

CONSOLIDATED MULTIPLE LISTING SERVICE RULES AND REGULATIONS

DEFINITIONS

1. CMLS: Consolidated Multiple Listing Service.
2. Board: The Board of Trustees of CMLS.
3. Member: Entities or individuals in good standing with CMLS.
4. Listing Company: The Company with which a property is listed.
5. Selling Company: The Company presenting or attempting to secure a contract on a listed property.
6. Branch Office: A separate office of a Member which is a part of the same entity as the Member and owned by the same Member. A separate legal entity cannot be a Branch Office under these rules.
7. Merger: A legal merger of two entities whereby the surviving entity assumes all liabilities and assets of the acquired entity which ceases to exist as a legal entity.

8. Owner: The legal owner (or owners) of a listed property who have executed the Listing Agreement.
9. FSBO: Properties for sale by an Owner with no Listing Agreement executed by Owner.
10. Variable Commission: Variable Commission (VC) exists when a seller agrees to pay a specified commission if listed and sold by the listing broker but a different commission if listed by one broker and sold by another. The listing agent must disclose this when entering the listing into MLS by selecting “Y” on the listing sheet where shown VC Y/N.

RULE 1 – LISTING PROCEDURES

- (a) **Acceptable Listings.** CMLS allows the entry of the following into the CMLS database.
 - (1) An Exclusive Right to Sell (ERTS) listing is the engagement of one Broker to sell realty, with a commission to be paid the listing Broker regardless of who sells the property. When an Exclusive Right to Sell (ERTS) listing is given by the Owner, a commission is due the listing Broker in the event the property is sold by the listing Broker, any other Broker, or even the Owner.

- (2) An Exclusive Agency (EA) listing is the engagement of only one Broker to sell realty for a commission, with a right retained by the Owner to sell or rent the property without obligation for a commission. The Exclusive Agency (EA) listing does obligate the Owner to pay a commission to the listing Broker in the event the property is sold by the listing Broker or any other Broker. An Exclusive Agency (EA) listing does not entitle the listing Broker to a commission when the property is sold by the Owner to a Purchaser not procured through the efforts of the listing Broker or any other Broker.
- (3) Transaction Broker. Transaction Broker means a real estate brokerage firm that provides customer service to a buyer, a seller, or both in a real estate transaction. A transaction broker may be a single agent of a party in a transaction giving the other party customer service. A transaction broker also may facilitate a transaction without representing either party.
- (4) Permissive Listings. All new construction at the point in which a building permit has been secured and a foundation begun or a contract of sale has been signed. Plans for the property that have been approved by the appropriate county building authority must be available with the submitting Member. Violation of this rule will result in the withdrawal of the listing by CMLS.
- (5) Proposed Construction Listings. A category in CMLS which is used to market and find to-be-built homes, aka “phantom” listings. This listing will not have a street address but has a required model name as this is a way for a builder to market their inventory of homes that can be built in a particular subdivision or on a lot. Only five Proposed Construction Listings may be entered per builder per subdivision.

(b) **Written Agreement.** For each listing submitted to CMLS by a Member, the Member shall have a written Listing Agreement signed by all legal owners of the property. All listings submitted must be available for showing and purchase by a Consumer during the listing period. Using the CMLS to advertise proposed construction or listings for sale by auction will only be permitted in a special section of the CMLS database.

(c) **Submission.**

- (1) Members shall collect information about listings submitted to CMLS on Listing Input Sheets as the Board shall approve from time to time and shall contain such information as required therein. The data input screen for the submission of listings directly into the computer database shall be considered a form for the purposes of this rule. The Owner's Name should be reflected as accurately as possible (i.e. Corporate Owned permitted for relocation properties, Foreclosure or Bank Owned permitted for foreclosure properties, Call Agent permitted only in special circumstances, etc.). “Of Record” will not be permitted, or like variations thereof, as entry into the Owner's Name field. Violation of this rule will be a warning email for each individual listing offense. Failure to comply within 2 business days of

warning will result in fine of \$50 and listing ownership being corrected per tax records.

- (2) All listings must be entered into the computer within two (2) business days upon acceptance of the listing by the Member. Violation of this rule is as follows: First Offense: Warning email from CMLS; Second Offense: Assessment of \$25 fine; Third Offense: Assessment of \$100; Fourth Offense: Review of possible suspension. Completed Listing Agreements should be retained by member companies in accordance with current State Law. Copies of Listing Input Sheets and Listing Agreements shall be submitted to CMLS upon request- within two (2) business days by electronic delivery. A \$25 fine will be issued for any requested listing sheets not submitted to CMLS within two (2) business days. Before submitting any Listing Agreement, the Listing Company must conceal all information in the Listing Agreement except the Member's or Listing Agent's and Owner's signatures, the date of execution of the Listing Agreement, the term (length) of the Listing Agreement, and the address of the listed property. Any reference to commission/compensation shall be immediately concealed by CMLS if not already done so by Listing Company. Listings submitted upon request may be reviewed by any CMLS employee other than those employees who are also CMLS Members. CMLS will destroy any requested Listing Input Sheets and Listing Agreements within five business days of receiving them or following the resolution of any issues.
- (3) With the written permission of the Owner, via completion of the *Withhold Listing Temporarily* form or noted in the Special Stipulations of the Exclusive Right to Sell Contract, a listing may be withheld from submission to the CMLS database for a period of time not to exceed 90 days from the date the Listing Agreement was signed by Owner. During this period of delay, this property may not be advertised for sale or published/offered for sale through any medium until the delay period has ended. This also prohibits the installation of a sign of any type or an MLS approved lockbox.

