

COMMERCIAL INVESTMENT DIVISION MULTIPLE LISTING SERVICE RULES AND REGULATIONS

SECTION ONE LISTING PROCEDURES

Section 1 LISTING PROCEDURES: Listings of real properties of the following types located within the territorial jurisdiction of the Commercial Industrial Multiple Listing Service of the Knoxville Area Association of REALTORS® taken by Participants on an Exclusive Right to Sell/Lease or an Exclusive Agency Listing Contract, which offers cooperation and compensation to the other Participants of the Commercial Industrial Multiple Listing Service ("CIMLS"), shall be submitted to the CIMLS within 10 days after all necessary signatures of seller or lessor have been obtained:

- (a) Commercial
- (b) Industrial
- (c) Multi-family Residential Buildings
- (d) Lease Office
- (e) Lease Rental
- (f) Vacant Land
- (g) Business Opportunity

The Commercial Industrial Multiple Listing Service does 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 the "Property Data Form" is required. However, the CIMLS, through its legal counsel:

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

The CIMLS shall accept exclusive right to sell or lease 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 CIMLS acting as Buyers Agents, Facilitators/Transaction Brokers.

The listing agreement must include the seller's or lessor's written authorization to submit the agreement to the CIMLS.

The CIMLS may not accept net listings because they are deemed unethical and illegal in the state of Tennessee. 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 CIMLS 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 a blanket unilateral basis, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly

distinguished in the remarks of the Property Data disseminated to all CIMLS Participants by the designation of "Exempted Prospects" 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. The Exclusive Agency listing shall be clearly distinguished in the listing information disseminated to all CIMLS Participants.

Section 1.1 LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE: Any listing taken on a contract to be submitted to the CIMLS is subject to the Rules and Regulations of the CIMLS upon signature of the seller or lessor.

Section 1.2 DETAIL ON LISTINGS SUBMITTED TO THE CIMLS: A listing contract or Property Data Form when submitted to the CIMLS by the listing broker shall be complete in every detail, which is ascertainable as specified on the Property Data Form.

Section 1.3 EXEMPTED LISTINGS: If the seller refuses to permit the listing to be disseminated by the CIMLS, the Participant may then take an "Office Exclusive Listing" and such listing shall be submitted to the CIMLS but not disseminated to the Participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the CIMLS.

Section 1.4 CHANGE OF STATUS OF LISTING: Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller or lessor and shall be filed with the Service within twenty-four (24) hours (excepting weekends, holidays, and postal holidays) after the authorized change is received by the listing broker.

Section 1.5 WITHDRAWAL OF LISTING PRIOR TO EXPIRATION: Listings of property may be withdrawn from the CIMLS by the listing broker before the expiration date of the listing agreement provided notice is submitted to the CIMLS including a copy of the agreement between the seller or lessor and the listing broker which authorizes the withdrawal.

Sellers or lessors do not have the unilateral right to require an CIMLS to withdraw a listing without the listing broker's concurrence. However, when a seller or lessor 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 or lessor.

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

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

Section 1.8 LISTING MULTIPLE UNIT PROPERTIES: All properties which are to be sold, leased, or exchanged or which may be marketed separately, must be indicated individually in the listing and on the property data form. When part of a listed property has been sold, leased, or exchanged, the rules related to notifying the Service shall be observed.

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

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

Any extension must be executed by all appropriate parties prior to the expiration of the current listing.

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 or renewals of listings must be signed by the seller or lessor and be submitted to the CIMLS.

Section 1.11 TERMINATION DATE ON LISTINGS: Listings submitted to the CIMLS shall bear a definite and final termination date as negotiated between the listing broker and the seller or lessor.

Section 1.12 JURISDICTION: Only listings of the designated types of property located within the jurisdiction of the CIMLS of the Knoxville Area Association of REALTORS® are required to be submitted to the CIMLS. Listings of property located outside the Association's jurisdiction will be accepted if submitted voluntarily by a Participant, but are not required by the service.

