

October 23, 2008

Board of Director Minutes
Multiple Listing Service of the Wilmington Regional Association of REALTORS®
1444 S. 17th Street

Attending	R. J. Alexoudis	Jonathan Barfield	Melanie Bertrand	Bryan Greene
	Bob Jamieson	Dan Kibler	Susan Lacy	Sharon Laney
	Mary Martin	Russ May	April McDavid	Bob McKoy
	Karen Parkin	Vance Young		
Absent:	Bryan Greene			
Guests:	Eugene Blake	Thomas Gale	Ashley Garner	Dennis Musser
	Louise Voelker			
Staff:	Brian Bell	Jerry Panz		

President April McDavid called the meeting to order at 8:35 AM. Jonathan Barfield gave the invocation and Karen Parkin led in the Pledge of Allegiance. All members of the Board of Directors received notice of the meeting.

Staff provided an update on eshowings.com, the Coastal MLS initiative, had to reduce the Additional Compensation box to 200 characters but it is due out soon; signing the NCDS contract and Supra.

By Consent the following was approved:

- 1) The Consent Agenda (attached)
- 2) Authorizing Jerry Panz to execute the renewal of the iCheck contract
- 3) Amending the transfer policy as follows: **Agent and Listing Transfers**: Upon receipt of a Transfer Form, MLS staff shall transfer all listings as noticed. Listings not noticed shall be assigned to the Participant Member. The Participant Member shall be notified in writing of such action.
- 4) Amending the MLS Rules as follows: A community within a PUD or Subdivision to which there is no access to any other community within the PUD or Subdivision and which meets at least one other test may be listed as a separate community:
 - a) Separately gate
 - b) Private streets
 - c) Not part of the amenities of the PUD
 - d) Separate amenity package available only to community homeowners
- 5) Making a one-time contribution of \$1,000 to the Childrens Museum
- 6) The minutes of this meeting

There being no further business the meeting adjourned at 9:37 AM.



Jerry S. Panz, CAE, e-PRO, RCE
Secretary

Consent Agenda

Multiple Listing Service of the Wilmington Regional Association of REALTORS®

October 23, 2008

Approval of:

Items 2-6 are REQUIRED by NAR

- 1. Section 5 Cooperative Compensation Specified on Each Listing:** The listing broker shall specify, on each listing entered into the Service computer, the compensation offered to other Multiple Listing Service Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through the Service would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid. (Amended 11/98). ~~When a listing broker's listing contract is subject to court approval or lender approval, the listing broker must communicate the potential reduction of commission by placing the following language in the Agent Information field:~~ **Bankruptcy judge or lender may reduce commission.**
- 2. Note 4:** Multiple listing services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval ~~or to lender approval~~; and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court ~~or by a lender~~. In such instances, the fact that the gross commission is subject to court or ~~to lender~~ approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they produce an offer that ultimately results in a successful transaction. (Adopted 11/98)
- 3. ~~Non-Primary or Secondary WRAR REALTOR® Participants:~~ MLS Participants who are not primary or secondary REALTOR® members of the Wilmington Regional Association of REALTORS® Participants and Subscribers who do not participate in the MLS may purchase a KeyBox at the current price ~~a KeyBox~~ (including shipping and NC sales tax) if they possess either a cooperating Key or lease a Key from the MLS. (See BofD minutes 10-16-03 and 02-21-08).**

4. Amending to Data Compliance Assurance Policy: Allowing someone access to information who is not a client or customer. e.g., Loaning/giving any printed MLS information; agents/appraisers who give information to licensees who do not pay fees to the Wilmington MLS; **providing a token code and/or password.** Automatic-no email notice. \$500 fine.
5. Financial Narratives for September 2008

MLS Waivers Granted by Staff

Name	Company	Why Waived
Dustin Jones	Pointe South	Unlicensed. Works for firm.
Patrice Boyle	Pointe South	License on inactive status. Works for firm.