With the written permission of the Owner, via completion of the *Withhold Listing Permanently* form or noted in the Special Stipulations of the Exclusive Right to Sell Contract, a listing may be withheld from submission to the CMLS database. During this period of delay, this property may not be advertised for sale or published/offered for sale through any medium. This also prohibits the installation of a sign of any type or an MLS approved lockbox.

Violation of this rule is as follows: First Offense - \$250 fine; Second Offense - \$500 fine; Third Offense - \$1,000 fine; Fourth Offense – 30 day suspension from CMLS or other penalty as determined by the Board.

- (4) No listing will be accepted from a Member on a property currently in the CMLS database as an active listing by another Member unless the new listing is accompanied by proper documentation of the termination of the prior listing signed by both the Owner and the involved Member.

- (5) Listing photos will not contain any information other than the photos (interior and exterior) of the listed property and relevant subdivision photos, if any. Website addresses or any internet references, phone numbers, company name or logo, photographer watermarks, etc. are not permitted. All photos taken by or paid for by the listing company for a listing belong to the Listing Company and cannot be used by another company without the consent of the Listing Company. Please remember that the photos are viewable by the public and good taste should be used in selection of these photos. Violation of this rule will result in a warning email for each individual listing offense. Failure to comply within 2 business days of warning will result in fine of \$50 and photos being deleted from listing.
- (6) Virtual Tours and/or videos will not be branded and cannot contain information which identifies any agent or real estate company. Activity that CMLS considers branding includes, but is not limited to, using a branded website URL, displaying any real estate company name or logo, any agent name or image, or any agent's team name or logo, hosting the video using a branded channel on a public site, displaying any email address, or phone number, or providing any links that will allow the user to click through to view any of the previously identified branding. Virtual Tours will not contain visitor-contributed comments, contextual advertisements or similar unauthorized 3rd party content. When utilizing public sites such as YouTube for hosting, the initial link must be configured to minimize third party content and the channel must be configured to disallow commenting on the video. Violation of this rule will result in a warning email for each individual listing offense. Failure to comply within 2 business days of warning will result in a fine of \$50 and removal of virtual tour and/or videos.
- (7) Agent or company identifying-data, personal info, contact information, selling bonuses, emails, web addresses or any internet references, lockbox codes, occupancy status (i.e. vacant), etc. may not be entered in the Public Remarks section or Directions of the CMLS input sheet or system. Such data may be entered in the Agent Remarks Section. Please remember that the Public Remarks are viewable by the public and good taste should be used in preparation of both Public and Agent Remarks. Violation of this rule will result in a warning email for each individual listing offense. Failure to comply within 2 business days of warning will result in a fine of \$50 and the violating remarks being removed from the CMLS system.
- (8) Upon a withdrawal of a Listing by a Listing Agent it cannot be re-entered for a period of 10 calendar days by that Agent unless an agent changes companies.
- (9) If a lockbox is placed on a property, the lockbox must be assigned within ten (10) business days of entry of the listing into the system or a fine will be assessed. A warning email will be sent if a lockbox is not assigned within the first five (5) business days of entry into the system. A fine will be imposed in the amount of \$ 50 when a lockbox has not been assigned to the listing five (5) business days after the initial warning email. Continued failure to comply within 2 business days after fine

is imposed will result in the listing being Withdrawn Administratively from the CMLS system.

- (10) A Listing must be placed in the correct area according the CMLS Wall Map. A listing must have at least one foot of owner deeded water frontage on Lake Murray to be placed in Areas 20, 21, 22 or 23. If listing is placed in incorrect area, listing area will be corrected by a representative of CMLS.
- (11) A listing delivered to the MLS must indicate in the Listing Agent field the name that appears on the Listing Agreement. A Closed listing when reported to the MLS must indicate the Selling Agent name that appears on the Contract for Sale. Violation of this rule is as follows: First Offense – Warning Email; Second Offense - \$250 fine; Third Offense - \$500 fine.

(d) **Transfer of Listing.** Listings will be transferred from the name of one Member to the name of another Member only in the event of a properly documented merger with evidence thereof being presented to CMLS and, if necessary, reviewed by its counsel. Absent a merger, the original listing agreement must be withdrawn by one Member in accordance with these rules and a new listing agreement with the requesting Member signed by the Owner must be re-entered as a new listing in the CMLS system.

