUBSCRIBERS

- A. No person may duplicate or authorize another to duplicate a lockbox keycard.
- B. A Participant and Subscriber may not permit any person, including other Participants and Subscribers, to use a lockbox keycard that the Association issues or assigns to the Participant or Subscriber.
- C. Participants and subscribers shall not place a lockbox on a property without written authority from the seller and occupant, if other than the seller.
- D. If a Subscriber transfers offices from one Participant to the another Participant, and the Subscriber wants to continue lockbox keycard privileges, the Subscriber and new Participant must sign a statement, as the Association may require, that states the new Participant and Subscriber agree to abide by these rules. The Subscriber and new Participant must sign the statement not later than 10 days after the date that the Subscriber becomes affiliated with the new Participant.
- E. The Participant is responsible for all fees and deposits that the Participant or any Subscriber affiliated with the Participant owes to the Association under these rules.
- F. The Association will conduct a quarterly audit of all lockboxes and keycard access. Participants and Subscribers must cooperate with the Association in its completion of the quarterly audit by accounting for lockbox keycard access and lockboxes when requested by the Association and signing a written statement that the lockboxes and keycard access issued to the Participant or Subscribers are in the Participant's or Subscribers possession or control. If a Participant or Subscriber is unable to account for lockbox(s) when requested by the Association, the Association may declare the lockbox lost and the Participant shall be responsible for replacement.
- G. Participants and Subscribers must immediately return to the Association all lockboxes in their possession if the Association determines, in its sole discretion, (1) that such action is necessary to protect the safety or integrity of the lockbox system; (2) that member of the Reelfoot Regional Association has not paid association dues for the current year or that a non-member subscriber has failed to pay applicable fees for the current year.

- H. Before a Participant or Subscriber may show a property listed by another REALTOR®, the Participant or Subscriber must first contact the listing broker's firm to: (1) notify the listing agent of the approximate time the Participant or Subscriber desires to show the property; (2) ascertain any special instructions; and (3) obtain permission to show the property. Unless otherwise authorized to do so by the listing broker, a Participant or Subscriber may not access another broker's listing without first contacting the listing broker's firm as provided in this provision.
- I. Participants and Subscribers must agree to follow the listing broker's showing instructions which include leaving a business card inside the property if instructed, securing the property and leaving lights, heating and air thermostats as instructed or as set when agent entered property. Participants and subscribers agree to report immediately to listing agent or other authorized person any condition or situation which constitutes a potential hazard and/or needs attention. Participants and subscribers also must agree to report immediately the cancellation of any scheduled showing appointment.

Section 16.5 ISSUANCE PROCEDURES

- A. Before Keycard access will be issued, a Subscriber affiliated with the Participant shall sign a written agreement with RRAR stipulating the responsibilities and liabilities of both the Subscriber and the Participant. An annual lease fee of \$100 is required to be paid at the time the keycard access is issued or billed to the office. In an agent transfer situation, the agent will retain their original keycard access pursuant to the terms set out in the lease contract.
- B. Before a lock box will be issued, the Participant shall sign a written agreement with RRAR stipulating the responsibilities to maintain a record of the location of each lock box and liabilities should boxes be lost or otherwise unaccounted for. Such liability is established at current cost of lock boxes plus shipping and handling, however, RRAR reserves the right to adjust this amount in accordance with cost adjustments by the supplier. Lock boxes will be available on a lease basis to Participants. Distribution will be in an amount equal to each office's RRAR active and pending residential, commercial/industrial, and multi family plus 20%, with a minimum of two boxes per office. Lock boxes in stock will be issued by written request made by the Participant accompanied by documentation that all boxes currently issued to that office are being used. The documentation must show the serial number and location of each box. Should RRAR Lockbox inventory fall below 10% total lockboxes, the board reserves the right to request the return of lock boxes not in use. The staff reserves the right to limit the number of lock boxes issued, taking into consideration lock boxes already issued to an office, number of active, pending, qualified listings, and availability of lock boxes in stock. RRAR will charge the Participant \$125.00 for each lock box not returned 5 days after an audit. Lock boxes are to be returned clean and in good repair. RRAR may charge a cleaning fee of \$10.00 per lock box if cleaning and shackle code is needed when lock boxes are returned to RRAR office. (amended 09/22)

Section 16.6 FEES AND SERVICE CHARGES

- A. Usage Lease Fees: The annual Lockbox Usage Fee shall be \$100.00 and the annual Lockbox Keycard Usage Fee shall be 100.00 for users participating in the Lockbox program. Payment of such fees shall be made on or before the first day of each calendar quarter.
- B. Service Charges: The Participant shall be responsible for all costs incurred in the replacement of any stolen, lost or damaged associated equipment.

