

**BY-LAWS**  
**OF**  
**CONSOLIDATED MULTIPLE LISTING SERVICE, INC.**

**ARTICLE I**

**NAME AND LOCATION**

The name of the corporation shall be Consolidated Multiple Listing Service, Inc. (CMLS) and its principal place of business shall be in Columbia, South Carolina, or at such other location as may be designated by the Board of Trustees.

**ARTICLE II**

**FORM AND PURPOSE**

**FORM**

Consolidated Multiple Listing Service, Inc. shall be formed and operated as a nonprofit eleemosynary corporation under the laws of the State of South Carolina.

**PURPOSE**

Section 1 To assist members of the Service to render better services to the public.

Section 2 To provide a sales service medium through which real estate may be merchandised more efficiently and expeditiously to the advantage of both buyer and seller.

Section 3 To promote further high standards of business practice among real estate agents and brokers.

**ARTICLE III**

**MEMBERSHIP**

Section 1 Those eligible for membership in CMLS shall consist of Owners who are or who employ Brokers-in-Charge holding licenses allowing them to engage in the real estate business in South Carolina.

Section 2 Upon election to membership and the payment of membership fees, each member shall receive a membership certificate.

Section 3 Each new member shall pay a membership fee in an amount set by the Board of Trustees.

Section 4 Any and all members are subject to expulsion or other disciplinary action for cause by an affirmative vote of two-thirds of the total full membership of CMLS or by action of the Board of Trustees pursuant to the Rules and Regulations established by the Board of Trustees.

Section 5 Each member, upon entry into the service, shall agree in writing that he or she has read and understand and will abide by the current By-Laws and Rules and Regulations of the CMLS, as they may be amended.

Section 6 Every applicant for membership shall make an appropriate application as approved by the membership committee of the Board of Trustees.

#### **ARTICLE IV**

#### **CONDITIONS OF MEMBERSHIP**

As a condition of membership in the CMLS all members agree to abide by all local, state and federal laws including laws pertaining to Fair Housing.

Membership in the CMLS also carries with it the responsibility that each member and its designated representatives strictly perform all client level duties in a business-like and professional manner as set forth by federal, state, and local licensing laws and the common law with regard to agency relationships.

#### **ARTICLE V**

#### **TRUSTEES**

Section 1 The governing body of CMLS shall be a Board of Trustees consisting of the Elective Officers and six full members of CMLS. Trustees will be representatives of members as designated by the member. The representative, as approved by majority of remaining trustees, shall be an owner or a broker in charge of the member. Trustees shall be elected to serve for terms of two years, except that at organization, three of the elective Trustees shall be elected for a term of one year and three for a term of two years. Thereafter, as many Trustees shall be elected each year as are required to fill vacancies.

Section 2 A quorum will be six members of the Board of Trustees present at any regular or special meeting.

Section 3 The representation of the Board of Trustees shall be according to the following categories:

- Category I     2 Trustees (0 to 125 CMLS Residential Listings Submitted)
- Category II    3 Trustees (126 to 599 CMLS Residential Listings Submitted)
- Category III   4 Trustees (600 or more CMLS Residential Listings Submitted)

The count for CML Listings shall be the last 12 months of the prior year ending June 30 of each year.

Section 4 The President shall appoint a three-person nominating committee each year consisting of a member from each Trustee category to recommend to the Board of Trustees a proposed Board for the coming year. After Board consideration and approval, the general membership will vote upon the proposed Board members at its annual meeting December of each year.

Section 5 In the event a nomination from the floor is made at the annual meeting, it must be for the category of which the proposed Trustee's company represents.

Section 6 Upon resignation or termination of employment from the member, the member company shall designate its representative Trustee within 5 business days.

## **ARTICLE VI**

### **OFFICERS**

Section 1 The officers of the Corporation shall be a President, a Vice President, and a Secretary-Treasurer, who shall hold the same office for a maximum of twenty four months or until their successors have been elected by the Full Members.

Section 2 The President shall preside at all Board of Trustees and Membership meetings; shall have general supervision over the affairs of the Corporation and over other officers and shall sign all Membership Certificates and perform all such duties as are incident to his/her office. The President shall have full and sole authority for hiring of employees and the fixing of their salaries except when such authority is specifically reserved by the Board. The President shall appoint such committees as may be deemed necessary or desirable to transact the business of the corporation.

Section 3 The Vice President shall preside at all Board of Trustees and Membership meetings in the absence of the President and shall perform all such other duties as are incident to this office.

Section 4 The Secretary shall issue notices of all Trustees and Membership meetings; shall attend and keep minutes of the same; shall have charge of all Corporate Books, records and papers; shall be custodian of the Corporate Seal; shall attest with his/her signature and impress the Corporate Seal upon all Membership Certificates of the Corporation and shall perform all such duties as are incident to the office.