**MLS Financial Narrative
Month Ending September 2008**

Account Name	Monthly Narrative
CURRENT ASSETS	
All Asset accounts	In balance
Due from Association	Check written October 10 th and deposited into MLS
Due from RCA	Should have additional monies owed to MLS in October to include with the \$.78.
CURRENT LIABILITIES	
None	
REVENUES	
MLS Access Fees	Higher than budgeted
MLS Initiation Fees	5 New MLS Companies. Exceeds monthly budget
MLS & KeyBox Fines	Negative due to writing off charges for "Failure to report lost/stolen KeyBoxes prior to audit".
EXPENSES	
Computer Operations	WRAR makes quarterly payment to MLS to offset expense
Insurance & IRA	WRAR makes quarterly payment to MLS to offset expense
KeyBox Expense	Income from lost/stolen KeyBoxes
Other Meeting Expense	\$780.39 check from Triangle MLS for NC Data Share
Taxes (payroll-all)	WRAR makes quarterly payment to MLS to offset expense
Telephone/Computer Lines	WRAR makes quarterly payment to MLS to offset expense
Wages	WRAR makes quarterly payment to MLS to offset expense

MLS Balance Sheet as of September 30, 2008		
Without Audit or Review by CPA		
ASSETS		
Current Assets		
Merrill Lynch Money Market	359,791.48	
BB&T-Operating Account	67,800.64	
Accounts Receivable-Membership	12,159.61	
Due from Association	30.80	
Due from RCA of WRAR	0.78	
Inventory-Store	22,734.07	
Prepaid Taxes	13,824.00	
Total Current Assets		476,341.38
Property and Equipment		
Accumulated Depreciation	(802,391.66)	
Office Furniture and Equipment	61,623.59	
Computer Equipment	212,016.68	
Lockbox Inventory	541,364.22	
Total Property and Equipment		12,612.83
Designated Reserves		
Computer Reserve (FF-19,000)	19,000.00	
Operating Reserve (598,340.49)	131,820.00	
Copier Reserve (FF-15,000)	15,000.00	
Issues Mob Rsv(\$35,000)	35,000.00	
Server/Sftwre Rsvr(FF-25,000)	25,000.00	
Furniture/Fixt Rsrv(FF-10,000)	10,000.00	
KeyBox Reserve (246,180)	246,180.00	
Next MLS System(\$185,000)	185,000.00	
Total Designated Assets		667,000.00
Total Assets		1,155,954.21
LIABILITIES AND CAPITAL		
Total Liabilities		0.00
Capital		
Common Stock	500.00	
Retained Earnings	950,472.57	
Net Income	204,981.64	
Total Capital		1,155,954.21
Total Liabilities & Capital		1,155,954.21

