

EAST COAST COMMERCIAL PROPERTY NETWORK

Operating Rules

Introduction

The State-Wide Multiple Listing Service has adopted these Operating Rules to govern the operation of its Commercial Real Estate Information Exchange, being marketed as "EAST COAST COMMERCIAL PROPERTY NETWORK" (ECCPN). Each ECCPN User agrees to be bound by these Rules.

ECCPN has been specifically designed to meet the needs of the commercial real estate industry. ECCPN allows practitioners to gather, manipulate and disseminate commercial real estate information according to their specific needs. ECCPN differs from State-Wide Multiple Listing Service in that:

- (a) No offer of compensation is required
- (b) Non-broker entities may have read-only access as users
- (c) Participation is permitted for non-REALTOR licensees

Purposes

- (a) Provide a means by which Users of ECCPN may share information with other Users and the public regarding commercial real estate which is for lease or sale.
- (b) Provide a platform for the orderly correlation and dissemination of historical commercial real estate property information among Users so that they may better serve their clients and the public.
- (c) Enable-Users to prepare informational reports for the dissemination and presentation of available and off-market property information to clients and customers.
- (d) Provide a network of commercial properties which would be available to a wide range of real estate industry professionals on a read-only basis.

Definitions

As used in these Guidelines, terms set forth below are defined as follows:

- A. "MLS" - State-Wide Multiple Listing Service, Inc.
- B. "ECCPN" – A service offered by MLS that is available to all active MLS Subscribers and Participants upon receipt of an Enrollment Form. This service is also offered to non-MLS users, but with different requirements and fee structure.
- C. "ECCPN Work Group" - This group will meet when needed to review and recommend to the MLS Board of Directors upgrades and improvements to the system, database, forms and operating rules.
- D. "ECCPN Participation Agreement" – the agreement required of each Designated Broker to participate in ECCPN.
- E. "Subscription Form" – a form provided by ECCPN on which the Designated Broker is authorizing licensees associated with their office who will be practicing in commercial real estate to access ECCPN. This form will be completed and signed by the Designated Broker.

- F. "Available Property" – the real property described in a Property Record placed on ECCPN which is either for sale or lease.
- G. "Property Record" - the information contained in ECCPN describing a specific property irrespective of its availability for sale and/or lease.
- H. "Exclusive Right to Sell Agreement" shall mean a form of listing submitted to the Service in which the seller authorizes the listing broker to compensate other brokers on a blanket, unilateral basis.
- I. "Exclusive Right of Brokerage Agreement" shall mean a form of listing submitted to the Service which authorizes the listing broker, as exclusive broker, to offer compensation to other brokers on a blanket, unilateral basis, but also reserves to the seller the general right to sell their property on an unlimited or restrictive basis.

Classification and User Qualification

Participant – Any REALTOR® or Non-REALTOR who is a principal, designated broker, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as stipulated otherwise in these operating rules shall be eligible to participate in ECCPN upon agreeing in writing to conform to the operating rules and to pay incidental costs. However, no individual or firm, regardless of REALTOR® status, is eligible for participation or user status in ECCPN unless they hold a current, valid real estate broker's license and are capable of accepting and offering compensation to and from other Participants or to those individuals who are licensed or certified by a state regulatory agency to engage in the appraisal of real property. The Participant is required to complete and submit the Participation Agreement and application fee (if applicable).

Subscriber - Subscribers of ECCPN includes non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants. A Subscriber is eligible to participate in ECCPN upon completion and submission of the ECCPN Subscriber Form and application fee (if applicable).

Users – An individual or company affiliated with the commercial real estate industry (i.e. Mortgage Banker or Broker, Title Insurance Company, or Attorney, etc.) A User is eligible to have read-only access to ECCPN upon completion and submission of the ECCPN User enrollment form and application fee. There shall be a Designated User as the responsible person for each user office.

Administrator - shall mean an employee of a Participant who is not licensed as a real estate broker, salesperson, or appraiser but has access to the data, including, but not limited to a secretary, office manager, or unlicensed personal assistant.

Responsibilities of the Participant –

1. Participant is ultimately responsible to ECCPN for any Subscriber and Administrator fees attributable to their usership in ECCPN.
2. Participant agrees that only authorized Subscribers and Administrators will have access to ECCPN. Lack of compliance with this rule shall result in fines to the Participant.

3. To file a Waiver Application Form for any licensee of an MLS Participant opting for ECCPN full membership only and waiving access to MLS.
4. Participant is responsible for the acts of Subscribers and Administrators within their firm.
5. Participant bears the responsibility for the accuracy of the property information placed on ECCPN.