Section 1.13 LISTINGS OF SUSPENDED PARTICIPANT: When a Participant of the CIMLS is suspended from the CIMLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, Multiple Listing Service Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently submitted to the CIMLS by the suspended Participant shall, at the suspended Participant's option, be retained in the CIMLS until sold, withdrawn, or expired, and shall not be renewed or extended by the CIMLS beyond the termination date of the listing contract in effect when the suspension became effective. If a Participant has been suspended from the Board (except where C/I MLS participation without Board Membership is permitted by law) or C/I MLS (or both) for failure to pay appropriate dues, fees, or charges, the Service is not obligated to provide C/I MLS services, including continued inclusion of the suspended Participant's listings in the C/I MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the Service, the suspended Participant should be advised, in writing, of the intended removal so that the suspended Participant may advise his clients.

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

Section 1.15 LISTINGS OF RESIGNED PARTICIPANTS: When a Participant resigns from the CIMLS, the CIMLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings from the CIMLS, the resigned Participant should be

advised in writing of the intended removal so that the resigned Participant may advise his clients.

SECTION TWO SELLING / LEASING PROCEDURES

Section 2 SHOWINGS AND NEGOTIATIONS: Appointments for showings and negotiations with the seller or lessor for the purchase, lease, or exchange of listed property submitted to the CIMLS shall be conducted through the listing broker except under the following circumstances:

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

(b) after reasonable effort, the cooperating broker cannot contact the listing broker or his representative; however, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.

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

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

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

Section 2.3 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER: The cooperating broker 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 or lessor's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

Section 2.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTEROFFER: 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. 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 STATUS CHANGES, INCLUDING FINAL CLOSING OF SALES: Status changes, including final closing of sales shall be reported to the Multiple Listing Service by the listing broker within 72 hours after they have occurred. If negotiations were carried on under Section 2 (a) or (b) hereof, the cooperating broker shall report the status change to the listing broker within 72 hours after occurrence and the listing broker shall report them to the MLS within 72 hours after receiving notice from the cooperating broker.

Section 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES: The listing broker shall report to the CIMLS within 24 hours that a contingency on file with the CIMLS has been fulfilled or renewed, or the agreement canceled.

Section 2.7 ADVERTISING OR LISTING SUBMITTED TO THE CIMLS: A listing shall not be advertised by any Participant other than the listing broker without the prior consent of the listing broker and must include the name of the listing firm except where the information is used to prepare appraisals and other valuations of real property.

Section 2.8 REPORTING CANCELLATION OF PENDING SALE: The listing broker shall report within 10 days to the CIMLS the cancellation of any pending sale, lease or exchange and the listing shall be reinstated immediately.

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

Section 2.10 Availability of Listed Property: Listing brokers shall not misrepresent the availability of access to show or inspect listed property.

SECTION THREE REFUSAL TO SELL / LEASE

Section 3. REFUSAL TO SELL/LEASE: If the seller or lessor of any listed property submitted to the CIMLS refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the CIMLS and to all Participants.

SECTION FOUR PROHIBITIONS

Section 4 INFORMATION FOR PARTICIPANTS ONLY: Any listing submitted to the CIMLS shall not be available to any broker or firm not a Member of the CIMLS without the prior consent of the listing broker.

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

Section 4.2 "SOLD" SIGNS: Prior to closing, only the "Sold" or "Leased" sign of the listing broker shall be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

Section 4.3 SOLICITATION OF LISTING SUBMITTED TO THE CIMLS: 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.

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

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

This Section is also intended to encourage brokers to participate in the Service by assuring them that other Participants will not attempt to persuade the seller or lessor to breach the listing

agreement or to interfere with their attempts to market the property. Absent the protection afforded by this Section, listing brokers would be most reluctant to generally disclose the identity of the seller or lessor or the availability of the property to other brokers.