Multiple Listing Service

Income Statement as of September 30, 2008 Without Audit or Review by CPA

	Current Month Actual	Current Month Budget	Year to Date Actual	YTD or Annual Budget	Variance YTD
Revenues					
Contract Services w/ D-S AOR**	1,943.00	1,887.16	23,218.00	16,984.44	6,233.56
Contract Services with RCA	0.00	0.00	40,000.00	40,000.00	0.00
Int&IncVal-M/L Money Market **	(1,641.12)	2,227.19	10,905.07	20,044.71	(9,139.64)
MLS Access Fees **	99,127.25	96,735.00	834,151.84	870,615.00	(36,463.16)
MLS-Branch Office Fees **	0.00	16.67	300.00	150.03	149.97
MLS Initiation Fees **	3,750.00	2,500.00	40,700.00	22,500.00	18,200.00
MLS Firm User Fees **	14,474.00	14,040.00	136,119.41	126,360.00	9,759.41
MLS & Keybox Fines **	(835.00)	1,250.00	5,769.00	11,250.00	(5,481.00)
MLS Late Payment Fees **	135.00	617.91	3,800.00	5,561.19	(1,761.19)
MLS Reinstatement Fees **	70.00	282.86	2,060.00	2,545.74	(485.74)
MLS - Misc. Income **	52.00	83.33	8,909.57	749.97	8,159.60
NSF fees	0.00	0.00	25.00	0.00	25.00
Supra Initiation Fee **	1,330.00	333.33	17,455.00	2,999.97	14,455.03
Supra Monthly Fee **	26,324.25	28,454.25	243,360.73	256,088.25	(12,727.52)
Store Income(net) **	982.87	1,666.67	13,153.08	15,000.03	(1,846.95)
Total Revenues	145,712.25	150,094.37	1,379,926.70	1,390,849.33	(10,922.63)
Expenses					
Accounting & Consulting-CPA	0.00	0.00	6,830.00	4,000.00	2,830.00
Advertising	0.00	0.00	813.37	500.00	313.37
Annual Meeting & Election	0.00	0.00	300.00	4,500.00	(4,200.00)
Bank Service Charges-CC Fees**	3,323.79	4,010.79	30,211.24	36,097.11	(5,885.87)
Banquet Expenses	0.00	0.00	3,000.00	3,000.00	0.00
Clark Memorial	0.00	0.00	0.00	275.00	(275.00)
Contingency Fund	0.00	0.00	8,400.00	10,332.35	(1,932.35)
Computer Operations **	(2,177.38)	3,834.52	12,707.15	34,510.68	(21,803.53)
Depreciation	0.00	0.00	26,656.00	26,656.00	0.00
Directors Meetings **	151.23	166.67	733.02	1,500.03	(767.01)
Donations	0.00	0.00	6,875.00	3,000.00	3,875.00
Dues & Subscriptions **	0.00	41.67	354.92	375.03	(20.11)
Economic & Market Watch Report	3,000.00	0.00	3,000.00	3,000.00	0.00
Election Expense	0.00	0.00	0.00	1,500.00	(1,500.00)
Equipment Maint & Purchase **	226.75	250.00	2,566.60	2,250.00	316.60
eshowings **	5,912.50	0.00	5,912.50	0.00	5,912.50
Governmental Affairs	0.00	0.00	20,000.00	20,000.00	0.00
iCheck	0.00	0.00	(4,277.00)	23,500.00	(27,777.00)
iMapp, Inc (tax service)	0.00	0.00	32,414.80	32,143.90	270.90
Insurance-Computer Equipment	0.00	0.00	2,480.00	5,632.00	(3,152.00)
Insurance-Health **	(254.85)	5,544.00	37,177.32	49,896.00	(12,718.68)
Insurance-Workman's Comp	0.00	0.00	2,293.73	2,549.40	(255.67)
IRA Employer Contributions **	(1,993.92)	917.36	208.89	8,256.24	(8,047.35)
Keybox Expense **	(3,223.82)	5,500.00	(2,816.35)	49,500.00	(52,316.35)
Leadership Training	0.00	0.00	0.00	5,000.00	(5,000.00)
Lease-Building **	4,584.29	4,584.29	41,258.61	41,258.61	0.00
Legal Fees **	1,390.00	1,166.67	9,168.12	10,500.03	(1,331.91)
Misc. Expenses **	0.00	199.33	2,389.91	1,793.97	595.94