Section 5 The Treasurer shall have the custody of all monies and securities of the Corporation. He shall keep regular books of account and shall submit them together with all vouchers, receipts, records and other paper to the Trustees for their examination and approval as often as they may require and shall perform all such other duties as are incident to this office.

The Board of Trustees shall hire professionals as necessary to assist the Treasurer in his/her duties.

Section 6 The Corporation is authorized to enter into contracts with any officer, but the contract must be with unanimous approval of the Board of Trustees and the officer must be recused from participation in the vote.

## **ARTICLE VII**

### **MEETINGS**

#### **BOARD OF TRUSTEES**

Section 1 The meetings of the Board of Trustees may be held at the offices of the corporation in Columbia, South Carolina or at any place either within or without the State of South Carolina.

Section 2 Regular meetings of the Board of Trustees shall be held at such times and places as shall be determined by the Board of Trustees. Absence from two regular meetings without an excuse deemed valid by a majority of the remaining Board members should be construed as resignation.

Section 3 Notice of any meeting of the Trustees shall be given to each Trustee at least two (2) days prior to the meetings. Notice of a regular meeting shall state the time and place of such meeting. An Agenda of such meeting shall be submitted with any known items requiring a vote. Notice of any meeting of the Board of Trustees may be waived in writing before such meeting.

Section 4 An annual meeting of the Board of Trustees for the transaction of the general business of the Corporation shall be held as soon as practicable but not later than thirty (30) days prior to the annual meeting of the membership.

Section 5 Special meetings of the Board of Trustees may be called by the President of the Board or upon the written request of two or more Trustees. Special meetings will specify the time, place and purpose of the meeting.

Section 6 A two-thirds vote of the Trustees shall consist a quorum but a lesser number may adjourn the meeting to any specific time and place.

Section 7 If a Trustee has a valid excused absence, he/she may send a representative from his/her company to the meeting. On any issues that are known prior to the meeting that come to a vote, the absent Trustee may give his/her representative a written proxy to be registered with the Secretary.

## MEMBERSHIP MEETING

Section 1 The Annual Membership Meeting shall be held annually at such time and place as may be set by the Board of Trustees. This meeting is held for the purpose of electing Officers and Trustees for the ensuing corporate year and to conduct such other corporate business as may be pertinent. All costs necessary to conduct this meeting shall be borne by the CMLS.

Section 2 Routine scheduled meeting notices will be mailed out no later than 2 weeks prior to the date of the meeting. Special meetings may be called at any time by the Board of Trustees or the President. The President shall call a Special Meeting of the Members whenever requested in writing by twelve (12) members of the corporation, and such request shall specify the object of that proposed meeting.

Section 3 Any member entitled to vote may vote in person or by proxy. Any person other than a principal, partner or officer in Member's firm must have a written proxy properly registered with the Secretary. A vote of 25% of the Membership must vote, either by proxy or in attendance in order to conduct business.

Section 4 Written notice containing any proposed change to the By-Laws will be given at least five (5) days prior to the Membership meeting at which they are to be brought before the Members.

## **ARTICLES VIII**

### **COMMITTEES**

The President shall, with the approval of the Board of Trustees, appoint such standing and special committees as he or she may deem necessary. The President and Vice President shall be notified of all committee meetings and shall have the right to attend their sessions and take part in discussions.

## **ARTICLE IX**

### **FISCAL YEAR**

The fiscal year of the Service shall be as designated by the Board of Trustees.

## **ARTICLE X**

### **SUPERVISION**

Section 1 The Board of Trustees shall employ one or more employees to perform the general management functions of the Corporation. Said employees shall have such authority as

is granted by the Board of Trustees. The Board will supervise the employees and designate job functions.

Section 2 The Board of Trustees shall have the following powers:

- (a) To adopt rules and regulations and amendments thereto, for the administration of the CMLS, which rules and regulations shall be in conformity with these By-Laws of the CMLS;
- (b) To prescribe procedures for the operation of the CMLS;
- (c) Within the budget limitations of CMLS, as determined by the Board of Trustees, to purchase equipment and supplies necessary for the operation of CMLS;
- (d) To employ or dismiss employees engaged in operating the CMLS;
- (e) To interpret the rules and regulations of the CMLS;
- (f) To establish such dues and fees as may be required to operate the CMLS in a financially responsible manner;
- (g) To borrow money as deemed necessary for the operation of the CMLS;
- (h) To authorize the President to remove any listing that does not conform to the rules of the CMLS.

#### **ARTICLE XI**

#### **MEDIATION OF DISPUTES**

Any dispute between Members relating to or arising out of breaches or violations of the rules and regulations of the CMLS shall be submitted for mediation.

#### **ARTICLE XII**

#### **RULES OF ORDER**

Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the CMLS, its Board of Trustees and Committees.