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

Section 4.4 Use of the Terms MLS and Multiple Listing Service: No MLS participant, subscriber or licensee affiliated with any participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants, subscribers and licensees affiliated with participants shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

SECTION FIVE DIVISION OF COMMISSION

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

In filing a property with the CIMLS, the Participant of the Service is making blanket unilateral offers of compensation to the other Participants, and shall therefore specify on each listing filed with the Service, the compensation being offered to the other Participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to find a purchaser or lessee.

The listing broker retains the right to determine the amount of compensation offered to other Participants acting as Buyer Agents, Facilitators/Transaction Brokers which may be the same or different.

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

The listing Participant cannot be required to disclose the amount of total negotiated commission in

the listing contract, and the CIMLS cannot publish the total negotiated commission on a listing, which has been submitted, to the CIMLS by a Participant. The CIMLS cannot disclose in any way the total commission negotiated between the seller and the listing Participant.

The compensation specified on listings submitted to CIMLS shall appear in one of two forms. The essential and appropriate requirement by the CIMLS is that the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions unless advised otherwise by the listing broker in writing in advance. The compensation specified on listings published by the CIMLS shall be shown in one of the following forms:

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

The CIMLS will not include offers of cooperation that do not include an offer of compensation expressed as a percentage of the gross selling price or as a definite dollar amount.

The CIMLS will not include general invitations by listing Participants to other Participants to discuss terms and conditions of possible cooperative relationships.

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

Section 5.1 PARTICIPANT AS PRINCIPAL: If a Participant or any licensee affiliated with a Participant has any interest in property, the listing of which is to be disseminated through the CIMLS, that person shall disclose that interest when the listing is submitted to the CIMLS and such information shall be disseminated to all CIMLS Participants.

Section 5.2 PARTICIPANT AS PURCHASER: If a Participant or any licensee affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed to the listing broker prior to the time an offer to purchase is submitted to the listing broker.

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

SECTION 6 SERVICE FEES

Section 6. SERVICE FEES: To defray the costs of the operation of the CIMLS a schedule of fees is in effect and is subject to change from time-to-time when deemed appropriate by the CIMLS Committee.

Section 6.1 RECURRING PARTICIPATION FEE: The annual participation fee of each Participant

(the Principle Broker - Designated REALTOR®) shall be the scheduled amount times each sales associate and licensed or certified appraiser who has access to and use of the CIMLS, whether licensed as a broker or sales associate or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such Participant. Payment of such fees shall be paid in advance of the scheduled date due. Fees shall be prorated on a monthly basis.

Section 6.2 USE OF THE CIMLS: If a licensee brings listings to the Participant or shows/co-shows or sells/co-sells properties published by the CIMLS, this constitutes use of the CIMLS.

SECTION SEVEN COMPLIANCE WITH THE RULES

Section 7, COMPLIANCE WITH RULES / AUTHORITY TO IMPOSE DISCIPLINE

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

- a. letter of warning
- b. letter of reprimand
- c. attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed \$15,000
- e. probation for a stated period of time not less than thirty (30) days nor more than one (1) year
- f. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- g. termination of MLS right

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

(a) For failure to pay any CIMLS charge or fee within one month of the date due, and provided that at least ten (10) days notice has been given, the CIMLS shall be suspended until service charges are paid in full.

(b) For failure to comply with any other rule, the provisions of Sections 9 and 9.1 shall apply.

Section 7.1- APPLICABILITY OF RULES TO USERS AND/OR SUBSCRIBERS: Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the CIMLS 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 CIMLS 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 EIGHT MEETINGS

Section 8 MEETINGS OF THE COMMITTEE: The CIMLS Committee shall meet for the transaction of its business at a time and place to be determined by the Committee or at the call of the Chairman.

Section 8.1 MEETINGS OF THE PARTICIPANTS: The CIMLS Committee may call meetings of the Participants in the Service to be known as meetings of the CIMLS.

