

SOUTHERN INDIANA REALTORS® ASSOCIATION

Rules and Regulations for a Commercial Information Exchange Operated as a Committee of a Board of REALTORS®

Membership in the Commercial Information Exchange: Any REALTOR® (principal) of this or any other Board is eligible to participate in the Exchange upon agreeing in writing to conform to these Exchange rules and regulations and to pay the Service fees and charges as specified in Section 4 of these rules.* However, no individual or firm, regardless of Board membership status, is eligible for CIE participation or membership status unless they hold a current, valid real estate broker's license or to those individuals who are licensed or certified by a state regulatory agency to engage in the appraisal of real property. Brokers and salespeople other than principals are not "members" or "Participants" of the Exchange but have access to and use of the Exchange through the Participant with whom they are affiliated. None of the foregoing is intended to preclude a CIE from providing, as a matter of local determination, access to information from CIE compilations to affiliate members of Boards or to others engaged in recognized fields of real estate practice or in related fields.

Note 1: The requirements of (1) no record of recent or pending bankruptcy; (2) no record of official sanctions involving unprofessional conduct; and (3) completion of a course of instruction on the CIE rules and regulations and computer training related to CIE information entry and retrieval may be deleted from this Section at the option of each Board/Association. In states where law requires non-Board members be admitted to the CIE of a Board of REALTORS®, any limitations or restrictions imposed on participation or membership shall be no more stringent than permissible under the National Association's Membership Qualification Criteria. However, in states where non-Board member access to the CIE is not a requirement of state law, Boards may, at their discretion, establish additional qualifications for non-Board member participation and membership in the CIE.

Note 2: A Board may also choose to have the Membership Committee consider the following in determining a nonmember applicant's qualifications for CIE participation or membership:

- all final findings of Code of Ethics violations and violations of other membership duties in any other Association within the past three (3) years
- pending ethics complaints (or hearings)
- unsatisfied discipline pending
- pending arbitration requests (or hearings)
- unpaid arbitration awards or unpaid financial obligations to this or any other Association or Association CIE (Amended 8/24)

Responsibility for Conformance with Rules and Regulations: The Exchange Participant is responsible to the Exchange for compliance with the rules and regulations by all of the firm's licensees (including licensed or certified appraisers) who have access to and use of the CIE.

Access to Current Property Information: Only Participants and their affiliated licensees (including licensed or certified appraisers) may have access to and use of the current property information generated by the CIE.

Filing Procedures

Note: In view of the fact that a Commercial Information Exchange is not a Multiple Listing Service, and no offers of cooperation or compensation can be extended through the Exchange, it is not essential that a Participant retained by a property owner to market the property have an exclusive right to sell, exclusive agency, or open listing. Other forms of agreement through which the Participant agrees to provide certain marketing services may be the basis for authorizing the submission of property information to the Exchange. Where the Participant is acting on behalf of a buyer, the Participant may submit information describing the type of property sought to the CIE even though the Participant may not be the buyer's exclusive agent. Where the Participant is acting on behalf of the seller or lessor, it is essential that there be a written agreement between the Participant and the seller or lessor authorizing the Participant to submit information on the property to the CIE. *(Revised 4/92)*

Section 1-Filing Procedures: Submission of any property information to the CIE is voluntary on the part of the Participant. Information on property for sale, lease, or exchange of the following types located within the service area of the CIE may be submitted by Participants to the Commercial Information Exchange: *(Revised 11/17)*

- (a) subdivided vacant land
- (b) land and ranch
- (c) business opportunity
- (d) motel/hotel
- (e) mobile home parks
- (f) commercial income
- (g) industrial
- (h) investment
- (i) office space

While the Commercial Information Exchange does not require a Participant acting on behalf of a seller or lessor to utilize a particular listing contract or other form of agreement, the Exchange shall require use of a standardized property information sheet to submit information on properties for sale, lease, or exchange to the CIE. The Commercial Information Exchange does not require a Participant acting on behalf of a buyer to utilize a written buyer's agent agreement,

but shall require use of a standardized property information sheet to submit information on properties sought to the CIE.

