

RULES AND REGULATIONS
TELLURIDE MULTIPLE LISTING SERVICE, INC.
(Operating as a wholly-owned subsidiary of the
Telluride Association of REALTORS®)

Section 1. Listing Procedures

Section 1.1 LISTING PROCEDURES Listings of real or personal property of the following types located within the territorial jurisdiction of the Multiple Listing Service, and are taken by Participants on Exclusive Right to Sell Listing Contracts shall be delivered to the Multiple Listings Service or broker loaded into the MLS computer system within three (3) business days, exclusive of weekends and holidays, after all necessary signatures of seller(s) have been obtained

- (a) Single family homes for sale or exchange.
- (b) Vacant lots and acreage for sale or exchange.
- (c) Two-family, three family, and four family residential buildings for sale or exchange.
- (d) Residential or Commercial Condominium units for sale or exchange.
- (e) Commercial buildings for sale or exchange.
- (f) Deed Restricted homes for sale or exchange.
- (g) Deed Restricted vacant lots for sale or exchange.
- (h) Fractional Ownership & Time-shares for sale or exchange

Exclusive Agency Listings of the same types may be submitted to the MLS or broker loaded into the MLS computer system at the discretion of a Participant acting as the listing broker.

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

May reserve the right to refuse to accept a listing form that fails to adequately protect the interest of the public and the Participants.

May 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 subagent, buyer agents, or other

capacities as approved by the National Association of REALTORS and by the Colorado Real Estate Commission.

The listing agreement must include the seller's 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 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 also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly distinguished in the MLS 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.

Section 1.2 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 seller(s).

Section 1.3 DETAIL ON LISTINGS FILED WITH THE SERVICE Any new listing when filed with the Multiple Listing Service or broker loaded into the MLS computer system, shall be complete in every detail which is ascertainable as specified on the Property Data Form. Certain "required fields" may be determined by the Committee as containing the minimum information to be provided in order to be accepted by the MLS. Failure to complete all of these fields shall be cause for automatic rejection of the listing and/or assessment of fines to the Participant without specific review by the Committee. Because the MLS book is published periodically, more current information is regularly received through the MLS computer system. Therefore, in cases of discrepancy between the MLS book and the MLS computer system, it is generally preferred to rely on the MLS computer system when the listing broker is not available to verify the information.

Section 1.4 PROPERTY DATA FORM A MLS authorized Property Data Form is required for all listings to be submitted to the MLS if listing is to be input by the Association Office.

Section 1.5 EXEMPTED LISTINGS If the seller refuses to permit the listing to be disseminated by the Service, the REALTOR may then take the listing (office exclusive) and such listing shall be filed with the Service but not disseminated by 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.

Section 1.6 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 submitted to the Service within twenty four (24) hours (excepting weekends, holidays and postal holidays) after the authorized change is received by the listing broker. Failure to provide the most current information is cause for any of the enforcement remedies specified in Section 9 of these rules.

Section 1.7 WITHDRAWAL OF LISTING PRIOR TO EXPIRATION Listings of property may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement provided notice of change in status is broker entered into the MLS Computer or delivered to the MLS office for computer entry. A copy of the agreement between the seller and listing broker that authorizes the withdrawal shall be made available to the Committee upon request.

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

Section 1.9 LISTINGS PRICE SPECIFIED The full gross listing price shall be stated in the contract will be included in the information published in the MLS compilation of current listings, unless the property is subject to auction.

Section 1.10 MULTIPLE ENTRY OF A LISTING All properties, which are to be or may be sold separately must be submitted in the appropriate time frame to the MLS. Fractional ownership homes and condos must be entered as 'Fractional', and may not be dually listed in any other category. Homes may not be dually listed as 'Land'. Participants shall enter a listing for the category in which it should appear and shall pay the new listing fee. Upon the contract and subsequent closing of a property with more than one entry, only one entry should be reported as "sold"; all other entries shall be "withdrawn".

Section 1.11 NO CONTROL OF COMMISSION 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 or fees between cooperating Participants or between Participants or non-participants.

Section 1.12 EXPIRATION OF LISTINGS Listings filed with the MLS will automatically be removed from the compilation of current listings on the expiration dates 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 may be required to file with the Service within 3 business days, exclusive of weekends and holidays, after all signatures by the seller(s) have been obtained.

Section 1.13 TERMINATION DATE ON LISTINGS Listings with the Service shall bear a definite and final termination date as negotiated between the listing broker and the seller.

Section 1.14 JURISDICTION Only listings of the designated types of property located within the jurisdiction of the MLS are required to be submitted to the Service. Listings of property located outside the MLS's jurisdiction, which are Exclusive Right to Sell Listing Contracts with no named prospects exempted, Exclusive Right to Sell Listing Contracts with named prospects exempted or Exclusive Agency Contracts will be accepted if submitted voluntarily by a Participant, but cannot be required by the service.