Section 8.2 CONDUCT OF THE MEETINGS: The Chairman shall preside at all meetings or, in the Chairman's absence, a temporary Chairman from the membership of the CIMLS Committee shall be named by the Chairman or, upon his failure to do so, by the CIMLS Committee.

SECTION NINE ENFORCEMENT OF RULES OR DISPUTES

Section 9 CONSIDERATION OF ALLEGED VIOLATIONS: The CIMLS Committee shall give consideration to all written complaints having to do with violations of the Rules and Regulations.

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 considered and determined by the Multiple Listing Service Committee, and if a violation is determined, the Committee may direct the imposition of sanction, provided the recipient of such sanction may appeal it to the Professional Standards Committee of the Association for a hearing by the Professional Standards Committee in accordance with the Bylaws and Rules and Regulations of the Association of REALTORS® within twenty (20) days following receipt of the Committee's decision.

Section 9.2 COMPLAINTS OF UNETHICAL CONDUCT: All other complaints of professional misconduct shall be referred by the CIMLS Committee to the Professional Standards Secretary for appropriate action in accordance with the Professional Standards procedures established in the Association's Bylaws.

SECTION TEN CONFIDENTIALITY OF MLS INFORMATION

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

Section 10.1 CIMLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION:

The information published and disseminated by the CIMLS is communicated verbatim, without change by the Service, as submitted to the CIMLS by the Participant. The CIMLS does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the CIMLS harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

SECTION ELEVEN OWNERSHIP OF MLS COMPILATIONS AND COPYRIGHTS

Section 11 By the act of submitting any property listing content to the MLS, the Participant represents that he has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted CIMLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

Section 11.1 All rights, title and interest in each copy of every CIMLS Compilation created and copyrighted by the CIMLS of the Knoxville Area Association of REALTORS®, and in the copyrights therein, shall at all times remain vested in the CIMLS of the Knoxville Area

Association of REALTORS®.

Section 11.2 Each Participant shall be entitled to lease from Knoxville Area Association of REALTORS® a number of copies of each Compilation sufficient in number to provide the Participant and each person affiliated as a licensee with such Participant with one copy of such Compilation. The Participant shall pay, for each such copy, the rental fee set by the Association. The Participants shall acquire by such lease only the right to use the Compilations in accordance with these rules.

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

SECTION TWELVE USE OF COPYRIGHTED CIMLS COMPILATIONS

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

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

Section 12.2 INCLUSION OF LISTING FIRM'S NAME IN DISPLAYS OF LISTING INFORMATION. Any display of listing information, whether by the listing firm or by other CIMLS Participants, must include the name of the listing firm except where the information is used to prepare appraisals and other valuations of real property.

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

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

Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data of properties other than that in which the prospective purchaser or lessee has expressed interest, or in which the Participant or their affiliated licensees are seeking to promote interest, does not appear on such reproduction.

Nothing contained herein shall be construed to preclude any Participant from utilizing,

displaying, distributing, or reproducing property listing sheets or other compilations of data pertaining exclusively to properties currently listed for sale or lease with the Participant.

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

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, "sold" information, "Comparables", or statistical information from utilizing such information to support an estimate of value on a particular property for a particular client. However, only such information that an Association or Association-owned CIMLS 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.

It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser or lessee has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable," as used herein, should therefore be construed to permit only limited reproduction 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 this intent, and thus "reasonable" in number, shall include, but are not limited to, the total number of listings in the CIMLS 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 or lessee.

SECTION THIRTEEN USE OF CIMLS INFORMATION

Section 13 LIMITATIONS ON USE OF CIMLS INFORMATION: Use of information from the Association's CIMLS compilation of current listing information, statistical reports", or from any sold or comparable reports for public mass media advertising by an CIMLS Participants or in other public representations is not prohibited.

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

"Based on information from the Commercial Investment Division Multiple Listing Service of the Knoxville Area Association of REALTORS® for the period (date) through (date)".