	Current Month Actual	Current Month Budget	Year to Date Actual	YTD or Annual Budget	Variance YTD
MLS Committee Meeting	0.00	0.00	55.00	1,000.00	(945.00)
NAR & ASAE-Travel	864.00	0.00	16,757.40	14,180.96	2,576.44
NCAR Travel	1,784.91	0.00	10,031.61	14,451.35	(4,419.74)
Office Supplies **	584.18	791.67	6,576.02	7,125.03	(549.01)
Orientation	0.00	0.00	5,000.00	5,500.00	(500.00)
Other Meetings Expense	(473.95)	0.00	5,450.99	1,000.00	4,450.99
PossibleNow.com	0.00	0.00	0.00	12,000.00	(12,000.00)
Postage and Shipping **	0.00	416.67	199.88	3,750.03	(3,550.15)
Postage Meter	0.00	0.00	1,243.71	1,700.00	(456.29)
Printing	0.00	0.00	152.60	500.00	(347.40)
Rapattoni MLS **	27,297.94	27,989.20	248,954.42	251,902.80	(2,948.38)
Refunds Paid	0.00	0.00	(0.41)	0.00	(0.41)
Salary-Casual Labor **	0.00	996.67	10,140.23	8,970.03	1,170.20
Reserves **	0.00	6,117.13	0.00	55,054.17	(55,054.17)
Software License & Upgrades **	0.00	133.33	106.74	1,199.97	(1,093.23)
Strategic Plan	0.00	0.00	22,562.36	10,000.00	12,562.36
Supra Key Expense **	0.00	28,028.70	157,783.21	252,258.30	(94,475.09)
Taxes-Employers FICA **	1,504.34	2,439.57	21,412.54	21,956.13	(543.59)
Taxes-Employment Security **	(290.76)	67.49	2,896.18	607.41	2,288.77
Taxes-Franchise	0.00	0.00	0.00	735.00	(735.00)
Taxes-Income	22,500.00	0.00	61,700.00	20,011.95	41,688.05
Tax-NC Sales	0.01	0.00	0.01	0.00	0.01
Taxes-NC Unemployment	(2.47)	0.00	(2.47)	0.00	(2.47)
Taxes-FUTA	84.02	98.00	685.63	294.00	391.63
Technology Seminar	0.00	0.00	0.00	5,000.00	(5,000.00)
Telephone/Computer Lines **	(360.02)	515.50	5,280.35	4,639.50	640.85
Tokens for MLS (Net)	(543.00)	0.00	(5,908.09)	0.00	(5,908.09)
Travel & Education CEO	0.00	0.00	1,320.82	14,381.08	(13,060.26)
Staff Development & Travel	1,242.08	0.00	4,646.71	25,879.62	(21,232.91)
Website Creation & Promotion	52,195.50	0.00	69,876.17	80,000.00	(10,123.83)
Wages Expense **	(1,557.94)	31,400.57	279,365.62	282,605.13	(3,239.51)
Total Expenses	115,767.43	125,209.80	1,174,945.06	1,478,228.81	(303,283.75)
Net Income	29,944.82	24,884.57	204,981.64	(87,379.48)	292,361.12

Jerry,

As you know, Coldwell Banker Sea Coast represents, Andy Sandman, the developer of Willow Glen in the marketing of his property. We join Andy in respectfully requesting that the MLS Directors make a change in the “communities” section to show Willow Glen as it’s own entity rather than Beau Rivage Willow Glen as it shows currently.

There are multiple reasons for this request. Going back a while, developer Nathan Sanders developed a small complex of patio homes known as Willow Glen at Beau Rivage. This community is, in fact, a part of Beau Rivage. It is a separate gated community with private streets. It is not part of the Beau Rivage HOA, not part of the golf course, has a separate network of sidewalks, a separate amenity package available only to Willow Glen homeowners, there is no access through the two subdivisions to each other—in short there is no commonality except the proximity of their locations.

Andy has several million dollars in this development and would like to see it have every opportunity for exposure. Currently a “begins with” or an “exact” search on “Willow Glen” returns no results although that is exactly the name of the development. Rather it is listed as Beau Rivage Willow Glen. We are concerned that might lead agents to believe that no properties are currently available. In addition, with all due respect to Beau Rivage, Willow Glen is a more expensive community offering a different product. We sincerely request the Directors give every consideration to establishing Willow Glen as a separate community on MLS with no reference to Beau Rivage on a search.

Under separate cover I am sending a plat which I believe gives a visual representation of what I am talking about and will be helpful in consideration.

Sincerely,

Tim Milam
President
Coldwell Banker Sea Coast Realty
910-202-2501 Office
910-617-4358 Mobile