#### **ARTICLE XIII**

#### **AMENDMENTS**

Section 1 These By-Laws may be amended by a two-thirds vote of the Members in good standing, provided such amendments shall be plainly stated in the call for the meeting.

Section 2 Notice by mail of meetings at which such amendments are to be considered will be mailed out no later than 2 weeks prior to the date of the meeting.

**ARTICLE XIV**

**DISSOLUTION**

If in the event of the dissolution of the CMLS, its assets, after satisfying all corporate indebtedness, shall be equally divided among and remitted to the University of South Carolina, The Citadel and Clemson University. This Article shall not be revocable nor shall it be subject to amendment in any form.

THESE BY-LAWS APPROVED BY THE MEMBERSHIP OF THE CMLS THIS 30<sup>th</sup>  
DAY OF SEPTEMBER 2009

On File \_\_\_\_\_ (seal)  
Secretary – CMLS

# CONSOLIDATED MULTIPLE LISTING SERVICE RULES AND REGULATIONS

## DEFINITIONS

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

An Exclusive Right to Sell (ERTS) listing is the engagement of one Broker to sell realty, with a commission to be paid the listing Broker regardless of who sells the property. When an Exclusive Right to Sell (ERTS) listing is given by the Owner, a commission is due the listing Broker in the event the property is sold by the listing Broker, any other Broker, or even the Owner.

An Exclusive Agency (EA) listing is the engagement of only one Broker to sell realty for a commission, with a right retained by the Owner to sell or rent the property without obligation for a commission. The Exclusive Agency (EA) listing does obligate the Owner to pay a commission to the listing Broker in the event the property is sold by the listing Broker or any other Broker. An Exclusive Agency (EA) listing does not entitle the listing Broker to a commission when the property is sold by the Owner to a Purchaser not procured through the efforts of the listing Broker or any other Broker.

9. Owner. The legal owner (or owners) of a listed property who have executed the Listing Agreement.
10. FSBO. Properties for sale by an Owner with no Listing Agreement executed by Owner.

## RULE 1 – LISTING PROCEDURES

- (a) **Written Agreement.** For each listing submitted to CMLS by a Member, the Member shall have a written Listing Agreement with the property owner.
- (b) **Submission.**
- (1) Members shall collect information about listings submitted to CMLS on Listing Input Sheets as the Board shall approve from time to time and shall contain such information as required therein. The data input screen for the submission of listings directly into the computer database shall be considered a form for the purposes of this rule. The Owner's Name should be reflected as accurately as possible (i.e. Corporate Owned permitted for relocation properties, Foreclosure or Bank Owned permitted for foreclosure properties, Call Agent permitted only in special circumstances, etc). "Of Record" will not be permitted, or like variations thereof, as entry into the Owner's Name field.
  - (2) All listings must be entered into the computer within two (2) business days upon acceptance of the listing by the Member. If not entered by the Member, the Listing Input Sheet shall be delivered to CMLS within two (2) business days by hand delivery or facsimile transfer and a fee of \$15 will be required for entry by CMLS. Completed Listing Agreements should be retained by member companies in accordance with current State Law. Copies of Listing Input Sheets (but not Listing Agreements) shall be submitted to CMLS upon request. However, no more than ten (10) percent of listings entered into the CMLS database will be randomly selected for audit. The Listing Company will be notified at the time the listing is entered into the system and an MLS number assigned. A follow-up email will be transmitted to the Listing Agent, the person entering the listing and the BIC. If selected for audit, the Listing Company shall submit copies of Listing Input Sheets and Listing Agreements to CMLS within two (2) business days. Before submitting any Listing Agreement, the Listing Company may white out, black out, or otherwise conceal all information in the Listing Agreement except the Member's or Listing Agent's and Owner's signatures, the co-broke fee to be paid to any Selling Company, the date of execution of the Listing Agreement, the term (length) of the Listing Agreement, and the address of the listed property. Listings submitted for audit may be reviewed by any CMLS employee other than those employees who are also CMLS Members. CMLS will destroy any audited Listing Input Sheets and Listing Agreements within five business days of receiving them or following the resolution of any issues.
  - (3) With the written permission of the Owner, via completion of the *Withhold Listing Temporarily* form, a listing may be withheld from submission to the CMLS database for a period **not to exceed 30 days**. In such event, within 2 business days of the date and time the listing is executed by the Owner, a copy of the Listing Agreement shall immediately be transmitted to CMLS by either hand delivery or facsimile transfer along with an executed copy of the *Withhold Listing*

Temporarily form. **During this period of delay, this property may not be advertised for sale or published/offered for sale through any medium until the delay period has ended. This also prohibits the installation of a sign of any type or an MLS approved lockbox. The listing date will be the day after the delay period has ended.**

With the written permission of the Owner, via completion of the *Withhold Listing Permanently* form, a listing may be withheld from submission to the CMLS database. In such event, within 2 business days of the date and time the listing is executed by the Owner, a copy of the Listing Agreement shall immediately be transmitted to CMLS by either hand delivery or facsimile transfer along with an executed copy of the *Withhold Listing Permanently* form.