(e) **Limited Exemptions.** A Member, without violating the terms hereof, may accept and submit for inclusion into the CMLS Listing Agreement with the following exceptions or exemptions:

- (1) Reservations for sales to the Owner's Employer or a property relocation firm or organization representing the employer as long as the Employer and/or property relocation firm agree to and honor the terms of the original listing agreement.
- (2) Properties listed by an Owner's employer and/or a property relocation firm or organization representing the employer, a sale to another employee of the same employer so long as said employee has not previously viewed the property with a Member.
- (3) Reservations for no more than two (2) prospective purchasers for a period not to exceed ten (10) days from date of signing.

(f) **Comparables.** Comparables can be entered into the computer but only if there is a listing agreement signed by the seller. In addition, builders who own or control lots in a development may sell a lot to a buyer and then proceed to build a home on that lot for that buyer, with the lot and home being part of the same transaction and considered a custom build job. A home built on a previously purchased lot shall not be entered as a comparable since the price does not include both lot and structure. No FSBOs can be

entered into the computer as a comparable, with the exception of a Buyer Represented Sale.

(g) **Buyer Represented Sales (BRS):** Listings entered into the CMLS system with status of BRS that sold without listing representation with the following requirements:

- (1) This status is for purchases closed without representation on the listing side of the transaction.
- (2) The comparable sale cannot be added until after the closing of the transaction, but must be uploaded to the Multiple Listing Service within 5 business days.
- (3) The buyer must provide written consent to list the property as a comparable sale.
- (4) Buyer's agent must provide signed buyer's agency at the time of listing as verification of agency.
- (5) Buyer's agent must complete property detail input sheet similar to the listing input sheets (but not including any information related to commission/compensation), with buyer signature along with broker signature and approval. In addition, the agent will be required to upload a picture of the front of the home.
- (6) Buyer's agent will be required to provide a form, signed by the closing attorney, verifying the sale has been completed, and the following terms: purchase price, closing costs paid (and by which party), disclosure of as-is-sale, loan type, and disclosure of arms-length transaction.

RULE 2 – SALES AND NEGOTIATIONS

Representatives of Members may arrange property showings, visit and inspect properties without contact or permission of the Listing Company unless otherwise designated in the Listing. During showings or inspections, a Representative of a Member must remain on property unless the Representative has permission from the Owner. Offers on properties included in the CMLS shall be made in written form to the Listing Company and not directly to the Owner, unless the Listing Company communicates otherwise in the Broker or Agent Remarks field in the listing. The Listing Company shall, upon request, furnish an executed copy of a form dated and signed by the Owner stating as follows: "I have entered a listing agreement with [broker] for the sale of my property. I have agreed with my broker that offers from potential buyers (or their brokers or agents) will be submitted to me and not to my broker." The Listing Company shall present all offers received prior to closing. Upon request, the Listing Company shall request from the owner that a representative of the Selling Company be allowed to accompany the representative of the Listing Company at the presentation of the offer.

RULE -3 – NOTICE OF WITHDRAWAL OF LISTING

An active listing shall only be withdrawn and removed from the system upon its termination or upon written direction of Listing Company and Owner or by CMLS staff in violation of a CMLS rule. No changes in any listing or the status thereof shall be made by anyone other than a representative of the CMLS or the Listing Company.

RULE 4 – MEMBERSHIP AND FEES

- (a) As provided in the By-Laws of CMLS, the membership therein is limited to individuals. Individuals, however, represent companies in which they have an ownership interest.
- (b) By application, an individual fulfilling the requirements of the By-Laws (Article III, Section 1) shall apply for membership in CMLS on his/her own behalf (if engaged in the practice of real estate or related services as a sole proprietor) or on behalf of a company in which he or she is a principal partner, officer or trustee. For each individual (acting as a sole proprietorship) or each organized entity represented by an individual (whether partnership, corporation, limited liability company or partnership or other legal entity) there shall be an initial fee as determined by the Board. Each separate individual or company shall be required to pay the initiation fee (i.e. if John Doe is a member for the sole proprietorship, John Doe d/b/a J.D. Realty, a separate fee will be required for John Doe as a representative of John Doe Realty, Inc.; a separate fee would not be required, however, if John Doe as an individual is doing business in separate offices under different d/b/as or for separate offices of an organized entity.) In order to maintain the highest professional standards and meet the requirements of Article II Item 3, all Members must maintain an office in accordance with State Law, enforcement of which is the responsibility of the appropriate State officials.
- (c) Offices and Additional Offices: Upon application and approval the CMLS shall assign a designation to a Branch Office of the Member, in the same capacity as in its or their application (i.e. d/b/a or in the same business entity) for each Branch Office. Branch Office listings are available only to the individual as a d/b/a or the entity on behalf of which membership was applied. New legal entities require a new application and fee.
- (d) No Member can have a company name, domain name, or email address that might mislead consumers into believing that the company has direct access to all CMLS data or that company is, in fact, a Multiple Listing Service, i.e., cannot contain the letters MLS in Company Name, Domain Name, or Email Address. (ABC MLS Realty, ABCmls.com, or ABCMLS@xxx.com, etc.)
- (e) Name Change: A change of name as to an active member (without a change in ownership or the form thereof) requires a fee to be paid of \$200. There will be a \$50 charge to change a Member's Broker-in-Charge.
- (f) Change of Entity Status: Upon request of and approval by the Board, a member may change the legal status of an existing office or group of offices to a new legal status for a "name change" fee if it is demonstrated to the Board that the request to do so involves only a formal change in legal status, that no more than 25% of the ownership of the

member has been transferred, and the change does not otherwise violate the intent of this rule which is to require separate legal entities to pay separate fees for entry into the system.