eshowings Issues

Section	Issue
1e	Develop system to track: During the course of any month, no more than 5% of callers will experience hold time and that average hold-time will not exceed 45 seconds.
1h	Training schedule agreement for place and dates by October 10
2	Term: September 18, 2008 through January 1, 2011
3a	Brokers who work in branch offices of WRAR member firms are included. Must develop a mechanism to get agent information from branch offices owned by WRAR firms operating within Brunswick, Topsail, Jacksonville, etc.
3b	X By October 2, must pay for total number of Applicable Subscribers times \$2.75 Paid for 2,150 = \$5,912.50 on September 30.
4	On December 20, we must take a member count and print a hard copy for "proof." Janry 2, print out hard copy of Subscribers. If loss is > 5%, then difference over 5% will be a credit on the February invoice.
5	Brian needs to work to setup a reliable data feed. Will they pull it more than once a day? All statuses, all agents.
8b	MLS shall be entitled to a pro rata credit on its account (or cash refund if the Agreement has expired or otherwise been terminated) to the extent to which the aggregate time during which eshowings does not provide services meeting the service level requirements in this Agreement during any calendar quarter exceeds four hours.
10	Renewal/Termination: Will automatically extend from 1/2/2011 to 1/1/2012 unless either party gives the other notice that it will expire. Such notice must be received by 9/30/2010. If automatically extended, the monthly fees will adjust by CPI.
11	Quality Assurance: MLS will receive monthly detailed report showing call volume and hold times. MLS can also download these and other reports.
14f	Requires eShowings to delete/erase all information received from MLS upon termination
Exhibit	
1C	Discuss the verification of agents who call to make appointments but are not in the data feed. Perhaps require license number and verification on NCREC's website. Should ask them who they represent
1H	Require eshowings to discover whom the buyer represents. Where the listing company does not permit subagency to reject the appointment.

Issues for Accounting

1. By October 2, must pay for total number of Applicable Subscribers times \$2.75. **Must develop a mechanism to get agent information from branch offices owned by WRAR firms operating within Brunswick, Topsail, Jacksonville, etc.** CK# 17439 in the amount of \$5,912.50 was paid on 9-27-08.

2. **December 20 will need a printout**
3. Invoice will arrive between 1-5 day of each month.
4. Payment should be made on 15th or day you normally do payroll.
5. No extra payment for new members added during the month and no credit for members who leave during the month—**Section #4**

Issues for Brokers with CSS

eShowings will speak directly with those companies who have CSS. The Brokers need to contact Jay Lantz via email JLantz@eshowings.com. If they have a notice period, they should provide it using the fact that eshowings.com will be available January 2, 2009. Who I know so far that has CSS:

CENTURY 21 Sweyer
Coastwalk
Help you Sell
Keller Williams
Live Oak
Network
Prudential
Re/Max
United Brokers

North Carolina Data Share Agreement

This North Carolina Data Share Agreement (“Agreement”) is made and entered into by and between certain boards and associations of REALTORS® and multiple listing services in the State of North Carolina and states contiguous thereto (the “**Data-Sharing Parties**”), as of the dates of signature below subscribed.

RECITALS & DEFINITIONS

Each Data-Sharing Party is a local board or association of REALTORS® that operates a Multiple Listing Service (“**MLS**”) or is a separately incorporated MLS owned by one or more boards or associations of REALTORS®.

Among the customers of the Data-Sharing Parties are principal real estate brokers (“**Participants**”) and sales associates (“**Subscribers**”).

Each Participant of any Data-Sharing Party is a “**Qualified Recipient**” with regard to data in the NCDS of each other Data-Sharing Party provided the Participant has not opted out of NCDS data sharing.

A Data-Sharing Party from which Participants directly receive participatory rights is a “**Direct Provider Party**.” A Data-Sharing Party that provides services to a Direct Provider Party but from which Participants do not directly receive participatory rights is an “**Indirect Provider Party**.” Each Data-Sharing Party, unless it receives services from a regional MLS, is a “**Governance Party**.”

The Data-Sharing Parties entering this Agreement as of its effective date are “**Original Parties**.” Data-Sharing Parties entering into this Agreement pursuant to Section 7 are “**Added Parties**.”

An MLS in which a Participant holds participatory rights is a “**Home MLS**” to that Participant. An MLS from which a Participant obtains services or benefits as a result of this Agreement but in which the Participant does not hold participatory rights is an “**Other MLS**” from the perspective of that Participant. That Participant is a “**Visiting Participant**” from the perspective of the Other MLS.

Some Participants hold participatory rights from more than one Data-Sharing Party (“**Multi-Market Participants**”).

Some Multi-Market Participants wish to improve the ease with which they may deliver listing information to consumers on IDX web sites. Other Participants who are not Multi-Market Participants would like to deliver to consumers web sites with IDX listings from all the Data-Sharing Parties.

It is in the best interest of the general public and compatible with and supportive of the highest standards of REALTOR® ethics for the Data-Sharing Parties to provide for the availability of listing information between the Data-Sharing Parties.