- (4) No listing will be accepted from a Member on a property currently in the CMLS database as an active listing by another Member unless the new listing is accompanied by proper documentation of the termination of the prior listing signed by both the Owner and the involved Member.
  - (5) Listing photos will not contain any information other than the picture of the listed property, i.e. no website address, phone numbers, company name or logo, etc. All photos taken, paid for or supplied for a listing belong to the Listing Company and cannot be used by another company without the consent of the Listing Company.
  - (6) Virtual Tours that are linked to CMLS must be created and controlled by the Listing Agent or the Listing Office. Virtual Tours will not contain any information indicating who the Listing Company or Listing Agent is, e.g., names, phone numbers, email addresses, logos, etc. and will not contain any form of unauthorized 3<sup>rd</sup> party content, such as visitor-contributed comments or contextual advertisements.
  - (7) Agent or company identifying-data, personal info, contact information, selling bonuses, emails, web addresses, lockbox codes, occupancy status (i.e. vacant), etc. may not be entered in the Public Remarks section or Directions of the CMLS input sheet or system. Such data may be entered in the Agent Remarks Section.
  - (8) Upon a withdrawal of a Listing by a Member it cannot be re-entered for a period of 10 days by that Member.
- (c) **Transfer of Listing.** Listings will be transferred from the name of one Member to the name of another Member only in the event of a properly documented merger with evidence thereof being presented to CMLS and, if necessary, reviewed by its counsel. Absent a merger, in order to transfer a listing on the computer from one Member to another Member the original listing agreement must be withdrawn in accordance with these rules and a new listing agreement with the requesting Member signed by the Owner must be presented.

- (d) **Required Listing.** As a condition to membership in CMLS and to access by Members and their representatives, each Member must submit to CMLS every listing received by it.
- (e) **Permissive Listings.** All new construction at the point in which a building permit has been secured and a foundation begun or a contract of sale has been signed. Plans for the property that have been approved by the appropriate county building authority must be available with the submitting Member.
- (f) **Listings.** A Member of CMLS, without violating these rules, may accept an “office listing” on a property which will not be entered into the CMLS database. Within 2 business days of the date and time the “office listing” is executed by the Owner, the completed listing forms shall immediately be transmitted to CMLS by either hand delivery or facsimile transfer giving notice to CMLS of the existence of such a listing.
- (g) **Limited Exemptions.** A Member, without violating the terms hereof, may accept and submit for inclusion into the CMLS Listing Agreement with the following exceptions or exemptions:
  - (1) Reservations for sales to the Owner’s Employer or a property relocation firm or organization representing the employer as long as the Employer and/or property relocation firm agree to and honor the terms of the original listing agreement.
  - (2) Properties listed by an Owner’s employer and/or a property relocation firm or organization representing the employer, a sale to another employee of the same employer so long as said employee has not previously viewed the property with a Member.
  - (3) Reservations for no more than two (2) prospective purchasers for a period not to exceed ten (10) days from date of signing.
- (h) **Comparables.** Comparables can be entered into the computer but only if there is a listing agreement signed by the seller. No FSBOs can be entered into the computer as a comparable.

## **RULE 2 – SALES AND NEGOTIATIONS**

Representatives of Members may arrange property showings, visit and inspect properties without contact or permission of the Listing Company unless otherwise designated in the Listing Agreement. Offers on properties included in the CMLS shall be made in written form to the Listing Company and not directly to the Owner, unless the Listing Company communicates otherwise in the Broker or Agent Remarks field in the listing. The Listing Company shall, upon request, furnish an executed copy of a form dated and signed by the Owner stating as follows: “I have entered a listing agreement with [broker] for the sale of my property. I have agreed with my broker that offers from potential buyers (or their brokers or agents) will be submitted to me and not to my broker.” The Listing Company

shall present all offers received prior to closing. Upon request, the Listing Company shall request from the owner that a representative of the Selling Company be allowed to accompany the representative of the Listing Company at the presentation of the offer.

### **RULE 3 – SIGNAGE**

During the listing period only the Listing Company shall place signage of any kind on listed properties. There will be no owner's names or phone numbers on any signage, unless the Listing Company and Owner have entered an Exclusive Agency Listing as opposed to an Exclusive Right to Sell Listing. The Selling Company shall be permitted to place signage regarding the sale of the property after the closing. No signage by either listing or selling company shall be permitted to remain on any property longer than 5 days after closing.

All signage placed on the listed property must be signage that complies with CMLS Rules and Regulations. Site signage must clearly identify the full name of the company with which the Licensee is affiliated. No "For Sale By Owner" (FSBO) sign may be placed on the property nor may the property be advertised in print media as a FSBO or electronically on FSBO sites, unless the Listing Company and Owner have entered an Exclusive Agency Listing as opposed to an Exclusive Right to Sell Listing. The penalty for violation is the immediate withdrawal of the listing from CMLS.