Section 1.15 LISTING PROPERTIES UNDER CONTRACT OR OPTION Properties still listed in the MLS with an "Under Contract" status or optioned properties may again be offered for sale and listed with any Participant provided that the new listing, as well as the "remarks" submitted to the MLS, discloses that the offering is based on an executory contract and that the seller is not the owner of record.

Section 1.16 LISTINGS OF SUSPENDED PARTICIPANTS When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e. violation of the code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees, charges or fines), 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 Telluride Association of REALTORS (except where MLS participation without Association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, charges or fines, the Telluride Multiple Listing Service, Inc. 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 shall be advised in writing of the intended removal so that the suspended Participant may advise his clients.

Section 1.17 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, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees, charges, or fines), 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 Telluride Association (except where MLS participation without Association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, charges or fines, the Telluride Multiple Listing Service, Inc. 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 shall be advised in writing of the intended removal so that the expelled Participant may advise his clients.

Section 1.18 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 listing from the MLS, the resigned Participant shall be advised in writing of the intended removal so that the resigned Participant may advise his clients.

Section 1.19 CONTACT INFORMATION Contact information of any kind for the listing agent, listing brokerage, or any other parties or individuals associated with the listing, is strictly prohibited from appearing in the Remarks field of the MLS system. Any contact information such as phone numbers, names, office names, email addresses, fax numbers etc. will be promptly deleted from the Remarks of the listing in question.

Section 2. Selling Procedures

Section 2.1 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 cooperating broker specific authority to show and/or negotiate directly, or
- b) after reasonable effort, 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(s).

Section 2.2 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 2.3 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.

Section 2.4 a) RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER

The cooperating broker (subagent, buyer agent, or Participants acting in other capacities as approved by the National Association of REALTORS and by the Colorado Real Estate Commission) or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

Section 2.4 b) 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 counter-offer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

Section 2.5 REPORTING UNDER CONTRACT TO THE SERVICE

Under Contract pending listings shall be reported to the MLS within three (3) business days, exclusive of weekends and holidays, of the written contractual agreement. Change to Under Contract 3 Days after acceptance date. This status change shall be made by the listing broker unless the negotiations were carried out under Section 2.1 (a) or (b) hereof in which case the cooperating broker shall report, sending a copy to the listing broker immediately after acceptance. Failure to meet this deadline may cause fines to be assessed against the participant.

Section 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES

The listing broker shall report to the MLS within three (3) business days, exclusive of weekends and

holidays, that a contingency on file with the MLS has been fulfilled or renewed, or the agreement canceled. Failure to meet this deadline may cause fines to be assessed against the participant.

Section 2.7 REPORTING OF SOLDS The listing broker shall report to the MLS within five (5) business days of the closing, exclusive of weekends and holidays, the selling broker, selling price and closing date. Failure to meet this deadline may cause fines to be assessed against the participant. This status change shall be made by the listing broker unless the negotiations were carried out under Section 2.1 (a) or (b) hereof in which case the cooperating broker shall report, sending a copy to the listing broker immediately after acceptance. Failure to meet this deadline may cause fines to be assessed against the participant.

Section 2.8 REPORTING CANCELLATION OF PENDING SALE The Listing broker shall report to the MLS within three (3) business days, exclusive of weekends and holidays, the cancellation of any pending sale and the listing shall be reinstated immediately. Failure to meet this deadline may result in fines assessed to the Participant.

Section 2.9 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 2.10 REQUIREMENT FOR ACCURATE AND COMPLETE INFORMATION IN THE SERVICE Members are encouraged to contact the listing broker when inaccurate or incomplete information is discovered within listing information in the MLS. Members are further encouraged to contact the listing broker and request the listing broker to take action to correct or complete the inaccurate or incomplete information. If there is no compliance from the listing broker, members are then asked to report the situation to the MLS office. Failure to properly maintain a listing within the MLS may result in fines being assessed to the Participant, pursuant to Section 15 (e) of these Rules and Regulations.

The MLS coordinator is empowered to periodically search the MLS database to find inaccuracies. If offending brokers do not maintain their listings within seven (7) days of being notified of the inaccuracy, the MLS coordinator will be empowered to fine the Participant of the listing office and to further remove the listing from the MLS if the listing is not properly maintained within three (3) days of notification of the fine from the MLS coordinator, pursuant to the fine schedule outlined in Section 15 (e).

It is further deemed unacceptable by the Board of the Telluride MLS for listing agents to insert anything other than the property owner of record's name in the Owner field of the MLS system. Failure to properly list the property owner of record's name in the Owner field of the MLS system may result in a fine being assessed to the Participant of the listing office, pursuant to section 15 (e) of these Rules and Regulations.

Section 3. Refusal to Sell

Section 3.1 REFUSAL TO SELL If the seller of any listed property filed with the MLS 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. Information listed through the MLS may not be reflective of the total Listing Agreement between Seller and Agent, but serves for general information purposes only. Furthermore, information obtained from the computer database is to be considered more current than that from the most recent MLS book. Information in the MLS is deemed reliable but is not guaranteed by the Service or its Participants.