The Exchange accepts information on properties which are currently listed on an exclusive right to sell or lease basis, exclusive agency basis, or open listing basis as well as other forms of agreement that make it possible for the Participant to market the property. Any property information submitted on properties for sale, lease, or exchange must include the seller's written authorization for the Participant to submit information on the property to the CIE.

The Exchange will not publish information on properties taken on a net listing basis because such listings are considered unethical and, in most states, illegal.

Section 1.1-Filings Subject to Rules and Regulations of the Exchange: Any property information to be filed with the CIE is subject to the rules and regulations upon filing.

Section 1.2-Detail of Information Filed with the Exchange: Any property information sheet submitted to the Exchange should include a description of the type of property and the price, or a description of the property sought, or any pertinent information as determined by the CIE.

Section 1.2.0-Accuracy of Data: Participants and subscribers are required to submit accurate property information and required to correct any known errors. (*Adopted 11/20*)

Section 1.3-Withdrawal of Filing Prior to Termination: Filings may be withdrawn from the Exchange by the filing Participant through the submission of a written withdrawal notice signed by the Participant.

Section 1.4-Specification of Price: The Participant, acting on behalf of a seller or lessor, shall specify the price at which the property is being marketed unless the property is subject to auction. (*Amended 11/92*)

Section 1.5-Filings of Suspended, Expelled, or Resigned Participants: When a Participant is suspended, expelled, or voluntarily resigns from the Exchange, all property information filings submitted by the Participant shall be removed from the compilation of current information by the Exchange.

Negotiations

Section 2-Negotiations: The filing of information with the Exchange by a Participant acting on behalf of a seller or lessor does not, in and of itself, constitute an offer of cooperation. Any Participant, or licensee affiliated with a Participant, wishing to cooperate in the marketing of the property must contact the filing Participant to determine the type of cooperation offered, the compensation offered (if any) to Participants procuring a purchaser or lessee, and the terms and conditions upon which the property being offered may be shown. (*Amended 4/92*)

Any Participant, or licensee affiliated with a Participant, attempting to locate a property on behalf of a buyer must contact the Participant representing the seller/lessor to determine the terms and conditions of cooperation, the compensation offered (if any), and to arrange showings of prospective properties.

Section 2.1-Presentation of Offers and Counter-offers: A filing Participant acting as the agent of a seller or lessor shall present all offers to the seller or lessor until closing unless precluded by law, government rule, regulation, or unless otherwise agreed in writing between the seller(s) or lessor(s) and filing Participant. Unless a subsequent offer is contingent upon the termination of an existing contract, the filing Participant shall recommend that the seller(s) or lessor(s) obtain the advice of legal counsel prior to accepting a 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.

(Amended 11/05)

Section 2.2-Right of Participant Producing Offer in Presentation of Offer: The Participant producing the offer or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase, lease, or exchange. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the filing Participant. However, if the seller or lessor gives written instructions to the filing Participant that the Participant producing the offer not be present when an offer the broker secured is presented, the Participant producing the offer has the right to a copy of the seller's or lessor's written instructions. None of the foregoing diminishes the filing Participant's right to control the establishment of appointments for such presentations. *(Amended 4/92)*

Where the cooperating broker is not present during the presentation of the offer, the cooperating broker can request in writing, and the listing broker must provide, written affirmation stating that the offer has been submitted to the seller or lessor, or written notification that the seller or lessor has waived the obligation to have the offer presented. *(Adopted 11/18)*

Section 2.3-Right of Seller/Lessor Representative in Presentation of Counter-Offer: The Participant representing the seller or lessor, or his representative, has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee {except where the cooperating broker is a subagent}. However, if the purchaser or lessee gives written instructions to the cooperating broker that the Participant representing the seller or lessor not be present when a counter-offer is presented, that broker has the right to a copy of the purchaser's or lessee's written instructions. *(Adopted 11/93)*

Section 2.4-Reporting Sales: Sales, leases, or exchanges shall be reported to the CIE by the Participant making the original information filing within seventy-two (72) hours (excluding weekends and holidays) of acceptance of a contract to purchase, lease, or exchange.