Each Data-Sharing Party has its own rules and regulations for operating its MLS (“**Local Rules**”) and causes them to be published in writing. This Agreement contemplates that each Data-Sharing Party will continue to maintain its Local Rules, except with regard to subject matter specifically addressed in this Agreement.

Each Data-Sharing Party independently establishes the services it offers Participants and Subscribers and the fees it will charge for them. This Agreement contemplates that each Data-Sharing Party will continue to independently establish its services and fees.

Each Data-Sharing Party wishes to preserve its proprietary rights, and the proprietary rights of its Participants, in and to MLS listing information to the extent allowed by law.

The Data-Sharing Parties may not and do not fix, control, recommend, or maintain commissions or fees paid to real estate brokers by consumers and other brokers.

The Data-Sharing Parties therefore desire to establish a joint IDX service, consisting of a common set of rules and operating procedures to facilitate the display by their Participants and Subscribers on IDX web sites of a greater portion of the listings available within their market areas (“**NCDS Service**” or “**NCDS**”). They desire to establish a common database of listings, portions or all of which will be available to their Participants for display on IDX web sites – all incorporating a common database structure (“**NCDS Database**”).

IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS SET FORTH IN THIS AGREEMENT, THE PARTIES, INTENDING TO BE LEGALLY BOUND, AGREE AS FOLLOWS:

1. Establishment of NCDS; Governance

(a) The Data-Sharing Parties are independent contractors each as to the others. They do not intend to form a partnership or other business association; they do intend jointly to deploy the NCDS Service among their Participants. The Data-Sharing Parties shall govern their conduct under this Agreement according to the following stipulations.

(b) **Leadership Team.**

(i) Each Original Party that is a Governance Party may appoint one representative to the NCDS agreement's leadership team ("**Leadership Team**"). The Added Parties, if any, may collectively appoint one representative from among them. The Leadership Team shall therefore have a number of members equal to the number of Governance Parties that are Original Parties (that have not withdrawn from this Agreement) plus one, if there are any Added Parties. The Data-Sharing Party's appointment of its representative is effective upon notice to the other Data-Sharing Parties.

(ii) The Leadership Team's responsibilities shall be to (A) monitor and manage the implementation of the NCDS; (B) propose changes to the operating procedures and rules of the NCDS, when they are appropriate in the Leadership Team's judgment; and (C) propose amendments to this Agreement when necessary in the Leadership Team's judgment.

(iii) The Leadership Team shall give all the Data-Sharing Parties notice of any Leadership Team recommendation. The Leadership Team's notice of recommendation may include a ratification period; if none is specified, the ratification period is sixty days. A Data-Sharing Party ratifies a Leadership Team recommendation by giving notice to all the Data-Sharing Parties that it ratifies the recommendation within the ratification period. Any recommendation of the Leadership Team, including a recommendation to amend this Agreement (except for Sections 6(b), 6(c), 7, 8(a), 8(b), and 8(c) hereof), shall be binding upon all the Data-Sharing Parties provided both the following conditions are true before the period for ratification expires: (1) at least one half of the Original Parties ratify the recommendation; and (2) a majority of all Data-Sharing Parties ratify the recommendation; all other recommendations are rejected and are null and void. Except as expressly set forth in this Agreement, all Leadership Team decisions require ratification under this paragraph.

(iv) Leadership Team members may be REALTORS[®], MLS or association executives or staff, or other individuals. Regardless of the composition of the Leadership Team, the Data-Sharing Parties invite all Participants and groups of Participants, their Subscribers, and their MLSs to offer recommendations for the operation of the NCDS Service.

(c) **Administrative Matters.** The matters identified in sub-paragraphs (i) through (v) are "**Administrative Matters.**" The Leadership Team may make decisions about Administrative Matters without ratification by the Data-Sharing Parties.

(i) The Leadership Team may establish its own procedures for calling and holding meetings. In the absence of Leadership Team resolutions to the contrary, the Leadership Team shall conduct its business according to Roberts Rules of Order.

(ii) The Leadership Team may appoint legal counsel to represent its members and the Data-Sharing Parties solely with regard to this Agreement and their performance under it.