Section 4. Prohibitions

Section 4.1 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 4.2 FOR SALE SIGNS Only the "For Sale" signs of the listing broker may be placed on a property.

Section 4.3 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 4.4 SOLICITATION OF LISTING FILED WITH THE SERVICE Participants shall not solicit a listing on property filed with the Service unless such solicitation is consistent with Article 16 of the REALTORS Code of Ethics, its Standards of Practice and its Case Interpretations.

Section 5. Division of Commissions

Section 5.1 COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING
The listing broker shall specify, on each listing filed with the MLS, the compensation offered to other MLS Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of sale (or lease). The listing broker's obligation to compensate any cooperating broker as the procuring cause of sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through 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 the cooperating brokers that the commission established in the listing agreement might not be paid. The listing broker shall specify, on each listing filed with the MLS, the compensation offered to other MLS Participants for their services in the sale of such listing. 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 non-agency capacities defined by law) which may be the same or different.

NOTE The compensation specified on listings filed with the MLS 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 as subagents, buyer agents, or Participants acting in other capacities as approved by the National Association of REALTORS and by the Colorado Real Estate Commission in a cooperative transaction unless advised otherwise by the listing broker in writing in advance. The compensation specified on listings published by the MLS shall be shown in one of the following forms

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

Section 5.2 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 MLS, that person shall disclose that interest when the listing is filed with the MLS and such information shall be disseminated to all MLS Participants under the remarks listed in the MLS computer system.

Section 5.3 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 5.4 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS The existence of the 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 representation must disclose such information to their client before the client makes an offer to purchase or lease..

Section 6. Service Charges

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 who is not a primary or secondary member of the Association shall pay the following fee(s) with such fee(s) to accompany the application:

MLS Set-Up Fee for Offices: \$2,000
Application Fee for New Members: \$500
Application Fee for New MLS Subscribers: \$500

Application and MLS Set-Up fees are void after two (2) years of “inactive” status of an individual or an office, and must be paid once again in the event that the member or office wishes to be reinstated.

Note: The initial participation fee shall approximate the cost of bringing the Service to the Participant.

- (b) Recurring Participation Fee: The monthly participation fee of each Designated Realtor Participant shall be an amount equal to \$54.00 (no book) or \$74.00 (with book) and the monthly participation fee for each Realtor Participant shall be an amount equal to \$46.00 (no book) or \$66.00 (with book) times each salesperson and licensed or certified appraiser who has access to and use of the Service, whether licensed as a broker, sales licensee, or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such Participant. Payment of such fees shall be made on or before the 20th day of each month. Fees shall be prorated on a monthly basis.

- (c) Listing Fee: A Participant shall pay a monthly listing fee in an amount equal to the number of listings he filed with the Service during the previous month, multiplied by the listing fee of \$14.00 per listing.

It is a matter of agreement between the listing and selling brokers 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 because 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. (Amended 4/92)

Section 6i . MLS Read Only

MLS Read-Only

Section 6i-Participation Agreement: For MLS access by Certified Appraisers who are not members of the board/association. The undersigned appraiser desires to obtain Read-Only Access to the Telluride MLS. If the Telluride Association of REALTORS (hereinafter "TAR") accepts the appraiser for Read-Only Access. TAR will grant to the applicant a non-exclusive, limited license to access the Telluride MLS solely for use in preparing and collecting data regarding comparable sales in the applicant's appraisal business. (For MLS access by Appraisers who are not members of the board/association and do not hold a current, valid Real Estate License.)

(a) Fee and dues are established by the Board of Directors of the Telluride Association of REALTORS®. Failure to pay fees and dues will result in access suspension.

(b) The MLS monthly access fee of \$30.00 per Appraiser will begin the immediate month after application and monies have been received. Billing dates are the 19th of each month. Telluride MLS invoices are billed in arrears.

Section 6ii. MLS Read-Only Fees

Service charges

Section 6ii—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) January 1 – June 30
TAR Annual Due \$250.00 per year
One-time Application Fee \$500.00
Payable to TAR \$850.00

Monthly MLS fees \$30.00 per appraiser per month

Billing dates are the 19th of each month after access has been approved

(b) July 1 – December 31
TAR Annual Dues \$125.00 per year (pro-rated July 1)
One-time Application Fee \$500.00
Payable to TAR \$675.00

Monthly MLS fees \$30.00 per appraiser per

month
Billing dates are the 19th of each month after access has been approved

Section 6iii. Waiver Policy Member of TAR® Multiple Listing Service

Participant must hold an active Real Estate or Appraisal License and have primary membership in another Association. A Certification of Individual Affiliated with REALTOR® Participant in the Telluride Multiple Listing Service (“TAR” or “Association”) must be signed and dated stating that signatory shall not use or allow the use of the TAR Multiple Listing Service or its data in any way. If TAR MLS is utilized at any time by other than the approved Participant, the Participant who is affiliated is obligated to pay an additional individual subscription, fines and possible termination. The TAR Participant that signs this Subscription Waiver is guaranteeing performance of the signatory. The term of this agreement is based on a calendar month and runs from the first day of the month through the last day of same month.