Responsibilities of the Subscriber –

1. An eligible Subscriber must hold a current, valid broker, salesperson, or appraisal license with a Participant.
2. Must sign and submit ECCPN Subscriber Agreement
3. Subscriber access may not be transferrable in ECCPN

Responsibilities of the Designated User/User -

1. The Designated User shall be responsible for payment of fees
2. Responsible for the confidentiality of the User ID and Password, including any violation of these rules by anyone using the User’s ID
3. Must sign and submit ECCPN User Enrollment Agreement

Article 2: Filing Procedures

Section 1—Filing Procedures: Submission of any property information to the ECCPN is voluntary on the part of the Participant. Information on property for sale, lease, or exchange of the following types located within the territorial jurisdiction of the ECCPN may be submitted by Participants to the ECCPN.

- (a) Office for sale
- (b) Office for lease
- (c) Shopping Center for sale
- (d) Shopping Center lease
- (e) Retail-Commercial for Sale
- (f) Retail-Commercial for Lease
- (g) Industrial for sale
- (h) Industrial for lease
- (i) Vacant Land for sale
- (j) Vacant Land for lease
- (k) Special Purpose for sale
- (l) Hospitality for sale
- (m) Multi-Family Investment for sale
- (n) Farm/Ranch for sale
- (o) Business Opportunity for sale

While ECCPN does not require the Participant acting on behalf of a seller or lessor to utilize a particular listing contract or other form of agreement, the ECCPN shall require use of a standardized property information sheet to submit information on properties for sale, lease, or exchange.

ECCPN accepts information on properties which are currently listed on an exclusive right to sell or lease basis, or an exclusive agency 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 ECCPN.

Section 1.1—Filings Subject to Operating Rules of ECCPN: Any property information to be filed with ECCPN is subject to the operating rules upon filing.

Section 1.2—Detail of Information Filed with ECCPN: Any property information sheet submitted to ECCPN 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 ECCPN.

Section 1.3—Change of Status: Any change in price, status or other change in the terms of the information originally filed shall be submitted to ECCPN within forty-eight (48) hours (excluding federal and state holidays).

Section 1.4—Withdrawal of Filing Prior to Termination: Filings may be withdrawn from the ECCPN by the filing Participant with the authorization of the seller.

Section 1.5—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.

Section 1.6—Multiple Unit Properties: Any property which is to be sold, leased, or exchanged, or which may be marketed separately must be so indicated on the property information sheet. When any part of a filed property has been sold, leased, or exchanged, the rules related to notifying ECCPN shall be observed.

Section 1.7—Filings of Suspended, Expelled, or Resigned Participants: When a Participant is suspended, expelled, or voluntarily resigns from ECCPN, all property information filings submitted by the Participant shall be removed from the compilation of current information by ECCPN.

Negotiations

Section 2—Negotiations: The filing of information with ECCPN 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.

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: 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 counteroffers until acceptance and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.

Section 2.2—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.

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. 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.

Section 2.4—Reporting Sales: Sales, leases, or exchanges shall be reported to ECCPN by the Participant making the original information filing within forty-eight (48) hours (excluding weekends and holidays) of acceptance of a contract to purchase, lease, or exchange.

Section 2.5—Reporting Cancelled Pending Sales: The Participant making the original filing shall report any cancelled sale, lease, or exchange to ECCPN within forty-eight (48) hours and the property information filing shall be reinstated in the compilation of current information.

Section 2.6—Disclosing the Existence of Offers: Listing brokers, in response to inquiries from buyers or cooperating brokers, shall, with the seller's approval, disclose the existence of offers on the property. Where disclosure is authorized, the listing broker shall also disclose, if asked, whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating broker.

Section 2.7—Availability of Listed Property: Listing brokers shall not misrepresent the availability of access to show or inspect listed property.

Section 2.8—Use of the Terms ECCPN: No ECCPN 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 the ECCPN, or that they operate the ECCPN. Participants, subscribers and licensees affiliated with participants shall not represent, suggest, or imply that consumers or others have direct access to the complete ECCPN databases, or that consumers or others are able to search ECCPN databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that

any information they are authorized under ECCPN rules to provide to clients or customers is available on their websites or otherwise.

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 or Lease” Signs: Only the “For Sale or Lease” signs of the filing Participant may be placed on the property.

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.

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) **One-time Application Fee:** An applicant for participation in ECCPN shall pay an initial activation fee of \$100.00 which will be billed upon activation in ECCPN. This fee shall be waived if the applicant has previously paid such fee to State-Wide MLS.
- (b) **Recurring Subscription Fee:** The recurring subscription fee for each Participant shall include any additional licensees or users with the Participant or the Participant’s firm who is engaged in the listing, sale, leasing, or appraising of commercial properties and shall be in an amount determined from time to time by the MLS Board of Directors.