### **RULE 4 – NOTICE OF WITHDRAWAL OF LISTING**

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

### **RULE 5 – MEMBERSHIP AND FEES**

- (a) As provided in the By-Laws of CMLS, the membership therein is limited to individuals. Individuals, however, represent companies in which they have an ownership interest.
- (b) By application, an individual fulfilling the requirements of the By-Laws (Article III, Section 1) shall apply for membership in CMLS on his/her own behalf (if engaged in the practice of real estate or related services as a sole proprietor) or on behalf of a company in which he or she is a principal partner, officer or trustee. For each individual (acting as a sole proprietorship) or each organized entity represented by an individual (whether partnership, corporation, limited liability company or partnership or other legal entity) there shall be an initial fee as determined by the Board. Each separate individual or company shall be required to pay the initiation fee (i.e. if John Doe is a member for the sole proprietorship, John Doe d/b/a J.D. Realty, a separate fee will be required for John Doe as a representative of John Doe Realty, Inc.; a separate fee would not be required, however, if John Doe as an individual is doing

business in separate offices under different d/b/as or for separate offices of an organized entity.) In order to maintain the highest professional standards and meet the requirements of Article II Item 3, all Members must maintain an office in accordance with State Law, enforcement of which is the responsibility of the appropriate State officials.

- (c) Offices and Additional Offices: Upon application and approval the CMLS shall assign a designation to a Branch Office of the Member, in the same capacity as in its or their application (i.e. d/b/a or in the same business entity) for each Branch Office, a fee of \$200 will be due and an additional office listing will be created within the system. Branch Office listings are available only to the individual as a d/b/a or the entity on behalf of which membership was applied. New legal entities require a new application and fee.
- (d) No Member can have a company name or domain name that might mislead consumers into believing that the company has direct access to all CMLS data or that company is a Multiple Listing Service, i.e. ABC MLS Realty, etc.
- (e) Name Change: A change of name as to an active member (without a change in ownership or the form thereof) requires a fee to be paid of \$200. There will be a \$50 charge to change a Member's Broker-in-Charge.
- (f) Change of Entity Status: Upon request of and approval by the Board, a member may change the legal status of an existing office or group of offices to a new legal status for a "name change" fee if it is demonstrated to the Board that the request to do so involves only a formal change in legal status, that no more than 25% of the ownership of the member has been transferred, and the change does not otherwise violate the intent of this rule which is to require separate legal entities to pay separate fees for entry into the system.
- (g) Change of Member representative: In the event that a representative of a Member shall cease to be associated with a Member's company, with the departing Member's consent, the Member's company shall be entitled to designate a new Member of CMLS to represent that Member's company without the requirement of the payment of a new fee. Should such a designation occur, the original Member would be required to submit a new application for membership accompanied by a new fee should he or she desire to do so in an individual capacity or on behalf of an entity. Should a Member cease to be associated with a Member's company and refuse to consent to the designation of a replacement Member on behalf of the Member's company with which they were formally associated, the former Member's company would be required to reapply for Membership with a different individual Member and must do so within 30 days of the termination of the Member's association. In the event of a failure to do so, the former Member's company shall be denied access to CMLS and its benefits. In the event of the death of a representative of a Member, the Member's company shall be entitled to designate a new representative of a Member without payment of any fee.

- (h) Reinstatement within 30 days of Resignation: If a Member company resigns and circumstances that led to that resignation change within 30 days following resignation, a Member may be reinstated upon request and payment of any funds then currently due CMLS. A Member may reapply under this provision only one time.
- (i) There will be a \$25 Transfer Fee when an agent transfers from one Member to another Member.

#### **RULE 6 – STATUS OF REPRESENTATIVES OF MEMBER COMPANIES**

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

#### **RULE 7 – ADVERTISING**

A Licensee may not advertise, market, or offer to conduct a real estate transaction involving the real estate owned in whole or in part by another person without a current written listing agreement from the owner. When advertising or marketing in any medium including site signage, a Licensee clearly shall identify the full name of the company which with the Licensee is affiliated.

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

No property may be advertised in print media as a FSBO or electronically on FSBO sites nor can a FSBO sign be placed on the property, unless the Listing Company and Owner have entered an Exclusive Agency Listing as opposed to an Exclusive Right to Sell Listing. The penalty for violation is the immediate withdrawal of the listing from CMLS.

#### **RULE 8 – REPORT OF CHANGE IN STATUS**

- (a) Other than the closing of a sale, all changes in status of a listed property (including pending sales) must be reported to CMLS or entered into the computer within 2 business days of the effective date of the change. Pending is considered to be Active Contingent (AC), Active Contingent upon Inspection (AI) or Pending (P).