Payment for services is collected at the commencement date as indicated on the face of this Agreement and in advance of each successive month thereafter until termination of this Agreement. Payment of billed services must be received by the end of the month billed to continue services.

MLS Fees:	<u>No Book</u>	<u>With</u>
<u>Book</u>		
	Designated REALTORS	\$74
\$54		
	REALTORS	\$66
\$46		

The monthly MLS Fees (with book) are subject to change every six months.

MLS New Listing Fee:	\$14.00
MLS Book Fee for Staff:	\$20.00
MLS Listing Input	\$25.00
MLS Listing Maintenance	\$10.00

Termination of this Agreement must be made by written notice prior to the month that services are to be terminated. The Participant agrees that the Association has the right to cancel or amend this Agreement with thirty days written notice at the sole discretion of TAR.

The Participant agrees that the Association holds **sole authority** to grant the right to access the on-line system. The Association **does not warrant or guarantee the accuracy, adequacy or content** of the on-line system, including but not limited to the MLS or any information submitted to or provided by it.

Section 7. Compliance with Rules

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, fee or fine within two (2) month of the date due, and provided that at least ten (10) days notice has been given, the Service may be suspended until service charges, fees or fines are paid in full.
- (b) For failure to comply with any other rule, the provisions of Sections 9.1 and 9.2 shall apply.

Section 7.2 APPLICABILITY OF RULES TO USERS AND/OR AGENTS 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 any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

Section 8. Meetings

Section 8—Meetings: The meetings of the Participants in the Service or the Board of Directors of the Multiple Listing Service for the transaction of business of the Service shall be held in accordance with the provisions of Article 7, bylaws of the Service.

Section 9. Enforcement of Rules or Disputes

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, 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 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. (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 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®. (Amended 2/98)

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

Section 10. Confidentiality of MLS Information

Section 10.1 CONFIDENTIALITY OF MLS INFORMATION Any information provided by the MLS 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 10.2 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION The information published and disseminated by the Service is communicated verbatim, without change by the Service, as filed with the Service by the Participant. The Service does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

Section 10.3 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 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 Association Members and individuals affiliated with the 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 11.1 AUTHORITY TO DISSEMINATE INFORMATION By the act of submission of any property listing data to the MLS, the Participant represents that he has been authorized to grant and also thereby does grant authority for the Telluride Association of REALTORS or the Telluride Multiple Listing Service, Inc. to include the property listing data in its copyrighted MLS compilation and also in any statistical report on "Comparables".

Section 11.2 OWNERSHIP OF MLS COMPILATION All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Telluride Multiple Listing Service, Inc. and in the copyrights therein, shall at all times remain vested in the Telluride Multiple Listing Service, Inc. a wholly owned subsidiary of the Telluride Association of REALTORS.

Section 11.3 RIGHTS TO LEASE MLS COMPILATION Each Participant shall be entitled to lease from the Telluride Multiple Listing Service, 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. In addition, each Participant shall be entitled to lease one additional copy for office staff use only. The Participant shall pay, for each such copy, the rental fee set by the MLS Committee. Participants shall acquire by such lease only the right to use the MLS Compilations in accordance with these rules. This section should not be construed to require the Participant to lease a Compilation for any licensee (or licensed or certified appraiser) affiliated with the Participant who is engaged exclusively in a specialty of the real estate business other than listing, selling or appraising the types of properties which are required to be filed with the MLS, and who does not, at any time, have access to or use of the MLS information or MLS facility of the Association.

NOTE: 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 data base, card file, or any other format whatever.

Section 12. Use of Copyrighted MLS Compilations

Section 12.1 DISTRIBUTION Participants shall at all times maintain control over and responsibility for each copy of any MLS Compilation leased to them by the Telluride Multiple Listing Service, Inc. and shall not distribute any such copies to persons other than subscribers who are affiliated with such Participant as licensees and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of

information developed by or published by the 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 Multiple Listing Service where access to such information is prohibited by law.

Section 12.2 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 12.3 REPRODUCTION Participants or their affiliated licensees shall not reproduce any MLS Compilation or any portion thereof except in the following limited circumstances

- (a) 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.
- (b) Nothing contained therein 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.
- (c) 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.
- (d) 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 on a particular property for a particular client.
- (e) However, only such information that an Association or Association owned Multiple Listing Service has deemed to be non-confidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules and Regulations.

- (f) It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bonafide 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 of property listing data intended to facilitate the prospective purchasers decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with intent, and thus "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 type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

Section 13. Use of MLS Information

Section 13.1 LIMITATIONS ON USE OF MLS INFORMATION Use of information from 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 an MLS Participant or in other public representations may not be prohibited. However, any print or non-print forms of advertising or other forms of public representation based in whole or in part on information supplied by the Association, 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:

“This representation is based in whole or in part on data supplied by the Telluride Association of REALTORS/Board or its MLS for the period **(date) through (date)**. Neither the Association nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Association or its MLS may not reflect all real estate activity in the market.”