- (g) Change of Member representative: In the event that a representative of a Member shall cease to be associated with a Member's company, the Member's company shall be entitled to designate a new representative of CMLS to represent that Member's company without the requirement of the payment of a new Membership fee. Should such a designation occur, the original representative would be required to submit a new application for membership accompanied by a new fee should he or she desire to do so in an individual capacity or on behalf of a new entity. Should a representative cease to be associated with a Member's company and the former Member's company fail to designate a new representative, the company will be denied access to CMLS and its benefits and be terminated from CMLS. In the event of the death of a representative of a Member, the Member's company shall be entitled to designate a new representative of a Member without payment of any fee.
- (h) Reinstatement within 30 days of Resignation: If a Member company resigns and circumstances that led to that resignation change within 30 days following resignation, a Member may be reinstated upon request and with payment of any funds then currently due CMLS. A Member may reapply under this provision only one time.
- (i) A Member suspended from CMLS must reapply as a new Member for reinstatement and is required to pay any past due fees due at the time of suspension and \$250 reactivation fee along with initiation fee.
- (j) When transferring from one Member Company to another Member Company, a transferee must present a Transfer Application signed by the Broker of the Member Company.
- (k) If an agent, administrator or assistant (with access to the CMLS system) is no longer affiliated with a Member Company, CMLS must be notified within two (2) business days.

RULE 5 – STATUS OF REPRESENTATIVES OF MEMBER COMPANIES

- (a) At all times, the Member shall be responsible for the activities and/or actions and/or other liabilities of its designated agents/representatives as they relate to CMLS.
- (b) A Member may, at any time, upon written notice to the individual agent/representative and CMLS withdraw its designation of an agent/representative. Within two (2) business days of the date of such notification the agent/representative shall be denied access to the CMLS systems and facilities unless that agent/representative has either individually joined the CMLS as a representative of an entity or been designated by another Member as an agent/representative.

RULE 6 – ADVERTISING

A Licensee may not advertise, market, or offer to conduct a real estate transaction involving the real estate owned in whole or in part by another person without a current written listing agreement from the owner and the listing must have been entered into the MLS system. Violation of this rule is as follows: First Offense- \$250 fine; Second Offense- \$500 fine; Third Offense-\$1,000 fine; Fourth Offense-30 day suspension from CMLS or other penalty as determined by the Board. When advertising or marketing in any medium including site signage, a Licensee clearly shall identify the full name of the company with which the Licensee is affiliated. The advertising of Coming Soon listings are not allowed. See the CMLS Data Feed Policy for information on cooperative marketing.

In an effort to protect the consumer and maintain the integrity of the CMLS, no Member may advertise in any media that they can list a property in the CMLS for a flat fee without disclosing to the consumer that the consumer will be required to offer a selling broker compensation should the property be sold by someone other than the listing broker. Violation of this rule will result in a first offense fine of \$500, second offense fine of \$1,000, and third offense will result in possible expulsion from the CMLS.

During the listing period only the Listing Company shall place signage of any kind on listed properties. There will be no owner's names or phone numbers on any signage, unless the Listing Company and Owner have entered an Exclusive Agency Listing as opposed to an Exclusive Right to Sell Listing. The Selling Company shall be permitted to place signage regarding the sale of the property after the closing. With consent of new owner, signage by either listing or selling company shall be permitted to remain on any property not longer than 5 days after closing.

All signage placed on the listed property must be signage that complies with CMLS Rules and Regulations. Site signage must clearly identify the full name of the company with which the Licensee is affiliated- The penalty for violation is the immediate withdrawal of the listing from CMLS.

RULE 7– REPORT OF CHANGE IN STATUS

Other than the closing of a sale, all changes in status of a listed property (including pending sales) must be reported to CMLS or entered into the computer within 2 business days of the effective date of the change or final acceptance by all parties. Failure to change status will result in a fine being accessed in amount of \$25 per occurrence. Warning may be issued at CMLS discretion.

- (a) ACT – Active: Listings available for sale with no ratified contract currently in place.
- (b) CSC – Contingent on Sale and Closing: Active but has a ratified contract in place that is contingent upon the SALE and CLOSING of another property. This property is disbursed to data feeds.