Active Contingent (AC) is defined as any listing under contract but remains available for purchase until such time as the contingency is satisfied/removed. **Active Contingent (AC) listings expire on the original expiration date if not changed to Pending.** If a listing is contingent upon the sale and closing of another property, the listing may remain Active in the MLS system. If the listing is contingent upon closing of another property, the listing must be changed in MLS system to Active Contingent (AC), Active Contingent upon Inspection (AI) or Pending (P).

Active Contingent upon Inspection (AI) is defined as any listing under contract wherein the contract allows for a period of time (i.e. 10 business days) for specified inspections to be completed. The MLS system does not calculate *business* days. In an effort to approximate 10 business days, the MLS system will automatically change an AI listing to pending after 12 *calendar* days.

The status of a property under contract, having no contingency other than financing, shall be changed to Pending within 2 business days of the date of final acceptance by all parties.

Pending (P) listings will remain in the system as pending up to six months past the expiration date at which time the listing will automatically expire and show the original expiration date

- (b) The closing of a sale must be entered into the computer by transfer to a comparable within 14 days of the closing of the sale;
- (c) Rule 14 notwithstanding the penalty for failure to comply with the provisions of this Rule 8 shall be a fine of up to \$25 per occurrence which shall be billed to the Member.

## **RULE 9 – CONFLICT OF INTEREST**

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

## **RULE 10 – KEY ACCESS**

Access Keys are distributed by the CMLS office. To obtain an Access Key/Keybox an individual must present the following to the CML office: a current real estate pocket license, a Key Lease Agreement, signed by the Broker of a Member and a check or correct cash. The signature of a Broker of a Member constitutes its designation of the agent/representative. There will be a \$40 administrative fee required. There will be an initial charge of \$15 for Keyboxes and \$2 per key box thereafter. **THERE WILL BE NO OFFICE ACCESS KEY(S) ISSUED.** A police report is required on any stolen Access Key/Keybox or a letter explaining how Access Key/Keybox was lost.

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

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

**RULE 11 – MISUSE OF SYSTEM**

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

**RULE 12 – USE OF THE CMLS INFORMATION**

- (a) The CMLS system shall make available all statistical reports to its Members and a Member shall be allowed to publish any market production or market share figures on their entity as desired. A Member shall not advertise nor make public representations as to other member's statistics, CMLS general statistics, or market share results.
- (b) The information and compilations of information contained within the CMLS system or software approved by CMLS as well as other CMLS properties such as keyboxes and office equipment shall be utilized by Members and their affiliated agents and employees only for the purposes consistent with the CMLS business purpose which is to facilitate the sale of properties listed therein and market analysis in connection therewith. The information and compilation may not be copied or disseminated other than dissemination to customers or clients of the Member, use in the sale of real estate, or the analysis of real estate sales transactions.
- (c) The information and compilations contained on the CMLS system or in its publication or software approved by CMLS shall not be disseminated in any way to any other person for profit except in connection with a commission payable as part of a real estate sales transaction/lease. It is specifically agreed that the information and compilation thereof contained in the CMLS publications or on its system or software approved by CMLS shall be treated for all purposes as if it were "Trade Secrets" as defined in S.C. Code Ann. §39-8-10 and the remedies for misuse set forth in S.C. Code Ann. §39-8-10, et seq. specifically including the injunctive remedies of S.C. Ann. §39-8-20 and the damages provisions of S.C. Code Ann. §39-8-30.

- (d) All right, title and interest in each copy of every CMLS compilation created and copyrighted by CMLS and in the copyrights therein shall, at all times remain vested in CMLS.
- (e) The use of any CMLS software is subject to the continued use by CMLS of said software and further, that if such use is discontinued by CMLS, the sole obligation of CMLS to the software holder is the return of any pre-paid usage charges.

### **RULE 13 – LEGAL ACTION**

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

### **RULE 14 – DISCIPLINARY ACTION**

- (a)
  - 1.) Fees Due: CMLS will invoice all fees due directly to the Member and/or its Designated Representatives. The following penalties will apply for past due fees:
    - 1. 30 days late will result in a 10% penalty being added to the bill and the access key being deactivated.
    - 2. 60 days late will result in an additional 10% penalty added to the bill, computer access denied and CMLS book delivery discontinued. A demand letter will be sent recalling all keybox(es) and access key(s)
    - 3. 90 days late will result in action being brought before a competent court of jurisdiction seeking all past due fees, attorney's fees and court costs.
  - 2.) Reinstatement: If a Member or any of its designated representatives have had their CMLS access privileges discontinued the Member will be required to pay all fees in arrears plus a \$100 Reconnect Fee. This fee must be paid by certified funds prior to their CMLS access being reinstated.
- (b) Violation of Non-Monetary Rules: The penalties for violation of these Rules by a Member or a designated representative shall be as follows:
  - First Offense: Warning letter or email from CMLS;
  - Second Offense of the same violation within a one-year period following the issuance of the warning letter: Assessment of \$50 fine with suspension of agent/representative involved upon nonpayment within thirty (30) days;

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

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

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

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

Violation of Rule 12: It being crucial to the purposes of CMLS that property of CMLS being used solely for the stated purposes, a violation of any of the provisions of Rule 12 shall have the following consequences:

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

Second offense: Permanent suspension from access to the CMLS system.