Section 14. Changes in Rules and Regulations

Section 14—Changes in Rules and Regulations: Amendments to the rules and regulations of the Service shall be by consideration and approval of the Board of Directors of the Multiple Listing Service, subject to final approval by the Board of Directors of the Telluride Association of REALTORS (shareholder).

Note: Some Boards may prefer to change the rules and regulations by a vote of the Participants of the Service, subject to approval of the Board of Directors of the Service, with final approval by the Board of Directors of the Board of REALTORS® which is the sole and exclusive shareholder of the stock of the

Service corporation.

Section 15. Fines

Section 15.1 TYPES OF FINES The following fines may be assessed to a Participant when the deadlines are not met in reporting required information to the MLS.

(a) **New Listing Fines**

In order to enforce the New Listing Fines all New Listings must be input within three (3) business days, excluding holidays and weekends, of receiving the New Listing. If the New Listing is not input in the time required a \$50.00 fee will be imposed and every month thereafter. In the case of multiple listings for the same property with multiple brokers, copies of the listing contracts must be submitted to the Board Office within 48 hours of request.

(b) **Under Contract Fines**

Contract pending listings shall be reported to the MLS within three (3) business days, exclusive of weekends and holidays, of the written contractual agreement. Change to Under Contract 3 Days after acceptance date. This status change shall be made by the listing broker unless the negotiations were carried out under Section 2.1 (a) or (b) hereof in which case the cooperating broker shall report, sending a copy to the listing broker immediately after acceptance. Failure to meet this deadline may cause fines to be assessed against the participant.

First Offense: \$50

Second Offense: \$100

Third Offense: All active listings listed by offender will be deleted from the MLS and service will be suspended for a period of one (1) month. The Offender must pay a \$50 re-instatement fee to resume MLS, and must re-input deleted listings and will be subject to the \$14 new listing fee.

(c) **Under Contract Fines**

In order to enforce the Cancellation of Under Contract Fines all listings must be input as Active within three (3) business days, excluding holidays and weekends, of receiving the Cancellation Notice. If the status of the listing is not changed in the time required a \$50.00 fee will be imposed and every month thereafter.

(d) **Sold Fines**

In order to enforce Sold Fines all listings must be input as Sold within three (3) business days, excluding holidays and weekends, of selling the property. If the status of the listing is not changed in the time required a \$50.00 fee will be imposed and every month thereafter.

(e) **Photo Fines**

In order to enforce Photo Fines all listings must display at least one Primary Photo either of or from the subject property within fourteen (14) days of the listing input date. Parking Spaces are exempted.

(f) **Fines for Inaccurate or Incomplete Information**

In order to enforce the Fines for Inaccurate or Incomplete Information, all listings must be input and maintained with accurate and complete listing information. Failure to input or maintain a listing will warrant a fine based on the following schedule, along with deletion of the listing if the listing is not properly maintained within three (3) days of notification of the fine from the MLS office. All fines to double in 3 day increments capped at \$400. The money will go to FTHBAF program.

Fine(s) schedule:

- 1 Required Field inaccurate or incomplete: \$15
- 2 Required Fields inaccurate or incomplete: \$20
- 3 Required Fields inaccurate or incomplete: \$25
- 4 Required Fields inaccurate or incomplete: \$30
- 5 Required Fields inaccurate or incomplete: \$40
- 6 or more Required Fields inaccurate or incomplete: \$50

- No picture inserted after 14 days after listing inputted. All listings must have at least one photo, including vacant land and homes under construction. Photos are NOT required for parking spaces: \$50

- No features inputted: \$25

- If a Developer of a project sells a unit which was never listed (in which other units of the project were listed) and does not report the sale of the listing as Sold Non-MLS (SNM) in the system: \$50

- Failure to properly list the owner of record's name within the Owner field in the MLS system: \$50

(g) **Other Fines**

Other fines may be charged as appropriate for violating any of the Rules and Regulations of the Telluride Multiple Listing Service.

Section 16. Internet Data Exchange (IDX)

SECTION 16.1 – IDX DEFINED: IDX affords Participants the option of authorizing display of their active listings on other Participants’ internet web sites.

SECTION 16.2 – AUTHORIZATION: Participants’ consent for display of their active listings by other Participants pursuant to these rules and regulations is presumed and implied. Participants must permit display of all of their listings listed in the MLS system in order to participate in IDX and utilize the IDX database on their website, otherwise that TAR member may not download or frame the aggregated MLS data of other Participants.

However, in the event that a seller does not want their property included in the IDX program, Participants may refuse to permit display of individual listings via the IDX program. TAR reserves the right to request written documentation of the seller’s request, should this occur.

SECTION 16.3 – PARTICIPATION: Participation in IDX is available to all Participants who are REALTORS® and who consent to display of all of their listings by other Participants. Access to the IDX database will only be granted upon receipt of a signed and completed IDX Participation Agreement, available from the TAR office.