Authority of Operating Rules –

The ECCPN Work Group will meet as needed to assist with the review of system upgrades, new products, field enhancements, etc. The Work Group will consist of two Commercial Brokers and/or Appraisers that are ECCPN users, two from MLS Leadership, and one staff liaison. The MLS President has the authority to choose the ECCPN Work Group, participants and Chair.

Section 5—Compliance with Rules—Authority to Impose Discipline: By becoming and remaining a participant or subscriber in ECCPN, each participant and subscriber agrees to be subject to the operating rules and any other ECCPN governance provision.

The MLS Board of Directors has the following authority:

- (a) to adopt operating rules for the ECCPN and amendments to the same
- (b) to issue policy interpretations
- (c) to interpret the operating rules in the event of a dispute

- (d) to establish fines, fees (including late fees), charges, and sanctions for violation of these operating rules
- (e) to enforce these operating rules.

Section 5.1—Non-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.
- (b) For failure to comply with any other rule, the provisions of Sections 7 and 7.1 shall apply.

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 ECCPN are subject to these operating rules and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of ECCPN information is contingent on compliance with the operating rules. 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.

Governance and Meetings—

Section 6—Meetings of the ECCPN Work Group: The ECCPN Work Group shall meet when needed, at a time to be determined by the MLS Board of Directors or at the call of the MLS President.

Section 6.1—Meetings of Participants: The Work Group may call meetings of the Participants in the Exchange.

Section 6.2—Conduct of Meetings: The Work Group Chair shall preside at all meetings.

Enforcement of Rules and Disputes—

Section 7—Consideration of Alleged Violations: The MLS Board of Directors shall give consideration to all written complaints alleging violations of the operating rules.

Section 7.1—Violations of Operating Rules: If the alleged offense is a violation of ECCPN operating rules and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the MLS Board of Directors and if a violation is determined, the MLS Board of Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Participant’s primary Board within twenty (20) days following receipt of the MLS Board of Directors decision. The Professional Standards Committee may impose sanctions, including, but not limited to suspension or expulsion from ECCPN and such other remedies which are authorized by the “National Association of REALTORS® Code of Ethics and Arbitration Manual”.

Section 7.2—Complaints of Unethical Conduct: All complaints of alleged unethical conduct shall be referred by the State-Wide MLS Board of Directors to the appropriate Association/Board of REALTORS® for action in accordance with the Board’s professional standards procedures.

Confidentiality of ECCPN Information

Section 8—Confidentiality of Exchange Information: All information provided by ECCPN to Participants shall be considered confidential and is provided exclusively for the use of Participants authorized and qualified to act as licensees in the sale, lease, exchange, appraisal, or purchase of property filed with ECCPN 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 ECCPN is communicated without change as filed by the Participants. ECCPN does not verify the information provided and disclaims any liability or responsibility for its accuracy. Each Participant agrees to hold the ECCPN harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

Ownership of Compilation and Copyright

Section 9—By submitting property information to the ECCPN, the Participant represents that he has been authorized to grant and also thereby does grant authority for the ECCPN to include the property information in its copyrighted ECCPN 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 ECCPN.

Section 9.1—All right, title, and interest in each copy of every ECCPN compilation created and copyrighted by State-Wide MLS and in the copyrights therein, shall at all times remain vested in State-Wide MLS.

Section 9.2—Each ECCPN Participant shall be entitled to lease copies of the ECCPN 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 State-Wide MLS.

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

Use of Copyrighted ECCPN Compilation

Section 10—Distribution: Participants shall at all times maintain control over, and responsibility for, each of the ECCPN compilations leased to them by ECCPN and shall not distribute the compilation to anyone other than subscribers affiliated with the Participant.

Section 10.1—Display: Participants, and licensees with affiliated Participants, shall be permitted to display the ECCPN 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.

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

Participants and their affiliated licensees may reproduce from the compilation, and distribute to prospective sellers, lessors, and purchasers, a reasonable* number of single copies of property information contained in ECCPN 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 ECCPN 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 an estimate of value on a particular property for a particular client. However, only such information that ECCPN has deemed to be non-confidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these operating rules.

Use of ECCPN 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 ECCPN 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 ECCPN 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 ECCPN for the period (date) through (date).

Changes in Operating Rules

Section 12—Changes in Operating rules: Amendments to the operating rules of ECCPN shall be by a majority vote of the State-Wide MLS Board of Directors.