Note: The written agreement authorizing publication of information on properties for sale, lease, or exchange in the CIE should expressly grant the filing Participant authority to advertise; to file the information with the Exchange; to provide timely notice of status changes to the Exchange; and to provide contract information, including selling or rental price, to the Exchange upon sale of the property. If the CIE intends to publish contract information including selling or rental price, prior to closing, the agreement should expressly grant the filing Participant the right to authorize dissemination of this

information through the CIE to other Participants and to others who have access, by virtue of their Board membership, to comparables, statistical reports, and other historical data developed or maintained by the Exchange.

Section 2.5-Reporting Cancelled Pending Sales: The Participant making the original filing shall report any cancelled sale, lease, or exchange to the Exchange within seventy-two (72) hours and the property information filing shall be reinstated in the compilation of current information,

Section 2.6-Availability of Listed Property: Listing brokers shall not misrepresent the availability of access to show or inspect listed property. *(Adopted 11/05)*

Section 2.7-Use of the Terms CIE and Commercial Information Exchange: No Exchange 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 a CIE, or that they operate a CIE. Participants, subscribers and licensees affiliated with Participants shall not represent, suggest, or imply that consumers or others have direct access to CIE databases, or that consumers or others are able to search CIE databases available only to Participants and subscribers. This does not prohibit Participants and subscribers from representing that any information they are authorized under CIE rules to provide to clients or customers is available on their websites or otherwise. *(Adopted 11/07)*

Prohibitions

Section 3-Information for Participants Only: Property information published through the Exchange may not be made available to any broker or firm not participating in the Exchange without the prior express consent of the filing Participant.

Section 3.1-"For Sale" Signs: Only the "For Sale" signs of the filing Participant may be placed on the property. *(Revised 11/89)*

Section 3.2-"Sold" Signs: Prior to closing, only the "Sold" sign of the Participant filing information on a property for sale may be placed on the property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign. *(Amended 4/96)*

Section 3.3- Services Advertised as "Free:" MLS Participants and subscribers must not represent that their brokerage services to a client or customer are free or available at no cost to their clients, unless the Participant or subscriber will receive no financial compensation from any source for those services.

Fees and Charges

Section 4-Service Fees and Charges: The following service fees and charges are subject to change from time to time in the manner prescribed:

- (a) Initial Participation Fee: An applicant for Participation in the Exchange shall pay an initial participation fee of \$_____ which shall accompany the application.

The initial participation fee shall directly approximate the actual start-up costs incurred by the Exchange in initiating service to the office of a new Participant.

- (b) **Recurring Participation Fee:** The recurring participation fee of each Participant shall be in an amount equal to \$348.00, two (2) times per year, each salesperson licensed (including licensed or certified appraisers) with the Participant or the Participant's firm who is engaged in the listing, sale, leasing, or appraising of C/I properties.

However, CIEs must provide Participants the option of a no-cost waiver of CIE fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS or CIE where the principal broker participates. CIEs may, at their discretion, require that broker Participants sign a certification for nonuse of its CIE services by their licensees, which can include penalties and termination of the waiver, if violated.* (*Amended 5/18 and 8/18 [Leadership Team]*)

- (c) For filing information on a property or a renewal, a fee of \$ 0 shall accompany the Information when submitted.

**Note: Mandatory waiver provision is effective no later than July 1, 2018.*

- (d) **Subscription Fees:** The Participant may purchase a copy of the compilation of current information for a subscription fee of \$? ___. Additional copies of the compilation may be purchased for individuals licensed (including licensed or certified appraisers) with the Participant who are engaged in listing, selling, leasing, appraising, or locating C/I properties, provided, however, that the total number of extra copies of current information purchased shall not exceed the number of licensees and licensed or certified appraisers affiliated with the Participant's firm who are engaged in commercial/industrial activity.

Note 1: Participation in the Commercial Information Exchange is voluntary and submission of information to the Exchange is also on a voluntary basis. The Exchange may not require a Participant to purchase more than one copy of the current property information compilation.

Note 2: Any combination of the above, fees and charges may be utilized to finance the operation of the Exchange.