Section 16.7 ENFORCEMENT

- A. The MLS Committee will review any complaint filed against a Participant or Subscriber for a violation of these rules provided that such complaint is in writing and signed. The committee may not initiate a review based on an anonymous complaint unless it has reasonable cause to believe that failure to do so will jeopardize the safety or public confidence of the lockbox system.
- B. If a Participant or a Subscriber affiliated with the Participant fails to timely pay any amount due the Association under these rules, written notice of the delinquency will be sent to the Participant and notify the Participant that the Participant is responsible for all amounts the Participant or any Subscriber affiliated with the Participant owes the Association. An administrative late fee of 10% will be assessed. If the delinquency and any late fee remains unpaid for a period of fifteen (15) days after the committee sends the Participant notice of the delinquency and any late fee, the committee shall terminate the lockbox services to the Participant and all Subscribers affiliated with the Participant. A Participant that disputes an amount owed to the Board may file a request for an appeal to the Board of Directors before the date before which the amount must be paid. In the event of such an appeal, the termination of the lockbox service shall be stayed until the Board of Directors hears the appeal.
- C. If the board of directors determines that a Participant or Subscriber violated these rules, other than for a failure to pay fees under these rules, the board of directors may direct the imposition of a sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Association in accordance

with the Association's bylaws within twenty (20) days following receipt of the decision. Sanctions for violations may include: (a) a letter of warning; (b) a reprimand; (c) a fine not to exceed \$250 for each violation; (d) suspension of the Participant's or Subscriber's access to the lockbox service; (e) termination of the Participant's or Subscriber's access to the lockbox service; or (f) a combination of (a) – (e).

- D. The board of directors may refuse to lease lockbox keycard access or lockboxes, may terminate existing lockbox services, and may refuse to activate or reactivate any lockbox keycard held by a person who is convicted of a felony or misdemeanor if the crime, in the determination of the board of directors relates to the real estate business or puts clients, customers, or other real estate professionals at risk.
- E. The board of directors may suspend the right of Participants and Subscribers to use lockbox keycard access or lockboxes following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the committee, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk.
- F. Factors that the board of directors may consider when making determinations under 6D or 6E include, but are not limited to: (1) the nature and seriousness of the crime; (2) the relationship of the crime to the purposes for limiting lockbox access and services; (3) the extent to which access or continued access might afford opportunities to engage in similar criminal activity; (4) the extent and nature of past criminal activity; (5) time since criminal activity was engaged in; (6) evidence of rehabilitation while incarcerated or following release; and (7) evidence of present fitness.
- G. In the event of an unauthorized entry to a property, the listing agent may file a complaint with RRAR against the cooperating agent. The procedure is as follows:
 - a. First Complaint – Fine
 - 1. Complaint must be received by RRAR within fourteen (14) days of the unauthorized lock box entry date in question.
 - 2. Documentation (complaint in writing plus lock box read-out) must be received from the listing agent.
 - 3. Letter from board office sent to the showing agent and their Principal Broker.
 - 4. Showing agent may choose to respond in person or by letter to the Board of Directors at their next scheduled meeting to request the fine be waived or pay the fine.
 - 5. If the showing agent chooses to respond, the listing agent may also appear in front of the Board of Directors at their next scheduled meeting or may let the documentation provided stand alone.
 - 6. \$50 fine levied in showing agents name on monthly billing statement or fine dismissed. Documentation put in showing agents file.
 - b. Second Complaint – Fine
 - 1. Complaint must be received by RRAR within fourteen (14) days of the unauthorized lock box entry date in question.
 - 2. Documentation (complaint in writing plus lock box read-out) must be received from the listing agent.
 - 3. Letter from board office sent to the showing agent and their Principal Broker.
 - 4. Showing agent may choose to respond in person or by letter to the Board of Directors at their next scheduled meeting to request the fine be waived or pay the fine.
 - 5. If the showing agent chooses to respond, the listing agent may also appear in front of the Board of Directors at their next scheduled meeting or may let the documentation provided stand alone.
 - 6. \$100 fine levied in showing agents name on monthly billing statement or fine dismissed. Documentation put in showing agents
 - c. Third Complaint - Keypad privileges revoked file.
 - 1. Complaint must be received by RRAR within fourteen (14) days of the unauthorized lock box entry date in question.
 - 2. Documentation (complaint in writing plus lock box read-out) must be received from the listing agent.
 - 3. Letter from board office sent to the showing agent and their Principal Broker.
 - 4. Showing agent may choose to respond in person or by letter to the Board of Directors at their next scheduled meeting to request the revoking of entry keycard privileges be waived or lose entry keycard privileges.
 - 5. If the showing agent chooses to respond, the listing agent may also appear in front of the Board of Directors at their next scheduled meeting or may let the documentation provided stand alone.
 - 6. Entry keycard privileges revoked/user fee forfeited or complaint dismissed. Documentation put in showing agents file.

