

# **MID-HUDSON MULTIPLE LISTING SERVICE Rules and Regulations**

**July 2015**

## ARTICLE - I

### Section 1 - Definitions

As used herein:

1. “**MHMLS**” means Mid-Hudson Multiple Listing Service, LLC, herein after referred to as the Company or the Service.
2. “**MHMLS Rules & Regulations**” or “**Rules**” means all Rules, Regulations and Policies contained herein and/or located elsewhere and/or communicated to participants directly or indirectly by MHMLS.
3. “**Board**” means the Executive Committee of MHMLS.
4. “**Participants**” means the Real Estate Brokerage office which subscribe to the services provided by MHMLS.
5. “**Participant Associate**” means a duly licensed Salesperson or Associate Broker affiliated with a Participant holding their real estate license.
6. “**Listing Participant**” means the Participant in the Service having a written Exclusive Right to Sell or Exclusive Agency Agreement with a property owner.
7. “**Cooperating Participant**” means a Participant acting in concert with a Listing Participant in a transaction between a property owner and a purchaser.
8. “**Buyer Broker Participant**” means a Participant who represents a Buyer in a transaction involving MHMLS services.
9. “**Affiliate Participant**” means Real Estate Brokerage, appraisers, bank or other offices or institutions which are not engaged in the listing and sale of real estate in the area and which subscribe to data published by MHMLS.
10. “**Area**” means the geographic area serviced by the Participants of MHMLS which is defined as Dutchess County. (Westchester, Putnam, Columbia, Ulster, Greene and Orange Counties are considered secondary area of service)
11. “**Exclusive Right to Sell Listing**” (Exclusive Right to Rent Listing) means that if the owner (landlord) of the property finds a buyer (tenant), or another Broker finds a buyer (tenant), the owner must pay the agreed upon commission to the present Broker.
12. “**Exclusive Agency Listing**” (Exclusive Agency to Rent Listing) means that if the owner (landlord) finds a buyer (tenant), the owner will not have to pay a commission to the Listing Broker, however, if another Broker finds a buyer (tenant), the owner will owe a commission to the Listing Broker, who will in turn, compensate the Selling Broker.
13. “**DCAR**” the Dutchess County Association of REALTORS®

## ARTICLE - II

### Section 1 - Jurisdiction:

1. The territorial jurisdiction of MHMLS shall be the area.

## ARTICLE - III

Section 1 - Participation: Eligible to participate in MHMLS shall be any person who:

1. is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these rules, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service membership or participation unless they hold a current, valid real estate broker’s license and offer or accept compensation to and from

- other participants or are licensed by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by MHMLS is strictly limited to the activities authorized under a participant's licensure(s) unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed by or published by MHMLS where access to such information is published by MHMLS where access to such information is prohibited by law; or
2. notwithstanding those portions of the section relating to "License Real Estate Broker," any person who is engaged in the financing or appraising of real property and who may elect to receive information published periodically by MHMLS and such other material as defined by the Board.
  3. "Affiliate Participant" shall:
    - A. Agree that they will not list or sell real estate for compensation in the area.
    - B. Shall pay such services fees as determined by the Board.
    - C. Conform to all the Rules and Regulations of MHMLS.
  4. As a condition of membership participant offices located in Dutchess County are obligated to ensure each licensed salesperson and associate broker whose license they hold that are actively engaged in the listing or sale of real estate in Dutchess County are members of MHMLS. **In the event the participant broker fails to comply with this provision the broker will be fined \$200 (two hundred dollars) per month per licensed salesperson or associate broker whose license they hold that are not members of MHMLS.**

**Section 2 - Application:**

1. Each applicant for participating in MHMLS shall file an application on forms or any facsimiles prescribed by the Board.
2. Each application shall be accompanied by such initiation membership fees and annual fees as may be set by the Board.

**Section 3 - Additional Offices:**

1. In the event any Applicant or Participant has or acquires an interest as an owner, partner or stockholder, directly or indirectly, in any other Real Estate office operating under the same or any other name, in any county, within the jurisdiction of MHMLS, said Applicant or Participant shall, with respect to such branch office, be responsible for adherence to the Rules and Regulations of MHMLS.