SECTION 16.4 – DISPLAY: Display of listing information pursuant to IDX is subject to the following rules:

- (a) 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. The list of licensed IDX data fields is subject to change and is available upon request from the TAR office, and is contained in full in the IDX Participation Agreement.
- (b) Participants shall determine which listings or the types of listings they will display on their websites. Examples include property type (“condo”, “residential single family”, “land”, etc.), price, or location.
- (c) IDX users 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 as it appears in the MLS system).
- (d) Individual listings displayed via IDX on a Participant’s website that are not listed by said realtor, must display a graphic logo indicating that the listing was obtained from the Telluride IDX program. The Telluride IDX logo may be found in the IDX Participation Agreement, and must be displayed per the guidelines described therein. The logo is available in electronic form from the TAR office upon request.
- (e) All listings displayed via IDX must clearly display the listing agent and listing

office, in a font no smaller than that used to describe property information.

- (f) Participants participating in IDX must refresh all MLS data on their websites at least once every seven (7) days.
- (g) Disclaimers: The following disclaimer must be displayed at the bottom of every page of the Participants' website where IDX is displayed in a font no smaller than 8 points. Compliance of this rule may be achieved if a link at the bottom of every page is available that will take users to a page containing the disclaimer below.

The data relating to real estate on this web site comes from REALTORS who submit listing information to the Internet Data Exchange (IDX) Program of the Telluride Association of REALTORS, Inc. The inclusion of IDX Program data on this web site does not constitute an endorsement, acceptance, or approval by the Telluride Association of REALTORS of this web site, or the content of this web site. The data on this web site may not be reliable or accurate and is not guaranteed by the Telluride Association of REALTORS, Inc.

The IDX data on this web site is provided exclusively for the web site user's personal, non-commercial use and may not be used for any purpose other than to identify prospective properties that the user may be interested in purchasing.

The following copyright disclaimer MUST be displayed on every page of the Participants' website where IDX is displayed in a font no smaller than 8 points.

Copyright 2002 by Telluride Association of REALTORS, Inc. ALL RIGHTS RESERVED WORLDWIDE. No part of this publication may be reproduced, adapted, translated, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written consent of the Telluride Association of REALTORS, Inc.

- (h) The data that IDX website users can retrieve or download in response to an inquiry (i.e., the search results page) shall be limited to ten (10) listings per page.
- (i) Listings obtained through the Telluride MLS and displayed as part of the Telluride IDX program must be displayed separately from listings obtained from other sources, including information provided by other MLSs.
- (j) No portion of the IDX database shall be used or provided to a third party for any purpose other than those expressly provided for in these rules.

- (k) The Telluride IDX database will be limited to those listings bearing an “Active” or “Under Contract” status.
- (l) Participants must notify the MLS of their intention to establish an IDX site and make their IDX site directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies.
- (m) Participants must protect IDX information from misappropriation by employing reasonable efforts to monitor and prevent “scraping” or other unauthorized accessing, reproduction or use of the MLS database.
- (n) Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to, publicly-accessible Web sites of VOWs) shall not be accessible via IDX sites. Notwithstanding this prohibition, listing brokers may display on their IDX sites or their other Web site(s) the listing or property address of consenting sellers.
- (o) Participants may exclude listings from display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography, list price, type of property, or cooperative compensation offered by listing brokers. Examples include property type (“condos,” “single family detached,” “Multi-family,” etc.), price or location (“downtown”).
- (p) Except as provided elsewhere in this policy or elsewhere in an MLS’s rules and regulations, an IDX site or Participant operating an IDX site may not distribute, provide, or make any portion of the MLS database available to any person or entity.
- (q) When displaying listing content, a Participant’s or User’s IDX site must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.

SECTION 16.5 – IDX WEBSITE REGISTRATION: All Participants interested in displaying the Telluride IDX database on their websites must register with the TAR office all websites under their control in which the Telluride IDX database will be displayed.

SECTION 16.6 – SERVICE FEES AND CHARGES: Service fees and charges for participation in IDX shall be as established annually by the Board of Directors of the Telluride Multiple Listing Service.

Section 17. Orientation

Section 16.1. Orientation Any applicant for MLS Participation and any licensee

affiliated with an MLS Participant who has access to and use of MLS-generated information shall complete an initial orientation program of not less than one (1) classroom hour devoted to computer training related to MLS information entry and retrieval and the operation of the MLS, with an additional minimum of two (2) hours devoted to rules and regulations to be completed within six (6) months after access has been provided.

Section 18. Lock Box/Key Reporisotires

Section 1. Lock Boxes No multiple listing service need use lock boxes and no listing broker need use a lock box on a property, but if the multiple listing service does offer the lock boxes, it must make them available to anyone who participates in the multiple listing service, whether an association member or not. Nothing shall prevent the owner's right to refuse to have a lock box on his property.