ORIENTATION

Section 17: - ORIENTATION: Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS Participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval within thirty (30) days after access has been provided.

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 orientation and additional training remotely.

INTERNET DATA EXCHANGE (IDX)

SECTION 18. INTERNET DATA EXCHANGE (IDX)

IDX Defined and Administered by MLS Grid: The Service retains the professional services of MLS Technology Platform, LLC dba MLS Grid ("MLS Grid") to administer and manage the RRAR IDX program, which affords Participants the ability to authorize limited electronic display of their listings by other Participants on authorized mediums under the Participant's control.

Section 18.1: IDX Policies MLS Grid will adopt, implement, and maintain rules, policies, and procedures as necessary for the operation of the RRAR IDX program and that are consistent with the policies of the National Association of REALTORS® MLS policies. IDX rules and license agreements can be obtained at: <http://rrar.org>

VIRTUAL OFFICE WEBSITE (VOW)

SECTION 19. VIRTUAL OFFICE WEBSITES (VOWS)

VOW Defined: The Service retains the professional services of MLS Technology Platform, LLC dba MLS Grid ("MLS Grid") to administer and manage the RRAR Virtual Office Website or "VOW" program, which 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 Database, subject to the Participant's oversight, supervision, and accountability.

Section 19.1: VOW Policies MLS Grid will adopt, implement, and maintain rules, policies, and procedures as necessary for the operation of the RRAR VOW program and that are consistent with the policies of the National Association of REALTORS® MLS policies.

VOW rules and license agreements can be obtained at: <http://www.rrar.org>

Revisions:

October, 1987- SECTION 6 (b)
October 1989 - SECTION 6 (b)
April, 1992 - SECTIONS 1, 1.3, 1.7, 1.13, 1.14, 1.15, 2.1, 2.3, 2.4, 2.5, 2.6, 5, 5.1, 5.2, 5.3, 6, 7.1, 9.1, 9.2, 10, 11, 11.2, 12, 12.2, 13
March 1995 - SECTION 12.2
April 1996 - SECTIONS 5
April 1998 - SECTIONS 1.5, 4.2, 5, 5 note 1, 5.3, 9.1
April 1999 – SECTIONS 5, 5 note 4, 9, 9.1
September 1999 – Preface, SECTIONS 1, 1 note 1, 1.4, 1.5, 1.10, 2.5, 2.6, 2.8, 6, 6.d, 6.e, 6.f
October, 1999 – SECTIONS 1.2, 6.d, 6.e, 6.f, 6.g
January 2002 – SECTIONS 1, 1.10, 1.12, 1.13, 2.5 note, 5.3, 15, 15.1, 15.2, 15.3, 15.4, 15.5, 15.6, 15.7, 15.8, 15.9, 15.10, 15.11, 15.12, 15.13, 15.14, 15.15, 15.16
September, 2002 – SECTIONS 16, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7, 16.8, 16.9, 16.10
April 2003 – SECTIONS 8, 8.1, 8.2, 9, 9.1, 14
June 2003 - SECTION 6
August 2003 – SECTIONS 15.1, 15.5
September 2003 – SECTION 15.1; SECTION 19
September 2005 – SECTION 1.2; SECTION 12.2
October 2005 – SECTION 19 VOW, Deleted
January 2006 – SECTION 15, IDX Deleted; SECTION 2.2; SECTION 5, NOTE 5; SECTION 10.2; SECTION 17; SECTION 18 IDX
August 2006 – SECTION 2.2; SECTION 12.2; Section 18.3.1
September 2006 – SECTION 12.2, SECTION 4.4,
January 2007 – SECTION 1.10; SECTION 11; SECTION 18.2.4 SECTION 18.3.6; SECTIONS 18.3.6-18.3.12
February 2007 – SECTION 11, amended
January 2008 - Section 2.5, New Section 4.4, Renumbered Section 4.5, Section 7, 7.1, 7.2
September 2008 – SECTION 16 –
December 2008 – SECTION 19 –
February 2009 – SECTION 2.5 amended, SECTION 5 NOTE 4, amended; NOTE 6 adopted; SECTION 5.0.1, Adopted
March 2009 – SECTION 1.4.1, Adopted; SECTION 4.1.1, Adopted
January 2010 – SECTION 16.6, amended; SECTION 18, 18.1, amended; 18.2, adopted; SECTION 18.2.3, 18.2.5, amended; SECTION 18.2.8, 18.2.9 adopted; SECTION 18.3.3 amended; SECTION 18.3.7 renumbered; SECTION 18.3.9 amended; SECTION 18.3.10, 18.3.11, 19.3.12, 19.3.13 renumbered
September 2010 SECTION 4.1.2 Adopted
February 2011 – SECTION 5, Amended; SECTION 5.0.1, Adopted; SECTION 18.2.10 Adopted
January 2012 - SECTION 2.5 Amended; SECTION 18.2.10 Deleted
November 2012 – SECTION 1.8 Amended
January 2013 – SECTION 5 Note 7 Adopted; SECTION 6 Amended; SECTION 18, 18.1, 18.2, 18.2.1, 18.2.2, 18.2.3, 18.2.5, 18.2.6, 18.2.7, 18.2.8, 18.2.9
February 2013 – SECTION 4.5 Amended; SECTION 6 NOTE
December 2013 – SECTION 16.5B Amended
January 2015 – SECTION 7 e, f, g, NOTE Revised; SECTION 12.2 Amended; SECTION 18.2.5 Amended; SECTION 18.2.10 Adopted; SECTION 18.3.11 Amended NOTE Adopted; SECTION 18.3.12 Amended, NOTE Adopted
March 2015 – SECTION 1.2 Amended; SECTION 1.10 Amended, APPENDIX A – Schedule of Fine Adopted Effective May 1, 2015
May 2015 – SECTION 1 Amended; SECTION 1.4 Amended; SECTION 2.6 Amended; SECTION 2.8 Amended; SECTION 4.1.2 Amended.
June 2015 – SECTION 16.6 b., Amended.
January 2016 – SECTION 11 NOTE Adopted; SECTION 18.2.11 Adopted; SECTION 18.3.2 Deleted; SECTION 18.3.12 Amended; 2016 MLS Rules and Regs ADOPTED
January 2017 – SECTION 11 Amended
January 2018 - SECTION 1.12, Amended; SECTION 6, Amended; SECTION 17, Amended; SECTION 18, Amended; SECTION 18.1, Amended; SECTION 18.2.3, Amended; SECTION 18.2.4, Amended; SECTION 18.2.12, Amended; SECTION 18.3.3, Moved to 18.2.12; 2018 MLS Rules and Regulations ADOPTED
February 2018 - SECTION 16.5, b. Amended
March 2018 -Section 2.9, Amended; Section 16 LOCK BOXES, A., Amended; Section 18.3.8, Amended
January 2019 - Section 2.3, Amended; Section 6, Amended; Section 9, Amended; Section 9.3 Adopted; Section 9.4 Adopted; Section 11, Amended
November 2019 - Section 4.6
January 2020 - Section 1.01, Section 1.3, Section 1.3.1, Section 1.3.2, Section 2.3, Section, 4.1.2, Section 16.5, Section 18.3.12, APPENDIX A
February 2020 - Section 16.5.B
January 2021 - Section 1.2.0; Section 7, NOTE 2; Section 9
May 2021 - Section 16.5 Amended
July 2021 - Section 16.2B; Section 16.3 A,B; Section 16.4 C, D, F, G; Section 16.5A; Section 16.6 A, B; Section 16.7 D, E;
January 2022 – Section 1.17; Section 4.7; Section 5.4; Section 18.24; Section 18.2.12; Section 18.3.1; Section 19.12; Section 19.15
September 2022 - Section 16.5 amended
February 2023 – Section 18 Deleted, Section 19 Deleted to adopt MLS Grid IDX and VOW. Rules found on rrar.realtor/resources

APPENDIX A

Schedule of Fines

MLS Participants will be given a ONE TIME 3-day warning period annually for each violation. The one time three-day warning notice runs annually June 1 – May 31.

Please note that monies from fines will go to Habitat for Humanity. Our association in no way benefits from fines levied on you.

\$50 fine plus \$10 per day until corrected:

- Late listing or extension
- Status change: (to or from) (includes, but not limited to: active, active pending, active pending w/ 1st right of refusal, pending, closed, coming soon)
- Incomplete listing details
- Failure to report correct Selling Office and Selling Agent
- Filing a change of price w/o proper written authorization
- Entering personal agent contact info in any field other than 'agent's remarks'
- Failure to follow proper procedure regarding expired/extended listing

\$100 fine: (participant or subscriber, if applicable)

Failure to notify MLS within 24 hours of termination or resignation of any assistant, employee or consultant

\$250 fine: (both listing agent and participant)

Filing an extension or a listing w/o proper written authorization of the seller.

Subscribers or participants found to be providing the signature of a customer/client on any form or contract, without appropriate authority (i.e. power of attorney), will be referred to the Professional Standards Committee.

\$500 fine:

Loaning, sharing, disclosing or allowing the use of MLS Login ID and Password to come into the possession of another person.

MLS Participants will be given a ONE TIME 3-day warning period annually for each violation. The one time three-day warning notice runs annually June 1 – May 31.