**Section 4 - Transfer:** MHMLS participation may not be sold, assigned, or transferred, except as follows:

1. In the event of the death of a Participant, participation in the Service may be continued by a member of such Participant's immediate family, and the Service will continue uninterrupted, provided that such member of the family or legal counsel otherwise qualifies for participation pursuant to the Article III.
2. In the event that the deceased Participant is an officer of a corporation or a partner in a partnership, the remaining officers or partner(s) shall be deemed to be the participant in MHMLS. The initiation fee shall be waived and service will not be interrupted.
3. When a Participant owning fifty (50%) percent or more of a corporation or partnership disassociates himself from the corporation or partnership, the separating shareholder or officer who otherwise qualifies for participation under Article III may become a Participant in MHMLS upon the payment of the initial fee and annual service charge then prescribed by the Board. Service shall be continued to the existing entity for thirty (30) days after such disassociation and thereafter terminate, unless remaining shareholder(s) or partner(s) elect(s) to become a Participant.
4. A Participant shall, within ten (10) days of the date of any transfer or other change of ownership of said Participant, proprietorship, partnership, or corporation, notify MHMLS in writing of such transfer or change of ownership.

**Section 5 - Right and Duties of Participants:** All Participants in MHMLS shall:

4. File with MHMLS all information about properties, located within the 'Area,' received from owners who have entered into the Exclusive Right or Exclusive Agency agreements with such Participant, except when a waiver has been signed by the owner and registered with the Participant.
2. Receive from MHMLS all listing information about properties listed by owners with Participant for distribution among the Participants of MHMLS.
3. Treat listing and other information sent to such Participant by MHMLS as confidential information.
4. Receive all bulletins and information as is given to all other participants in accordance with the Rules and Regulations of the service.
5. Maintain and utilize all information disseminated by MHMLS solely and exclusively for the use of the Participant and Participant's staff in the sale of real estate and not disseminated or otherwise communicate any information relating to the listing of any Listing Participant to any person, firm or corporation other than prospective purchases of the property so listed, without the express written consent of the Listing Participant.
6. The foregoing rights, duties and obligations shall apply to each and every person whether the same be an individual or other legal entity that has any interest direct or indirect with the participant or is anyway associated with the participant; it being the intention of MHMLS that no person engaged in the sales or listing of property shall be permitted to take advantage of the services of MHMLS without abiding by these Rules and Regulations as if said person was an actual participant.

**Section 6 - Responsibility for Acts of Associates:**

1. Participants are responsible for the acts of their salespersons and/or associate brokers as though such Participant performed them.
2. Such associates shall not take any exclusive listing of eligible property in the associates own name but only in the name of the Participant.
3. In the event that a Licensed Real Estate Broker acts a salesperson, or has a desk in a Participant's office or is a member of a participant but operates under a separate business name, such broker shall be considered as a salesperson for the purpose of these Rules and Regulations. They shall apply to such licensed Real Estate Broker equally as they would to a salesperson associated with the Participant.
4. The Participant shall be responsible to MHMLS for the acts of such Licensed Real Estate Broker and for any violations on their part of these Rules and Regulations.

**Section 7 - Responsibility for Acts of Associated Offices:**

1. In the event a Participant has an interest in any Real Estate Brokerage office of the business outside the designated geographic area operating under a name similar or different from that of the Participating office, it shall be responsibility of the said Participant to assure that such office or business does not take any exclusive listing of property eligible for multiple listing in the designated geographic area nor offers for any property listed through MHMLS except as provided by these Rules and Regulations.
2. Any violations of these Rules and Regulations by the office or business outside of the designated geographic area shall be considered a violation by the Participant.

**Section 8 - Disputes:**

1. Each Participant shall agree to abide by the decision of the Board.
2. In the event that a dispute arises from the interpretation of these Rules and Regulations, or any addition or amendment hereafter adopted in connection with same, arising out of the use of the Service of MHMLS or such person's participation herein, such decision of the Board shall be binding.
3. In the event that any and all dispute arises between Participants other than Article III, Section 8, Number 2, shall be heard by the DCAR Professional Standards Committee, in accordance with their procedures and shall be binding.