Note 3: A Commercial Information Exchange that chooses to include affiliated unlicensed administrative and clerical staff, personal assistants, and/or individuals seeking licensure or certification as real estate appraisers among those eligible for access to and use of CIE information as "subscribers" may, at their discretion, amend Sections 4(b) and (d) as necessary to include such individuals in the computation of CIE fees and charges. (*Adopted 4/92*)

Compliance with Rules

Section 5-Compliance with Rules-Authority to Impose Discipline: By becoming and

remaining a Participant or subscriber in this CIE, each Participant and subscriber agrees to be subject to the rules and regulations and any other CIE governance provision. The CIE may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other CIE 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 CIE orientation or other appropriate courses or seminars which the Participant or subscriber can reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed \$15,000
- e. suspension of CIE rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- f. termination of CIE rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.

Note 1: A Participant (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a Participant (or user/subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the CIE rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the individual's record will reflect the fulfilment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance. (*Revised 05/14*)

Note 2: Participants (or users/subscribers, where appropriate) can receive no more than three (3) administrative sanctions in a calendar year before they are required to attend a hearing for their actions and potential violations of the CIE rules, except that the CIE may allow more administrative sanctions for violations of property information provided by Participants and subscribers before requiring a hearing. The CIE must send a copy of all administrative sanctions against a subscriber to the subscriber's Participant and the Participant is required to attend the hearing of a subscriber who has received more than three (3) administrative sanctions within a calendar year. (*Adopted 11/20*)

Section 5.1-Compliance with Rules: The following action may be taken for noncompliance with

the rules:

(a) For failure to pay any service fee or charge within thirty (30) days of the date due, the Exchange shall suspend service until fees or charges are paid in full, provided that at least ten (10) days' notice has been given.

(b) For failure to comply with any other rule, the provisions of Sections 7 and 7.1 shall apply.

Note: Generally, a warning or a moderate fine will be a sufficient deterrent to future violations of the rules and regulations. Suspension or termination is an extreme sanction to be used only in cases of extreme or repeated violation of the rules and regulations. If the CIE desires to establish a series of moderate, escalating fines, they should be clearly set forth in the rules and regulations.

Section 5.2-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 CIE 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 CIE 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 and subscribers affiliated with the Participant. (*Adopted 4/92*)

Note: Adoption of Section 5.2 is optional and it should be adopted by Commercial Information Exchanges wanting to establish authority to impose discipline on non-principal users or subscribers affiliated with CIE Members or Participants. (*Adopted 4/92*)

Meetings

Section 6-Meetings of Commercial Information Exchange Committee: The Exchange Committee shall meet for the transaction of its business at a time and place to be determined by the Committee or at the call of the Chairperson.

Section 6.1-Meetings of Participants: The Committee may call meetings of the Participants in the Exchange.

Section 6.2-Conduct of Meetings: The Chairperson or Vice Chairperson shall preside at all meetings. In their absence, a temporary Chairperson from the membership of the Committee shall be named by the Chairperson or, upon his failure to do so, by the Committee.

Enforcement of Rules and Disputes

Section 7-Consideration of Alleged Violations: The CIE Committee shall give consideration to all written complaints alleging violations of the rules and regulations. By becoming and remaining a Participant, each Participant agrees to be subject to these rules and regulations, the enforcement of which are at the sole discretion of the Committee (Board of Directors).

When requested by a complainant, the CIE will process a complaint without revealing the complainant's identity. If a complaint is subsequently forwarded to a hearing, and the original complainant does not consent to participating in the process, the CIE will appoint a representative to serve as the complainant. *(Amended 11/20)*

Section 7.1-Violations of Rules and regulations: If the alleged offense is a violation of the rules and regulations of the Exchange and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the CIE Committee, and if a violation is determined the Committee may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Board in accordance with the bylaws and rules and regulations of the Board of REALTORS® within twenty (20) days following receipt of the Committee's decision. *(Amended 11/96)*

If, rather than conducting an administrative review, the Exchange Committee has a procedure established to conduct hearings, the decision of the Exchange Committee may be appealed the Board of Directors of the Board of REALTORS® within twenty (20) days of the tribunal's decision being rendered. Alleged violations involving unethical conduct shall be referred to the Board's Grievance Committee for processing in accordance with the professional standards procedures of the Board. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the Board of REALTORS®. *(Amended 2/98)*

Section 7.2-Complaints of Unethical Conduct: All complaints of alleged unethical conduct shall be referred by the Exchange Committee to the Professional Standards Administrator of the Board of REALTORS® appropriate action in accordance with the Board's professional standards procedures.