- (c) CCL – Contingent on Closing: Pending the sale of another property which is under contract to CLOSE and free of all other contingencies other than financing. This status is not disbursed to data feeds.
- (d) AOC – Active other Contingency: Active with another contingency other than financing not mentioned in this section. This status is not disbursed to data feeds.
- (e) PCI – Pending Contingent upon Inspection: A ratified contract is in place between the buyer and seller but is still within the 10-business day inspection period allowed in the contract. This listing is not disbursed to data feeds and will automatically change to PEN (Pending) after 15 days if not changed sooner by the Listing Agent.
- (f) P3P – Pending 3rd Party Approval: A ratified contract is in place between the buyer and seller of the home. The contract is subject to approval of a Third Party (usually a bank or Mortgage Company). This listing is not disbursed to data feeds. Upon approval by Third Party, Listing Agent changes to appropriate status (PCI or PEN).
- (g) PEN – Pending: Ratified Contract having no other contingency other than financing. This listing is not disbursed to data feeds. Pending (PEN) listings will remain in the system as pending up to six months past the expiration date at which time the listing will automatically expire and show the original expiration date.
- (h) CLS – Closed: The closing of a sale must be entered into the computer by transfer to a comparable within 10 business days of the closing of the sale, Failure to close listing within allotted time will result in fine of \$50 per occurrence.
- (i) SBL – Sold Before Listed: A custom build job entered as a comparable as the property sold before being listed.
- (j) BRS – Buyer Represented Sale: Listings entered into the CMLS system with status of BRS that sold without listing representation (See Rule 1(h))—Listing must be entered as a status of BRS.

RULE 8– CONFLICT OF INTEREST

If a Member or representative of a Member has any interest in any property listed with CMLS, the interest shall be disclosed in the Listing Agreement and disseminated to the users of the System by statement in the Agent Remarks section of the Listing.

RULE 9– KEY ACCESS

Access Keys/eKEYs are distributed by the CMLS office. To obtain an Access Key/eKEY/Lockbox an individual must present the following to the CML office: a current real estate license, appraiser's license or appraiser's certification, and all required paperwork including a Key Lease Agreement. There will be an initial charge for Lockboxes and fee per lockbox per quarter thereafter. A fee will be assessed for any

lost/stolen Access Key/Lockbox. Licensed or certified appraisers, with no real estate license, may only gain access to Lockbox by eKEY and must contact listing agent for CBS code.

A KEYHOLDER LOANING HIS/HER ACCESS KEY OR GIVING OUT THEIR PIN CODE TO ANYONE FOR ANY REASON WILL RESULT IN A FINE OF \$500.00 FOR THE FIRST OFFENSE AND SUSPENSION FOR A PERIOD TO BE SET BY THE BOARD FOR ANY FURTHER VIOLATION.

In cases of emergencies a Broker-in-Charge may loan their access key to an Agent from their company in good standing with CMLS. However, the Broker-in-charge will remain responsible for the Access Key and the actions of their agent. CMLS retains a loaner key in the CMLS office which can be used in emergency situations.

CMLS has full discretion at any time to deactivate key access and system access.

RULE 10 – MISUSE OF SYSTEM

Members and their affiliated agents and employees shall not permit any person to use his or her login name, password and authentication device. In the event the password of a member or affiliate or employee is used in violation of this section, such member or affiliate or employee shall be liable to CMLS for all loss or damage caused by such use and shall be subject to a fine of \$500 for each such entry and/or expulsion from the CMLS. It shall not be a defense that the Member or affiliate or employee did not grant consent to the use of the password.

RULE 11– USE OF THE CMLS INFORMATION

- (a) CMLS shall make available data including reports and statistics to its members. Members, their companies, and affiliated agents are allowed to use or cite the data in advertisements and public representations, with the following restrictions:
 1. Reference to another Member's statistics, market share, or data from any other report, whether or not that Member or Member's Company is named is prohibited.
 2. Citing CMLS data to rank any members, their companies, or affiliated agents is prohibited.
- (b) The information and compilations of information contained within the CMLS system or software approved by CMLS as well as other CMLS properties such as lockboxes and office equipment shall be utilized by Members and their affiliated agents and employees only for the purposes consistent with the CMLS business purpose which is to facilitate the sale of properties listed therein and market analysis in connection therewith. The information and compilation may not be copied or disseminated other than dissemination to customers or clients of the Member, use in the sale of real estate, or the analysis of real estate sales transactions.

- (c) The information and compilations contained on the CMLS system or in its publication or software approved by CMLS shall not be disseminated in any way to any other person for profit except in connection with a commission payable as part of a real estate sales transaction/lease. It is specifically agreed that the information and compilation thereof contained in the CMLS publications or on its system or software approved by CMLS shall be treated for all purposes as if it were "Trade Secrets" as defined in S.C. Code Ann. §39-8-10 and the remedies for misuse set forth in S.C. Code Ann. §39-8-10, et seq. specifically including the injunctive remedies of S.C. Ann. §39-8-20 and the damages provisions of S.C. Code Ann. §39-8-30.
- (d) All right, title and interest in each copy of every CMLS compilation created and copyrighted by CMLS and in the copyrights therein shall, at all times remain vested in CMLS.
- (e) The use of any CMLS software is subject to the continued use by CMLS of said software and further, that if such use is discontinued by CMLS, the sole obligation of CMLS to the software holder is the return of any pre-paid usage charges.
- (f) CMLS provides limited access to CMLS Internet Data Exchange (IDX) listing data to Member companies for the purpose of marketing listings, as defined by the CMLS Data Feed Policy. CMLS also provides access to a member company's own Internal Broker Feed (IBF) data, as defined by the CMLS Data Feed Policy. All data access is subject to compliance with the CMLS Data Feed Policy, and CMLS reserves the right to terminate access due to non-compliance.