SECTION FOURTEEN CHANGES IN RULES AND REGULATIONS

SECTION 14. CHANGES IN RULES AND REGULATIONS MANDATED BY NAR POLICY: Amendments to the Rules and Regulations of the CIMLS shall be by a majority vote of the Members of the CIMLS Committee, subject to approval by the Board of Directors of the Knoxville Area Association of REALTORS®.

SECTION 14.1 CHANGES IN RULES AND REGULATIONS NOT MANDATED BY NAR POLICY: The Rules and Regulations of the CIMLS may be amended or changed or additions made thereto

at any meeting or at any special meeting of the CIMLS Participants called theretofore. The Participants must be notified in writing as to the proposed amendment, change or addition, at least one (1) week prior to said meeting. Before a vote on such amendment, change or addition, to be successful, must be approved by a majority of those present for the vote. No amendment, change or addition shall be valid which violates the By-Laws of the Association.

Mandatory changes to the rules and regulations of the CIMLS for compliance with the Multiple Listing Policy of the National Association of REALTOR®S may be amended by the CIMLS Committee and does not require a vote of the Participants. All the foregoing, subject to ratification by the Board of Directors of the Knoxville Area Association of REALTORS®.

SECTION FIFTEEN ARBITRATION OF DISPUTES

SECTION 15. ARBITRATION OF DISPUTES: By becoming and remaining a Participant, each Participant agrees to arbitrate disputes involving contractual issues and questions, and specific non-contractual issues and questions defined in Standard of Practice 17-4 of the Code of Ethics with CIMLS Participants in different firms arising out of their relationships as CIMLS Participants subject to the following qualifications:

- (a) If all disputants are members of the Knoxville Area Association of REALTORS®, or have their principal place of business within the Association's territorial jurisdiction, they shall arbitrate pursuant to the procedures of the Knoxville Area Association of REALTORS®.
- b) If the disputants are members of different Associations of REALTORS®, or if their principal place of business is located within the territorial jurisdiction of different Associations of REALTORS®, they remain obligated to arbitrate in accordance with the procedures of the Tennessee Association of REALTORS®.

Interboard Arbitration Procedures. Arbitration shall be conducted in accordance with any existing Interboard agreement or, alternatively, in accordance with the Interboard Arbitration Procedures in the Code of Ethics and Arbitration Manual of the National Association of REALTORS®. Nothing herein shall preclude Participants from agreeing to arbitrate the dispute before a particular Association of REALTORS®.

SECTION SIXTEEN STANDARDS OF CONDUCT FOR CIMLS PARTICIPANTS:

Section 16—Standards of Conduct for MLS Participants:

Section 16.1—MLS Participants shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other MLS Participants have with clients.

Section 16.2—Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without consent of the seller/landlord.

Section 16.3—MLS Participants acting as subagents or as buyer/tenant representatives or brokers shall not attempt to extend a listing broker's offer of cooperation and/or compensation to other brokers without the consent of the listing broker.

Section 16.4—MLS Participants shall not solicit a listing currently listed exclusively with another broker. However, if the listing broker, when asked by the MLS 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 MLS Participant may contact the owner to secure such information and may discuss the terms upon which the MLS Participant might take a future listing or, alternatively, may take a listing to become

effective upon expiration of any existing exclusive listing.

Section 16.5—MLS Participants shall not solicit buyer/tenant agreements from buyers/tenants who are subject to exclusive buyer/tenant agreements. However, if asked by an MLS Participant, the broker refuses to disclose the expiration date of the exclusive buyer/tenant agreement, the MLS Participant may contact the buyer/tenant to secure such information and may discuss the terms upon which the MLS Participant might enter into a future buyer/tenant agreement or, alternatively, may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement.

Section 16.6—MLS Participants shall not use information obtained from listing brokers through offers to cooperate made through multiple listing services or through other offers of cooperation to refer listing brokers' clients to other brokers or to create buyer/tenant relationships with listing brokers' clients, unless such use is authorized by listing brokers.