(iii) In the event that an Other MLS seeks a hearing under Section 4(b)(v), it will obtain a hearing according to the procedures the Leadership Team may adopt for hearing claims of rule violations and appeals of them. In the absence of Leadership Team resolutions to the contrary, hearings shall employ the procedures set out in the National Association of REALTORS[®] Code of Ethics and Arbitration Manual.

(iv) In the event of a claim of a rule violation or appeal of one, the Leadership Team shall appoint agents to carry out hearing and appeal procedures.

(v) The Leadership Team shall appoint an entity to manage the books and finances related to the NCDS Service under this Agreement. The entity appointed may be one of the Data-Sharing Parties or a third party.

2. Costs to operate NCDS

(a) The Leadership Team shall annually prepare a budget for the operation of the NCDS and deliver it to the Data-Sharing Parties for ratification at least 120 days before the beginning of the following calendar year.

(b) Each Data-Sharing Party shall contribute periodic payments to the NCDS based upon the budget adopted by the Leadership Team and ratified by the Data-Sharing Parties.

(c) Unless agreed otherwise, each Direct Provider Party shall be liable for a pro rata amount of the NCDS budget based on the number of Subscribers represented by the Participants to which the Direct Provider Party provides participatory rights. For purposes of this calculation, a broker participating in more than one Direct Provider Party will count toward the pro rata share of each Direct Provider Party. An Indirect Provider Party may pay amounts due on behalf of the Direct Provider Parties affiliated with it.

3. No Participation Conferred.

Except as expressly set out in this Agreement, no Visiting Participant obtains any participatory right in an Other MLS, including without limitation,

- (a) the right to add listings to the Other MLS's database; and
- (b) the right to receive compensation from Participants in the Other MLS by virtue of their unilateral offers of compensation in the Other MLS.

4. Activities of NCDS

(a) **Establish NCDS Database.** Effective as of the date of this Agreement, the Data-Sharing Parties shall cooperate in establishing the NCDS Database. Without limiting the generality of the previous sentence, each Data-Sharing Party shall:

(i) Within sixty days after the effective date of this Agreement, adopt the rules applicable to use of the NCDS Database promulgated under this Agreement ("**NCDS Rules**"). Exhibit A details the NCDS Rules as of the effective date of this Agreement. To the extent possible, the Data-Sharing Party shall adopt the NCDS Rules verbatim, except to substitute appropriate local names and abbreviations.

(ii) Transmit its active listing data to the repository designated by the Data-Sharing Parties for inclusion in IDX sites of Qualified Recipients, in the format and by the technological means adopted by the Data-Sharing Parties.

(b) **Enforce NCDS rules.**

(i) Each Data-Sharing Party shall monitor the IDX sites of its Participants to ensure their compliance with the NCDS Rules, and take appropriate actions to enforce the NCDS Rules as necessary.

(ii) Each Data-Sharing Party may, but is not required to, monitor the IDX sites of Visiting Participants for compliance with the NCDS Rules. A Data-Sharing Party must refer any complaint against a Visiting Participant to a Data-Sharing Party that is a Home MLS to the Participant.

(iii) Each Direct Provider Party shall monitor the conduct of Participants for which it is a Home MLS and shall take disciplinary action against noncompliant Participants where appropriate. If any violation continues after five business days following written notice to the noncompliant Participant, the Home MLS may terminate the NCDS Participant's data feed. If the violation continues after ten business days following such notification, the Home MLS **must** terminate the NCDS Participant's data feed.

(iv) A Direct Provider Party must notify all the Data-Sharing Parties of the identity of any Participant (and of all the owners and principals of the Participant of which it is aware) against whom it takes disciplinary action under the NCDS Rules and must provide updates regarding the status of any such disciplinary action.

(v) In the event a Data-Sharing Party is dissatisfied with the steps taken by another MLS to enforce the NCDS Rules with regard to a Visiting Participant, the Data-Sharing Party may

refer its complaint to the Leadership Team according to the procedures established by the Leadership Team.

(vi) A Data-Sharing Party may hire a subcontractor, another Data-Sharing Party or a third party, to carry out its enforcement activities required under this Agreement. A Data-Sharing Party that subcontracts its enforcement activities remains responsible under this Agreement to the other Data-Sharing Parties for all enforcement responsibilities.