(c) Appeal Procedure: A Member responsible for a designated agent/representative may make a request in writing delivered to the President of the Board, that a disciplinary action be reviewed by the Board or its designee (Review Officer); should the Board designate a Review Officer, the matter, may be reviewed by the Board in its absolute discretion. Such Review Officer must be a Member.

## **RULE 15 – STATED FEES PAID**

(a) The Listing Member shall specify on each Listing Agreement submitted, the compensation to be offered to other CMLS Members in connection with the sale of such listing. It shall be the responsibility of the Listing Member to collect and remit the fees due as a result of the services of another Member. The Listing Member shall be excused from this responsibility should it, with the exercise of reasonable diligence, be unable to collect the commission due from the seller.

(b) CMLS shall not and does not fix, control, recommend, suggest or maintain commission rates or fees to be rendered by its Members. CMLS, further, shall not and does not fix, control, recommend, suggest or maintain the division of the commissions or fees between its Members.

## **RULE 16 – COMPLAINT REFERRAL**

Should a Member present information to support an assertion that another Member or its agent/representative is engaging in conduct in violation of these Rules the Member may request that the Board act in accordance with these Rules as to punishment by written notification to the President which shall be presented to the Board at the next regularly scheduled meeting upon seven days notice. Upon presentation of such a request, the Board will have the following options:

- (1) Take no action at all;
- (2) Determine that the evidence presented is insufficient to warrant further actions;
- (3) Appoint a hearing officer to receive further information, with notice to the affected Member and/or its agent/representative. The hearing officer's determination shall be final and reviewed by the Board only in its discretion.
- (4) Determine that the full Board should hold a hearing after notice to all concerned Members and agent/representatives.

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

## **RULE 17 - TRAINING**

Prior to being granted access to the CMLS system for the purpose of information entry, an agent/representative or individual Members must attend and complete an introductory class on the use of the CMLS system and an orientation with a CMLS staff member (who is not a CMLS Member). New Members who previously worked as an agent/representative under another CMLS Member and had training in and access to the CMLS system need not repeat the introductory class and orientation. The agent/representative or individual Member will also be excused from the introductory class if he or she demonstrates familiarity with the MLS software used by CMLS, through membership in another MLS that uses the same software. In such case, the agent/representative or individual Member may receive the orientation by phone. CMLS shall provide introductory classes/orientation no less frequently than once every two weeks, if needed.

## **RULE 18 – VOTING**

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

## **RULE 19 – INDEMNIFICATION**

Unless it shall be shown that CMLS has improperly published correct information provided to it, each Member agrees by becoming a Member that it will hold CMLS harmless from and against any liability of any kind arising from the inaccuracy or inadequacy of

information provided to CMLS and published by CMLS. In enforcing the provisions hereof CMLS shall be entitled to the reimbursement of its reasonable fees and costs.

**RULE 20 – STANDARDS OF CONDUCT FOR MEMBERS AND/OR DESIGNATED REPRESENTATIVES (“CMLS PARTICIPANTS”)**

- (1) CMLS Participants shall not engage in any practice or take any action inconsistent with the agency or other exclusive relationships recognized by law;
- (2) Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without consent of the seller/landlord;
- (3) CMLS Participants shall not solicit a listing currently listed exclusively with another broker. However, if the listing broker, when asked by the CMLS Participant, refuses to disclose the expiration date and nature of such listing (i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client) the CMLS Participant may contact the owner to secure such information and may discuss the terms upon which the CMLS Participant might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing.
- (4) CMLS Participants shall not solicit other Member’s clients. However, if contacted by another Member’s client, CMLS participants may discuss the terms upon which the CMLS Participant might enter into a future client agreement or, alternatively, may enter into a client agreement to become effective upon the expiration of any existing exclusive client agreement.
- (5) CMLS Participants shall not use information obtained throughout the CMLS for the purpose of creating a referral prospect to a third party.
- (6) A CMLS Participant shall not be precluded or inhibited from entering into a new agreement with the client of any other CMLS Participant after the expiration of the prior agreement.
- (7) CMLS Participants are free to enter into contractual relationships or negotiate with seller/landlords, buyers/tenants, or others who are not subject to an exclusive agreement but shall not knowingly obligate them to pay more than one commission except with their informed consent.
- (8) CMLS Participants when contacted by the client of another CMLS Participant regarding the creation of an exclusive relationship to provide the same type of service, and when the CMLS Participants have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement, or alternately, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement.