RULE 12 – LEGAL ACTION

Should it be necessary for CMLS to retain an attorney or to bring an action to enforce the provisions of these Rules, in addition to all other available relief, CMLS shall be entitled to a reimbursement of its costs and attorney's fees incurred.

RULE 13– DISCIPLINARY ACTION

1. Fees Due: CMLS will invoice all fees due directly to the Member and/or its Designated Representatives. The following penalties will apply for past due fees:
 - (a) 15 days late will result in a 10% late fee being added to the bill and the access key and system access being deactivated. Amount due and late fee must be paid in full to be reactivated.
 - (b) 30 days late will result in an additional 10% late fee and demand email that membership in CMLS (Member or designated representative) is in jeopardy if not brought current within 30 days. Broker will be sent a notice that listings will be withdrawn if not transferred to a member in good standing within 30 days.

- (c) 60 days late – Member (or designated representative) is expelled from CMLS and a demand letter sent stating all leased equipment (access key and lockboxes) must be returned to the CMLS office. Reinstatement can only occur with payment in full, including all late fees plus a \$250 reactivation fee, even if that reactivation is with another company. Payment must be made by money order, cashier's check or credit/debit card.
- 2. CMLS staff is prohibited from taking payments by phone. Payments can be made via mail, in person at the CMLS office or using the secure online portal. All payments must be made by check, money order or credit/debit card. No cash will be accepted.
- 3. Violation of Non-Monetary Rules: The penalties for violation of these Rules by a Member or a designated representative shall be as follows (unless otherwise stated in specific rules). A Member may report another Member/representative for violation of these rules when the violation occurred within 90 days of the report.

First Offense: Warning letter or email from CMLS;

Second Offense of the same violation within a one-year period following the issuance of the warning letter: Assessment of \$50 fine with suspension of agent/representative involved upon nonpayment within thirty (30) days;

Third Offense of the same violation within a one-year period following the issuance of the warning letter: \$250 fine with suspension of agent/representative involved upon nonpayment within thirty (30) days;

Fourth Offense of the same violation within a one-year period following the issuance of the warning letter: Thirty (30) day suspension from access of CMLS service;

Fifth Offense of the same violation within a one-year period following the issuance of the warning letter: Permanent suspension from access to CMLS service.

Upon notice to the Member and after hearing by a hearing officer appointed by the Board, a Member responsible for a designated agent may be subjected to the disciplinary action assessed as to the agent/representative upon a finding by the hearing officer that the Member condoned or was responsible for the conduct causing a violation of these Rules.

Violation of Rule 11: It being crucial to the purposes of CMLS that property of CMLS being used solely for the stated purposes, a violation of any of the provisions of Rule 11 shall have the following consequences:

First offense: Assessment at a fine up to \$1,000 as decided by the Board.

Second offense: Permanent suspension from access to the CMLS system or other penalty as determined by the Board.

4. Appeal Procedure: A Member responsible for a designated agent/representative may make a request in writing delivered to the CMLS, Attention: Rules Committee accompanied by a \$50 fee, that a disciplinary action be reviewed. This appeal must be made by the Member within 30 days of the violation notice. If fine was issued for the violation, the fine is not required to be paid during the appeals process.

This review will take place within 60 days of the appeal request. The Rules Committee shall consist of three Members appointed annually by the President and approved by the Board.

The Rules Committee may:

- (a) Uphold the original action;
- (b) Reverse the original action;
- (c) Modify the original action; or
- (d) Refer the matter to the Board for additional consideration.

At its discretion, the Rules Committee may hold a hearing to receive further information, with notice to the affected Member and its agent/representative.

If the Rules Committee reverses the violation and finds for the Member, the fine amount will be waived and fee paid for the appeal will be refunded. If the Rules Committee upholds the violation and fine, the fine amount must be paid within 30 days of written or email notice of the decision.

In the absence of a Rules Committee, appeals may be reviewed by the Board in its absolute discretion.

A Member responsible for a designated agent/representative may make a request in writing accompanied by a \$100 fee to the Board that a decision from the Rules Committee be reviewed. This appeal by the Member must be made within 30 days of the Rules Committee's decision. The Board will have 60 days to review the Member's appeal.

Upon presentation of such a request, the Board may:

- (a) Uphold the Rules Committee decision;
- (b) Reverse the Rules Committee decision; or
- (c) Modify the Rules Committee decision.

If the Board reverses the violation and finds for the Member, the fine amount will be waived and all fees paid for the appeal will be refunded. If the Board upholds the violation and fine, the fine amount must be paid within 30 days of written or email notice of the decision.

All action of the Board under this Rule is in its sole discretion, and there shall be no further appeal.