Section 7.3-Complaints of Unauthorized Use of Listing Content: Any Participant who believes another Participant has engaged in the unauthorized use or display of listing content, including photographs, images, audio or video recordings, and virtual tours, shall send notice of such alleged unauthorized use to the CIE. Such notice shall be in writing, specifically identify the allegedly unauthorized content, and be delivered to the CIE not more than sixty (60) days after the alleged misuse was first identified. No Participant may pursue action over the alleged unauthorized use and display of listing content in a court of law without first completing the notice and response procedures outlined in this Section 7.3 of the MLS rules.

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

If the committee determines that the use of the content was unauthorized, the committee may issue a sanction pursuant to Section 5 of the CIE rules, including a request to remove and/or stop the use of the unauthorized content within ten (10) days after transmittal of the decision. If the

unauthorized use stems from a violation of the CIE rules, that too will be considered at the time of establishing an appropriate sanction.

If after ten (10) days following transmittal of the committee's determination the alleged violation remains uncured (i.e. the content is not removed or the rules violation remains uncured), then the complaining party may seek action through a court of law. (*Adopted 5/18*)

Section 7.4-CIE Rules Violations: CIE Participants may not take legal action against another Participant for alleged rules violation(s) unless the complaining Participant has first exhausted the remedies provided in these rules. (*Adopted 5/18*)

Note: Adoption of Sections 7.3 and 7.4 are not required if the CIE has adopted alternative procedures to address alleged misuse of listing content that includes notice to the alleged infringer.

Confidentiality of Exchange Information

Section 8-Confidentiality of Exchange Information: All information provided by the CIE to Participants shall be considered confidential and is provided exclusively for the use of Participants authorized and qualified to act as agents in the sale, lease, exchange, appraisal, or purchase of property filed with the Exchange and for the use of real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

Section 8.1-Exchange Not Responsible for Information Submitted by Participants: The information published by the Exchange is communicated without change as filed by the Participants. The Exchange does not verify the information provided and disclaims any liability or responsibility for its accuracy. Each Participant agrees to hold the Exchange harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

Ownership of Exchange Compilation* and Copyright

Section 9-By submitting property information to the CIE, the Participant represents and warrants that he or she is fully authorized to license the property listing content as contemplated by and in compliance with this Section and these rules and regulations and also thereby does grant to the CIE license to include the property information in its copyrighted Exchange compilation and also in any comparable report, sold report, or other historical or statistical report unless expressly indicated otherwise in writing at the time the information is filed with the Exchange. (*Amended 5/18*)

Each Participant who submits listing content to the CIE agrees to defend and hold the CIE and every other Participant harmless from and against any liability or claim arising from any inaccuracy of the submitted listing content or any inadequacy of ownership, license, or title to the submitted listing content. (*Adopted 5/18*)

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

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

To qualify for this safe harbor, the OSP must:

1. Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, Participant, subscriber, or other individual or entity.
 2. Develop and post a DMCA-compliant website policy that addresses repeat offenders.
 3. Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.
 4. Have no actual knowledge of any complained-of infringing activity.
- * The term "Exchange compilation," as used in Sections 10 and 11 herein, shall be construed to include any format in which property data is collected and disseminated to the Participants, including, but not limited to, bound book, loose-leaf binder, computer database, card file, or any other format whatever.*
5. Not be aware of facts or circumstances from which complained-of infringing activity is apparent.
 6. Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

Full compliance with these DMCA safe harbor criteria will mitigate an OSP's copyright infringement liability. For more information see 17 U.S.C. §512. *(Adopted 11/15)*

Section 9.1-All right, title and interest in each copy of every Exchange compilation created and copyrighted by the Southern Indiana Board of REALTORS®, and in the copyrights therein, shall at all times remain vested in the Southern Indiana Board of REALTORS®

Section 9.2-Each Participant shall be entitled to lease from the Southern Indiana Board of REALTORS® sufficient copies of each Exchange compilation sufficient to provide the Participant and each licensee affiliated with the Participant (including licensed or certified appraisers) engaged in commercial/industrial activity with one copy of such compilation. The Participant shall pay, for each copy requested, the rental fee set by the Board.*

Participants shall acquire by such lease only the right to use the Exchange compilation in accordance with these rules.