Section 16.7—The fact that an agreement has been entered into with an MLS Participant shall not preclude or inhibit any other MLS Participant from entering into a similar agreement after the expiration of the prior agreement.

Section 16.8—The fact that a prospect has retained an MLS Participant as an exclusive representative or exclusive broker in one or more past transactions does not preclude other MLS Participants from seeking such prospect's future business.

Section 16.9—MLS Participants are free to enter into contractual relationships or to negotiate with sellers/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.

Section 16.10—When MLS Participants are contacted by the client of another MLS Participant regarding the creation of an exclusive relationship to provide the same type of service, and MLS Participants have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternatively, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement.

Section 16.11—In cooperative transactions, MLS Participants shall compensate cooperating MLS Participants (principal brokers) and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other MLS Participants without the prior express knowledge and consent of the cooperating broker.

Section 16.12—MLS Participants are not precluded from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another MLS Participant. A general telephone canvass, general mailing, or distribution addressed to all prospects 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.

The following types of solicitations are prohibited:

Telephone or personal solicitations 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 MLS Participant; and mail or other forms of written solicitations of prospects whose properties are exclusively listed with another MLS 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 MLS Participants.

Section 16.13—MLS Participants, prior to entering into a representation agreement, have an affirmative obligation to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service.

Section 16.14—MLS Participants, acting as buyer or tenant representatives or brokers, shall disclose that relationship to the seller/landlord's representative or broker at first contact and shall provide written confirmation of that disclosure to the seller/landlord's representative or broker not later than execution of a purchase agreement or lease.

Section 16.15—On unlisted property, MLS Participants acting as buyer/tenant representatives or brokers shall disclose that relationship to the seller/landlord at first contact for that buyer/tenant and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement.

MLS Participants shall make any request for anticipated compensation from the seller/landlord at first contact.

Section 16.16—MLS Participants, acting as representatives or brokers of sellers/landlords or as subagents of listing brokers, shall disclose that relationship to buyers/tenants as soon as practicable, and shall provide written confirmation of such disclosure to buyers/tenants not later than execution of any purchase or lease agreement.

Section 16.17—MLS 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) or from offering the same type of service for property not subject to other brokers' exclusive agreements. However, information received through a Multiple Listing Service or any other offer of cooperation may not be used to target clients of other MLS Participants to whom such offers to provide services may be made.

Section 16.18—MLS Participants, acting as subagents or buyer/tenant representatives 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/tenant representatives 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.

Section 16.19—All dealings concerning property exclusively listed or with buyer/tenants who are subject to an exclusive agreement shall be carried on with the client's representative or broker, and not with the client, except with the consent of the client's representative or broker or except where such dealings are initiated by the client.

Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospects, MLS Participants shall ask prospects whether they are a party to any exclusive representation agreement. MLS Participants shall not knowingly provide substantive services concerning a prospective transaction to prospects who are parties to exclusive representation agreements, except with the consent of the prospects' exclusive representatives or at the direction of prospects.

Section 16.20—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 Participants from establishing agreements with their associated licensees governing assignability of exclusive agreements.

Section 16.21—These rules are not intended to prohibit ethical, albeit aggressive or innovative business practices, and do not prohibit disagreements with other MLS Participants involving commission, fees, compensation, or other forms of payment or expenses.

Section 16.22—MLS Participants shall not knowingly or recklessly make false or misleading statements about competitors, their businesses, or their business practices.

SECTION SEVENTEEN ORIENTATION

SECTION 17 Orientation: Any applicant for Multiple Listing Service participation and any licensee (including licensed or certified appraisers) affiliated with an Multiple Listing Service Participant who has access to and use of Multiple Listing Service generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the Multiple Listing Service Rules and Regulations and computer training related to Multiple Listing Service information entry and retrieval and the operation of the Multiple Listing Service within 30 days after access has been provided.