RULE 14– STATED FEES PAID

- (a) The Listing Member shall specify on each Listing Agreement submitted, the compensation to be offered to other CMLS Members in connection with the sale of such listing. It shall be the responsibility of the Listing Member to collect and remit the fees due as a result of the services of another Member. The Listing Member shall be excused from this responsibility should it, with the exercise of reasonable diligence, be unable to collect the commission due from the seller.
- (b) CMLS shall not and does not fix, control, recommend, suggest or maintain commission rates or fees to be rendered by its Members. CMLS, further, shall not and does not fix, control, recommend, suggest or maintain the division of the commissions or fees between its Members.
- (c) Upon Receipt of an offer to purchase from a cooperating Broker/agent, the Listing Agent (LA) and/or the Listing Brokerage may not change the published offer of Compensation to Cooperating Brokers (Comp SB) without a Written Agreement to alter the Comp SB agreed to and signed by both the Listing Brokerage's BIC and the Selling/Cooperating Broker's BIC. Absent such an agreement, the Selling/Cooperating Brokerage is entitled to the Seller Broker Compensation (Comp SB) that was published in the CMLS database at the time original offer to purchase was presented. This includes any offers of Bonuses offered by the LA in the Agent Comments section unless the Bonus being offered has specific criteria associated with it and such criteria is clearly spelled out in Agent Remarks (i.e. \$1,000 Bonus to selling agent with Full Price Offer or \$1,000 Bonus if offer received by xxx date).

The penalty for violation of this rule shall be \$500 for the first offense, \$1,000 for the second offense and the third offense will be at the Board of Director's discretion up to and possibly include expulsion from the CMLS. These penalties may be waived at the discretion of the President of CMLS upon receipt of documentation that the Comp SB at the time of original Offer to Purchase was, in fact, paid to the Cooperating Broker/agent upon closing.

Nothing in this rule is, in any way, meant to dictate, suggest or influence the Listing Agent or Listing Brokerage as to what Comp SB is offered to Cooperating Brokers on any Listing in CMLS.

RULE 15 - TRAINING

Prior to being granted access to the CMLS system for the purpose of information entry, an agent/representative or individual Members must attend and complete an introductory class on the use of the CMLS system and an orientation with a CMLS staff member (who is not

a CMLS Member). New Members who previously worked as an agent/representative under another CMLS Member and had training in and access to the CMLS system need not repeat the introductory class and orientation. CMLS shall provide introductory classes/orientation no less frequently than once every two weeks, if needed.

RULE 16 – VOTING

Each Member shall be entitled to have a representative to attend Member meetings of CMLS which representative, if other than the Member, shall be designated in advance.

RULE 17 – INDEMNIFICATION

Unless it shall be shown that CMLS has improperly published correct information provided to it, each Member agrees by becoming a Member that it will hold CMLS harmless from and against any liability of any kind arising from the inaccuracy or inadequacy of information provided to CMLS and published by CMLS. In enforcing the provisions hereof CMLS shall be entitled to the reimbursement of its reasonable fees and costs.

RULE 18 – STANDARDS OF CONDUCT FOR MEMBERS AND/OR DESIGNATED REPRESENTATIVES (“CMLS PARTICIPANTS”)

- (1) CMLS Participants shall not engage in any practice or take any action inconsistent with the agency or other exclusive relationships recognized by law;
- (2) Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without consent of the seller/landlord;
- (3) CMLS Participants shall not solicit a listing currently listed exclusively with another broker. However, if the listing broker, when asked by the CMLS Participant, refuses to disclose the expiration date and nature of such listing (i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client) the CMLS Participant may contact the owner to secure such information and may discuss the terms upon which the CMLS Participant might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing.
- (4) CMLS Participants shall not solicit other Member’s clients. However, if contacted by another Member’s client, CMLS participants may discuss the terms upon which the CMLS Participant might enter into a future client agreement or, alternatively, may enter into a client agreement to become effective upon the expiration of any existing exclusive client agreement.
- (5) CMLS Participants shall not use information obtained throughout the CMLS for the purpose of creating a referral prospect to a third party.

- (6) A CMLS Participant shall not be precluded or inhibited from entering into a new agreement with the client of any other CMLS Participant after the expiration of the prior agreement.
- (7) CMLS Participants are free to enter into contractual relationships or negotiate with seller/landlords, buyers/tenants, or others who are not subject to an exclusive agreement but shall not knowingly obligate them to pay more than one commission except with their informed consent.
- (8) CMLS Participants when contacted by the client of another CMLS Participant regarding the creation of an exclusive relationship to provide the same type of service, and when the CMLS Participants have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement, or alternately, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement.
- (9) In cooperative transactions, CMLS Participants shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed/affiliated with other CMLS Participants without the prior express written knowledge and consent of the cooperating broker.
- (10) CMLS Participants are not precluded from making general announcements to prospective client describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationship with another CMLS Participant. A general telephone canvas, general mailing, or distribution addressed to all prospective clients in a given geographical area or in a given profession, business, club, or organization, or other classification or group is deemed “general” for purposes of this rule.
- (11) The following types of solicitations are prohibited:
 - i. Telephone or personal solicitation of property owners who have been identified by a real estate sign, multiple listing compilation, or other information service as having exclusively listed their property with another CMLS Participant; and mail or other forms of written solicitations of prospective clients whose properties are exclusively listed with another CMLS Participant when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, “for sale” or “for rent” signs, or other sources of information intended to foster cooperation with CMLS Participants.
 - ii. All members shall adhere to all state and federal laws concerning phone, e-mail and fax solicitations.
- (12) CMLS Participants, prior to entering into an agency agreement or other exclusive relationship, have an affirmative obligation to make reasonable efforts to determine

whether the client is subject to a current, valid exclusive agreement to provide the same type of real estate service.