A lock box is a container affixed to property containing a device to gain access to the property being marketed by a participant in the MLS. Participants in the MLS or their salespersons (and licensed or certified appraisers affiliated with the participants) are authorized under certain conditions to open these lock boxes under terms specified by the listing broker. Cooperating brokers and sales licensees, whether functioning as subagents of the listing broker or as agents of potential purchasers, must contact the listing broker to disclose their agency status and to arrange appointments to show listed property even if the property has a lock box 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.

If an association or its multiple listing service elects to engage in the sale, rental, or distribution of lock boxes to its members or be involved in any way with the sponsorship or endorsement of a common lock box system, the lock box security requirements as established by the NATIONAL ASSOCIATION OF REALTORS® shall be the minimum security measures adopted and implemented in connection with such lock box system. Eligibility for coverage under the National Association's blanket errors and omissions insurance program is contingent on compliance with the lock box security requirements whether the system is operated by the association, its MLS, or on behalf of an association by a recognized lock box vendor. (Amended 11/90)

Section 2. Lock Box Security Requirements. Eligibility for coverage under NAR's blanket errors and omissions insurance program is contingent on compliance with the following security measures whether the system is operated by the association, its MLS, or on behalf of an association by a recognized lock box vendor:

1. Any key, programmer, or other device (hereinafter referred to as key) by which a lock box can be opened shall be nonduplicative. By nonduplicative it is not meant that the key is necessarily covered by a current patent but that it cannot be readily copied in the manner that other types of keys ordinarily are.

2. Keys must be obtained from the original manufacturer, from a recognized vendor of lock box systems or from any other legitimate source. Prior to utilizing previously used keys, lids, or boxes, information shall be obtained from the original manufacturer to determine whether the key's pattern, code, or configuration is already in use by other associations, multiple listing services, or other users in the vicinity. Surrounding associations and multiple listing services shall also be contacted to determine whether the key's pattern, code, or configuration is currently in use.

3. Any lock box system shall be designated as either an activity of an association of REALTORS® or an association-owned and operated MLS.

If the lock box system is an activity of an association of REALTORS®, then every REALTOR® and REALTOR-ASSOCIATE® and every non-principal broker, sales licensee and licensed or certified appraiser affiliated with a REALTOR®, shall be eligible to hold a key subject to their execution of a lease agreement with the association. (Amended 11/96)

If the lock box system is an activity of an association-owned and operated multiple listing service, then every MLS participant and every non-principal broker, sales licensee and licensed or certified appraiser who is affiliated with an MLS participant and who is legally eligible for MLS access shall be eligible to hold a key subject to their execution of a lease agreement with the MLS.

Associations and multiple listing services may require, as a matter of local determination, that key lease agreements executed by non-principal brokers, sales licensees, and licensed or certified appraisers will be cosigned by the designated REALTOR® or the office's broker of record. Lease agreements shall spell out the responsibilities of the parties and shall incorporate by reference any applicable rules or regulations or other governing provisions of the association or MLS that relate to the operation of the lock box system. The lease agreement shall also provide that keys may not be used under any circumstances by anyone other than the keyholder except as provided elsewhere in this statement of policy. (Amended 2/98)

Associations and multiple listing services may, at their discretion, authorize unlicensed personal assistants, administrative and clerical staff, and individuals seeking licensure as real estate appraisers, who are under the direct supervision of a designated REALTOR®, or MLS participant, or their licensed designee, to hold a lock box key on the same terms and conditions as non-principal brokers and sales licensees. (Adopted 11/93)

Associations and multiple listing services may refuse to sell or lease lock box keys, may terminate existing key lease agreements, and may refuse to activate or reactivate any key held by an individual convicted of a felony or misdemeanor if

the crime, in the determination of the association or MLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

Associations or multiple listing services may suspend the right of lock box keyholders to use lock box keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the association or MLS, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk.

Factors that can be considered in making such determinations include, but are not limited to:

- the nature and seriousness of the crime
- the relationship of the crime to the purposes for limiting lock box access
- the extent to which access (or continued access) might afford opportunities to engage in similar criminal activity
- the extent and nature of past criminal activity
- time since criminal activity was engaged in
- evidence of rehabilitation while incarcerated or following release and
- evidence of present fitness (Adopted 11/99)

Administration of a lock box system as an activity of an association of REALTORS® may, at the discretion of the association, be delegated to its multiple listing service.

No one shall be required to lease a key from the association except on a voluntary basis.