- (9) In cooperative transactions, CMLS Participants shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed/affiliated with other CMLS Participants without the prior express written knowledge and consent of the cooperating broker.
- (10) CMLS Participants are not precluded from making general announcements to prospective client describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationship with another CMLS Participant. A general telephone canvass, general mailing, or distribution addressed to all prospective clients in a given geographical area or in a given profession, business, club, or organization, or other classification or group is deemed “general” for purposes of this rule.
- (11) The following types of solicitations are prohibited:
  - (a) Telephone or personal solicitation of property owners who have been identified by a real estate sign, multiple listing compilation, or other information service as having exclusively listed their property with another CMLS Participant; and mail or other forms of written solicitations of prospective clients whose properties are exclusively listed with another CMLS Participant when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, “for sale” or “for rent” signs, or other sources of information intended to foster cooperation with CMLS Participants.
  - (b) All members shall adhere to all state and federal laws concerning phone, e-mail and fax solicitations.
- (12) CMLS Participants, prior to entering into an agency agreement or other exclusive relationship, have an affirmative obligation to make reasonable efforts to determine whether the client is subject to a current, valid exclusive agreement to provide the same type of real estate service.
- (13) CMLS Participants, acting as agents of, or in another relationship with, buyers or tenants, shall disclose that relationship to the seller/landlord’s agent or broker at first contact and shall provide written confirmation of that disclosure to the seller/landlord’s agent or broker not later than execution of a purchase agreement or lease.
- (14) CMLS Participants acting as buyer/tenant agents or brokers on unlisted property shall disclose that relationship to seller/landlord at first contact for that client and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement.

- (15) CMLS Participants are not precluded from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage). However, information received through CMLS or any other offer of cooperation may not be used to target clients of other CMLS Participants to whom such offers to provide services may be made.
- (16) CMLS participants, acting as subagents or buyer/tenant agents or brokers, shall not use the terms of an offer to purchase/lease to attempt to modify the listing broker's offer of compensation to subagents or buyer's agents, or brokers, or make the submission of an executed offer to purchase/lease contingent on the listing broker's agreement to modify the offer of compensation.
- (17) All dealings concerning property exclusively listed or with the buyer/tenants who are subject to an exclusive agreement shall be carried on with the client's agent or broker and not with the client, except with the consent of the client's agent or broker or except where such dealings are initiated by the client.
- (18) CMLS Participants, users, and subscribers, prior to or after terminating their relationship with their current firm, shall not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm. This does not preclude CMLS Participants from establishing agreements with their associated licensees governing assignability of exclusive agreements.
- (19) CMLS Participants shall not knowingly or recklessly make false or misleading statements about competitors, their business, or their business practices.
- (20) All Members agree to receive communications via phone, fax, e-mail or postal services from other Members and their designated representatives and staff.
- (21) **Listings with keyboxes in the CMLS primary service area (Richland, Lexington, Kershaw, Saluda, Fairfield, Newberry, and Calhoun Counties) must have a CMLS approved keybox. Another type of keybox (non-CMLS approved) may be placed on the listing but must be accompanied by a keybox approved by CMLS (including HUD homes, Corporate Owned homes, Foreclosures, etc.). Upon receipt of a signed agreement between the Seller and an agent/representative or individual Member requesting CMLS to supply a keybox directly to the Seller, CMLS will furnish the Seller a keybox. The agreement shall include a statement that the agent/representative or individual Member agrees to pay all normal fees associated with the issuance of a Keybox. CMLS shall maintain a list of keyholders available to remove the Keyboxes as a service to listing brokers at a fee to be negotiated between the keyholder and Member. Subleasing of CMLS keyboxes is strictly forbidden and will result in a fine of \$500 for each**

**offense. Listings in violation of this rule will be removed from the CMLS system without notice.**

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

#### **RULE 21 – ERRORS AND OMISSIONS INSURANCE**

If a Member does not have or maintain at least \$500,000 in Errors and Omissions insurance, it shall disclose that fact on each document required to be executed in the course of creating a listing. The Member shall also disclose that fact on the Listing Input Sheet and CMLS will include the following statement on any publication of that listing: “The Listing Company for this property does not maintain Errors and Omissions insurance.

#### **RULE 22 – BACKGROUND CHECKS**

Each member shall provide annual certification to the Board that all individuals employed by the member and that have any access to CMLS information through the member have undergone a nationwide background check and have no convictions of either a criminal sexual nature or crimes relating to the improper handling of funds. The member shall also provide a similar certification to CMLS for all new employees or agents and employees or agents transferring from another member company. Failure to furnish said certification(s) shall result in loss of membership if not provided within 90 days after notice.

LAST REVISED AND APPROVED

DECEMBER 2010