- (13) CMLS Participants, acting as agents of, or in another relationship with, buyers or tenants, shall disclose that relationship to the seller/landlord's agent or broker at first contact and shall provide written confirmation of that disclosure to the seller/landlord's agent or broker not later than execution of a purchase agreement or lease.
- (14) CMLS Participants acting as buyer/tenant agents or brokers on unlisted property shall disclose that relationship to seller/landlord at first contact for that client and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement.
- (15) CMLS Participants are not precluded from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage). However, information received through CMLS or any other offer of cooperation may not be used to target clients of other CMLS Participants to whom such offers to provide services may be made.
- (16) CMLS participants, acting as subagents or buyer/tenant agents or brokers, shall not use the terms of an offer to purchase/lease to attempt to modify the listing broker's offer of compensation to subagents or buyer's agents, or brokers, or make the submission of an executed offer to purchase/lease contingent on the listing broker's agreement to modify the offer of compensation.
- (17) All dealings concerning property exclusively listed or with the buyer/tenants who are subject to an exclusive agreement shall be carried on with the client's agent or broker and not with the client, except with the consent of the client's agent or broker or except where such dealings are initiated by the client.
- (18) CMLS Participants, users, and subscribers, prior to or after terminating their relationship with their current firm, shall not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm. This does not preclude CMLS Participants from establishing agreements with their associated licensees governing assignability of exclusive agreements.
- (19) CMLS Participants shall not knowingly or recklessly make false or misleading statements about competitors, their business, or their business practices.
- (20) All Members agree to receive communications via phone, fax, e-mail or postal services from other Members and their designated representatives and staff.
- (21) Listings with lockboxes in the CMLS primary service area (Richland, Lexington, Kershaw, Saluda, Fairfield, Newberry, and Calhoun Counties) must have a CMLS approved lockbox. Another type of lockbox, to include any keyless entry system to the

residence, (non-CMLS approved), may be placed on the listing but must be accompanied by a lockbox approved by CMLS (including HUD homes, Corporate Owned homes, Foreclosures, etc.). Sufficient information must be placed in the CMLS lockbox to operate any alternative device. The purpose of this rule is to allow CMLS to track entry of its participants into consumers' residences for the protection of the consumers when the CMLS lockbox is employed to gain entry. CMLS cannot be held responsible if a consumer and his or her agents decide to circumvent the security provided by the CMLS lockbox. Upon receipt of a signed agreement between the Seller and an agent/representative or individual Member requesting CMLS to supply a lockbox directly to the Seller, CMLS will furnish the Seller a lockbox. The agreement shall include a statement that the agent/ representative or individual Member agrees to pay all normal fees associated with the issuance of a lockbox. CMLS shall maintain a list of keyholders available to install or remove the lockboxes as a service to listing brokers at a fee to be negotiated between the keyholder and Member. The Member must lease an eKEY from CMLS in order to assign lockboxes through Supra which have been placed on a home by another agent. Subleasing of CMLS lockboxes is strictly forbidden and will result in a fine of \$500 for each offense. Listings in violation of this rule will be Withdrawn Administratively from the CMLS system without notice.

If a lockbox is placed on a property, the lockbox must be assigned within ten (10) business days of entry of the listing into the system or a fine will be assessed. A warning email will be sent if a lockbox is not assigned within the first five (5) business days of entry into the system. A fine will be imposed in the amount of \$50 when a lockbox has not been assigned to the listing five (5) business days after the initial warning -email. Continued failure to comply within 2 business days after fine is imposed will result in the listing being Withdrawn Administratively from the CMLS system.

Lockbox must be removed from Listing within two (2) business days when the listing has been Withdrawn, Expired or Closed. Failure to remove lockbox within two (2) business days will result in a fine of \$25 being assessed.

- (22) If a Member enters a Listing Agreement with an Owner under which the commission rate varies for any reason, that fact (but not the commission rate) shall be disclosed on the CMLS Listing Input Sheet and appear on the computer printout sheet.
- (23) These rules are not intended to prohibit ethical, albeit aggressive or innovative business practices, and do not prohibit disagreements with other CMLS Participants involving commission, fees, compensation, or other forms of payment or expenses.

RULE 19– ERRORS AND OMISSIONS INSURANCE

If a Member does not have or maintain at least \$500,000 in Errors and Omissions insurance, it shall disclose that fact on the Listing Agreement and CMLS will include on all listings the expiration date of the Errors and Omissions Declarations Page (if any) on file with CMLS.

LAST REVISED AND APPROVED

OCTOBER 2022