Associations and multiple listing services may, at their discretion, lease keys to affiliate members of associations who are actively engaged in a recognized field of real estate practice or in related fields. In such instances, the lease agreement shall be signed by the keyholder and by a principal, partner, or corporate officer of the keyholder's firm. (Amended 11/97)

Key lease agreements may contain a liquidated damages provision to offset some or all of the costs in reestablishing the security of the system if it is determined that the security has been compromised through the negligence or fault of the keyholder. (Amended 11/97)

4. Associations shall maintain current records as to all keys issued and in

inventory. There shall be an audit, at least annually, of all keys, whether issued or in inventory. This requirement may be satisfied by a physical inventory or, alternatively, by receipt of a statement signed by the keyholder and the designated REALTOR®, broker of record, or, in the case of an affiliate member, by a principal, partner, or corporate officer of the keyholder's firm, attesting that the key is currently in possession of the keyholder. This audit requirement does not apply to electronic lock box programmers or keypads which are sold or leased provided such devices may be deactivated within thirty (30) days. (Amended 5/99)

5. Associations shall require a substantial deposit from each keyholder in an amount that will establish an awareness of personal liability for such key. The initial deposit shall not be less than \$25 nor more than \$200. Deposits for a first replacement key lost or stolen shall be not less than two (2) times nor more than three (3) times the amount of the initial deposit and not less than three (3) times nor more than four (4) times the amount of the initial deposit for second or additional replacement keys. Deposits for keys shall be kept in a special account for refund upon return of the key unless forfeited upon loss of the key. Notwithstanding the foregoing, deposits charged affiliate members may be no more than twice the amounts established above.

If, at the time of inventory, a key is unaccounted for, or if a keyholder refuses or is unable to demonstrate that the key is within their physical control, then the key will be considered unaccounted for and any funds on deposit will be forfeited to the association.

Deposits for electronic programmers or electronic keycards which are leased but which can be deactivated within thirty (30) days may be required as a matter of local determination. (Adopted 11/95)

6. Lock boxes 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 the purpose.

7. Associations shall charge keyholders and their cosignatories with the joint obligation of immediately reporting lost, stolen, or otherwise unaccountable for keys to the association. Upon receipt of notice, the association shall take any steps deemed necessary to resecure the system.

8. Associations shall adopt written, reasonable, and appropriate rules and procedures for administration of lock box systems which may include appropriate fines, not to exceed \$1,000. Any issuing fees, recurring fees, or other administrative costs shall be established at the discretion of the association and set forth in the rules and procedures. All keyholders, whether association members or not, shall agree, as a condition of the key lease agreement, to be bound by the rules and procedures governing the operation of the lock box system.

9. Notwithstanding the foregoing, associations and multiple listing services may sell electronic lock box programmers or keypads to MLS participants and others eligible to hold lock box keys pursuant to these requirements provided that such devices may be deactivated, if necessary, within a reasonable period not to exceed thirty (30) days and that the participant has authorized the sale in writing. In the event electronic lock box programmers or keypads are sold or leased, a designated REALTOR® principal or an office's broker of record may purchase or lease additional programmers or keypads to be issued on a temporary basis to other keyholders in the same office in the event their programmer or keypad becomes non-functional outside normal business hours or under circumstances where a replacement programmer or keypad is not reasonably available from the issuing association or MLS. When a programmer or keypad is issued on a temporary basis, it shall be the responsibility of the REALTOR® principal or the broker of record to advise the association or MLS in writing that the programmer or keypad has been issued, to whom, and the date and time of issuance within forty-eight (48) hours. It shall also be the responsibility of the REALTOR® principal or the broker of record to advise the association or MLS in writing within forty-eight (48) hours after possession of the previously issued programmer or keypad has been reassumed. (Adopted 4/95)

Section 3. Minimum Security Measures for Centralized Key Repositories of Association Multiple Listing Service

1. A centralized key repository is defined as a system operated by a multiple listing service which enables a participant to place keys to listed property in a central location to be made available to other participants and their affiliated sales licensees to facilitate the showing of listed property.
2. Use of the system must be strictly limited to participants and their affiliated sales licensees.
3. Keys to listed property may not be submitted unless the property is exclusively listed by the participant and the listing agreement includes a provision whereby the seller specifically authorizes the listing participant to place keys in the system. In lieu of such authorization in the listing agreement, the MLS may require the seller's authorization be provided on a separate document prepared by the MLS.
4. All keys to listed property must be stored in a locked, secure area in the association or MLS office.
5. All keys become the property of the association or MLS.
6. No key may be issued without the consent of the listing office. Any individual requesting a key must indicate, in writing, who in the listing office has authorized the showing.

7. All keys must be coded in a manner which prevents their identification with a particular property until issued by an authorized representative of the association or MLS.
8. Lost or stolen keys must be reported to the association or MLS as quickly as possible.
9. A police report must be filed as quickly as possible whenever a key is lost or stolen.
10. Any person losing a key must immediately advise the property owner and the listing broker and offer to have all necessary locks changed as quickly as possible.
11. The issuance of keys must be discontinued immediately upon request of the seller.
12. Keys must be issued for a specified period of time and failure to return a key within the allotted time shall be considered as a violation of the rules or procedures. When a key is more than twenty-four (24) hours overdue, the association or MLS must contact the person to whom the key was issued and the principal broker or branch manager of the firm to confirm the key has not been lost or stolen and to request its immediate return.
13. Keys must be destroyed upon expiration of the listing or upon closing (whichever occurs first) or earlier at the direction of the listing participant.
14. All rules and procedures for the operation of any centralized key repository must be in writing and be submitted to the National Association for review and approval prior to implementation.
15. Any association member or employee involved in the administration or operation of the system shall be bonded.