Use of Copyrighted Exchange Compilation

Section 10-Distribution: Participants shall at all times maintain control over, and responsibility for, each of the Exchange compilations leased to them by the Board of REALTORS®, and shall not distribute the compilation to anyone other than subscribers affiliated with the Participant. (Amended 4/92)

Section 10.1-Display: Participants, and licensees with affiliated Participants, shall be permitted to display the Exchange compilation to prospective sellers, lessors, and purchasers only in conjunction with their ordinary business activities of attempting to market properties or to identify suitable properties for buyers or lessees.

**This section should not be construed to require the Participant to lease more than one copy of the Exchange compilation. The Participant retains the right to determine how many copies he will purchase for his firm, but may not purchase or lease more copies of the current information than the number of licenses (including licensed or certified appraisers) affiliated with his firm who are engaged in commercial/industrial activity.*

Section 10.2-Reproduction: Participants or their affiliated licensees shall not reproduce any Exchange compilation or any portion thereof, except in the following limited circumstances.

Participants and their affiliated licensees may reproduce from the Exchange compilation, and distribute to prospective sellers, lessors, and purchasers, a reasonable* number of single copies of property information contained in the Exchange compilation.

Nothing contained herein shall be construed to preclude any Participant from utilizing, displaying, distributing, or reproducing property information sheets or other compilations of data pertaining exclusively to properties submitted to the Exchange by the Participant.

Any 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 property information, sold information, comparables, or statistical information from utilizing such information to support valuations on particular properties for clients and customers. Any Exchange content in data feeds available to Participants for real estate brokerage purposes must also be available to Participants for valuation purposes, including automated valuations. Exchanges must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. Exchanges may require execution of a third- party license agreement where deemed appropriate by the Exchange. Exchanges may require Participants who will use such data feeds to pay the reasonably estimated costs incurred by the Exchange in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations. (Amended 05/14)

**It is intended that the Participant be permitted to provide buyers or lessees with information relating to properties which the buyer or lessee has an interest in, 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 information intended to facilitate the decision-making process in the consideration of a purchase, lease, or exchange. Factors which shall be considered in deciding whether the reproductions are reasonable in number, shall include, but are not limited to, the total number of filings in the compilation; how closely the filings reproduced relate to the purchaser(s) or lessee(s) expressed desires and ability to purchase or lease; whether the reproductions were made on a selective basis; and whether the type of properties are consistent with a normal itinerary of properties which would be shown to the prospective purchaser or lessee.*

Use of Exchange Information

Section 11-Limitations on Use of Exchange Information: Use of information from the compilation of current property information, from the statistical report, or from any sold or comparable report of the Board or Exchange for public mass media advertising by a Participant or in other public representations, may not be prohibited.

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

Based on information from the Board/Association of REALTORS® (alternatively, from the ___ CIE) for the period (date) through (date). (Amended 11/9)
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Changes in Rules and Regulations

Section 12-Changes in Rules and Regulations: Amendments to the rules and regulations of the Exchange shall be by a majority vote of the Members of the Committee, subject to approval by

the Board of Directors of the Southern Indiana Board of REALTORS®.

Note: Some Boards may prefer to change the rules and regulations by a vote of the Participants subject to approval by the Board of Directors of the Southern Indiana Board of REALTORS®. If this is desired, the above rule should be amended accordingly.