(c) **Local IDX Programs Permitted at Option of Data-Sharing Parties.** Any Data-Sharing Party may elect to continue offering a local IDX program (a “Local Program”) to its Participants under the following terms.

(i) The Local Program must have a separate “opt-out” for the Data-Sharing Party’s Participants so that each Participant may opt out of the NCDS Service, the Local Program neither of them, or both of them. A Participant is entitled to use listings (subject to appropriate rules) only from any program from which the Participant has not opted out.

(ii) The Data-Sharing Party adopting a Local Program must impose the NCDS Rules on the Local Program, except to the extent that differences naturally arise as a result of the Local Program being local. Each Participant is subject to the rules of each program from which the Participant has not opted out.

(iii) The Data-Sharing Party adopting a Local Program must develop and maintain its own databases and data feeds for the Local Program. Only the listings of Participants that do not opt out of NCDS shall be included in the NCDS Database.

(iv) The Data-Sharing Party adopting a Local Program is responsible for all technology and enforcement costs associated with operating it.

5. License and Proprietary Content

Each Data-Sharing Party licenses to each other Data-Sharing Party and to Qualified Recipients the right to copy, distribute, display, and perform the data content Data-Sharing Party contributes to the NCDS Database (“**Contributed Content**”), subject at all times to the NCDS Rules and to the terms of this Agreement. The Data-Sharing Parties do not intend by this Agreement to assign or sell any intellectual property rights in the Contributed Content. This Agreement constitutes a non-exclusive license, and each Data-Sharing Party and its Participants retain all intellectual property rights in the Contributed Content, except as expressly set out in the limited license granted under this Agreement.

6. Term and Termination

(a) **Term.** This Agreement shall continue in perpetuity, provided at least two Data-Sharing Parties remain parties to it.

(b) **Withdrawal.** Any Data-Sharing Party may withdraw from this Agreement upon sixty days notice to each other Data-Sharing Party. The party giving notice shall thereafter no longer be deemed a Data-Sharing Party or party to this Agreement (except to the extent that the provisions of Section 6(c) apply to the party). Any Data-Sharing Party that fails to make a payment for periodic cost assessments, according to the procedures set out in Section 2 of this Agreement and the budgets and payment schedules adopted pursuant to Section 2, for a period exceeding 90 days after the due date of such a payment, shall be deemed to have withdrawn from this Agreement under this Section 6(b).

(c) **Events upon Withdrawal.** Upon the withdrawal of a party, the Leadership Team shall direct the return of that party’s Contributed Content or the destruction of the Contributed Content in the NCDS Database. The remaining Data-Sharing Parties shall furnish notice of withdrawal to their respective Participants and direct them to discontinue any display of the withdrawing party’s Contributed Content (except to the extent the Participants are entitled to display the Contributed Content as a consequence of being a Participant in the withdrawing party).

(d) **No Dissolution upon Withdrawal.** Unless a withdrawal results in there being only one Data-Sharing Party remaining under this Agreement, no withdrawal by any party to this Agreement shall precipitate the termination of this Agreement,

7. Additional Parties

The Data-Sharing Parties may admit additional MLSs to this Agreement upon the recommendation of the Leadership Team and ratification by the Data-Sharing Parties. An Original Party that withdraws from this Agreement and later seeks to be readmitted to it shall be subject to the provisions of this Section. An Original Party that withdraws and is readmitted under this Section shall thereafter be an Added Party.

8. Other Provisions

(a) **Amendment.** This Agreement may be amended by recommendation of the Leadership Team, provided it is ratified according to the requirements of Section 1(b)(iii), except that any amendment of Section 1(b), 6(b), 6(c), 7, 8(a), 8(b), or 8(c) requires ratification by every Original Party.

(b) **Notice.** Notice under this Agreement shall be given by U.S. Mail and shall be effective the earlier of three days after mailing and the date received.

(c) **Contractors.** The parties to this Agreement are independent contractors. No party has the right or power to bind any other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this ____ day of _____, 2008 (the effective date of this Agreement). [Signature Page to follow]