Section 13-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 Board/Association of REALTORS®. *(Amended 11/98)*

Awards: The obligation to arbitrate includes the duty to either 1) pay an award to the party(ies) named in the award or 2) deposit the funds with the Professional Standards Administrator or Executive Officer to be held in an escrow or trust account maintained for this purpose. Failure to satisfy the award or deposit the funds with the association within ten (10) days may be considered a violation of the CIE rules and may subject the Participant to disciplinary action at the sole discretion of the CIE. *(Adopted 11/15)*

Standards of Conduct for Exchange Participants

Section 14-Standards of Conduct for Exchange Participants:

Section 14.1-Exchange Participants shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other Exchange Participants have with clients. *(Amended 1/04)*

Section 14.2-Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without the consent of the seller/landlord.

Section 14.3-Exchange Participants shall not use information obtained from listing brokers through offers to cooperate made through the Commercial Information Exchange 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. *(Amended 11/01)*

Section 14.4-The fact that an agreement has been entered into with an Exchange Participant shall not preclude or inhibit any other Exchange Participant from entering to a similar agreement after the expiration of the prior agreement. *(Amended 1/98)*

Section 14.5-The fact that a prospect has retained an Exchange Participant as an exclusive representative or exclusive broker in one or more past transactions does not preclude other Exchange Participants from seeking such prospect's future business. *(Amended 1/04)*

Section 14.6-Exchange 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. *(Amended 1/98)*

Section 14.7-When Exchange Participants are contacted by the client of another Exchange Participant regarding the creation of an exclusive relationship to provide the same type of service, and Exchange 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. *(Amended 1/98)*

Section 14.8-Exchange 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 Exchange 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. *(Amended 1/04)*

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 Exchange Participant; and mail or other forms of written solicitations of prospects whose properties are exclusively listed with another Exchange 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 Exchange Participants. *(Amended 1/04)*

Section 14.9-Exchange 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. *(Amended 1/04)*

Section 14.10-Exchange 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. *(Amended 1/04)*

Section 14.11-On unlisted property, Exchange 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. *(Amended 8/24)*

Section 14.12-Exchange 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. *(Amended 1/04)*

Section 14.13-Exchange 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 CIE may not be used to target clients of other Exchange Participants to whom such offers to provide services may be made. *(Amended 1/04)*

Section 14.14-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. *(Amended 1/04)*

Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospects, Exchange Participants shall ask prospects whether they are a party to any exclusive representation agreement. Exchange 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. *(Adopted 1/03, Amended 1/04)*

Section 14.15-Participants, users, and subscribers, prior to or after their relationship with their current firm is terminated, 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. *(Amended 1/10)*

Section 14.16-Exchange Participants shall not knowingly or recklessly make false or misleading statements about other real estate professionals, their businesses, or their business practices. *(Amended 1/10)*

Standard 14.17-Exchange Participants' firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner.

Websites of licensees affiliated with a Participant's firm shall disclose the firm's name and the licensee's state(s) of licensure in a reasonable and readily apparent manner. *(Adopted 11/07)*

Standard 14.18-Exchange Participants shall present a true picture in their advertising and representations to the public, including Internet content images, and the URLs and domain names they use, and Participants may not:

- a. engage in deceptive or unauthorized framing of real estate brokerage websites;
- b. manipulate (e.g., presenting content developed by others) listing and other content in any way that produces a deceptive or misleading result;
- c. deceptively use metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic;

- d. present content developed by others without either attribution or without permission;
or
- e. otherwise mislead consumers, including use of misleading images. *(Amended 1/18)*

Section 14.19-The services which CIE Participants provide to their clients and customers shall conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which they engage; specifically, residential real estate brokerage, real property management, commercial and industrial real estate brokerage, land brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.

CIE Participants shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any persons engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth. *(Adopted 11/09)*

Orientation

Section 15-Orientation: Any applicant for Exchange Participation and any licensee affiliated with an Exchange Participant who has access to and use of CIE-generated information shall complete an orientation program of no more than twelve (12) classroom hours devoted to the CIE rules and regulations and computer training related to CIE information entry and retrieval. *(Amended 11/96)*

Participants and subscribers may be required, at the discretion of the CIE, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the CIE to familiarize Participants and subscribers with system changes or enhancements and/or changes to CIE rules or policies. Participants and subscribers must be given the opportunity to complete any mandated orientation and additional training remotely. *(Amended 11/17)*