**ARTICLE IV - RESPONSIBILITY OF BOARD AND COMMITTEES**

**Section 1 - Supervision:**

MHMLS shall be under the direction and supervision of the 'Board' of MHMLS.

**Section 2 - Designation of Committees:**

1. The Board shall designate committees to coordinate the various functions of MHMLS.
2. Members of the committees shall be appointed by the Board Chair, with the advice and consent of the Board.

**ARTICLE V - SEVERANCE, DISPUTES, TERMINATION, LEAVE OF ABSENCE, SUSPENSION**

**Section 1 - Severance:**

1. Participants of MHMLS who withdraw from participation shall abide by the Rules and Regulations of MHMLS, pertaining to listings in their possession at the time of the resignation and shall pay any assessments that may be due to or accrued up to the effective date of resignation.

**Section 2 - Disputes:**

1. Any disputes which arise during a Participant's term as a Participant or concerning the listing information which such Participant received during the said term and which involves the interpretation of these Rules and Regulations may be made in accordance with Article III, Section 8 hereof.

**Section 3 - Termination:**

1. When a Participant whose services have been terminated wishes to have such services restored, the request shall be brought to the attention of the Board of MHMLS.
2. The Board of MHMLS shall determine the reinstatement fee.

**Section 4 - Discontinuance of Business or Retirement:**

1. A Participant whose office is relocated out of the area and who does not elect to continue his participation, or who retires or goes out of the real estate business (even though retaining a Brokers License) shall be deemed to have given written notice of retirement or resignation to MHMLS.

**Section 5 - Leave of Absence:**

1. A Participant may receive a Leave of Absence for good and compelling reason which shall not include financial hardship or difficulties upon written request to the Board, and subject to approval of the Board, provided:
  - A. It be for a period of not less than six (6) months and not more than two (2) years; and
  - B. All financial obligations to MHMLS are paid in full, including any pro-rated adjustments; and

- C. Said Participant agrees to waive all rights to participate in any of the activities and benefits of MHMLS; and
- D. Said Participant returns all materials that are supplied by the Service.

**Section 6 - Suspension:**

1. A Participant may be suspended from participation in MHMLS by the Board and after due notice is given, a hearing is conducted and good cause is demonstrated.
2. A Participant may be suspended upon the failure to pay any sum due to MHMLS, within thirty (30) days of the due date thereof unless an extension of such due date is granted by the Board.

**ARTICLE VI - HEARING COMMITTEE**

*(Section Removed July 2015)*

**ARTICLE VII - LISTING PROCEDURES**

**Section 1 - Procedure: (Non Compliance Penalty \$20 per day)**

1. Listing of properties for dissemination through MHMLS shall be taken by Participants on an Exclusive Right to Sell or Exclusive Agency or Exclusive Right to Rent or Exclusive Agency Right to Rent basis.
2. All such listings of properties within Dutchess County must be so submitted to MHMLS for dissemination.
3. All such listings of properties outside of Dutchess County may be submitted to MHMLS for dissemination.
4. Only properties taken on an “exclusive” basis shall qualify for dissemination through the Service.
5. No provision of these Rules and Regulations shall be construed to require that any Participant take only “Exclusive Right to Sell or Rent” Listings. The type of listing agreement shall be freely negotiable between the Listing Participant and his principal.
6. Types of Listings are any and all real property, or interest therein for sale, or exchange, including but not limited to:
  - A. Residential
  - B. Commercial
  - C. Industrial
  - D. Land
  - E. Multi-family
  - F. Resale Cooperative
  - G. Resale Condominium
  - H. Rentals
  - I. Mobile Home with or without Land
  - J. Business

**Section 2 - Protect Interest: (Non Compliance Penalty \$20 per day)**

1. MHMLS reserves the right to refuse to accept a listing contract which fails to protect adequately the interest of the public and Participants.
2. The "Contract" shall be submitted by the Listing Participant, accurately and completely on forms as approved and amended from time to time by the Board.
3. Data must be entered into the computer system within twenty four (24) hours of its effective date.
4. Listing Contract shall be uploaded electronically in a PDF file format to the MHMLS system at the time of listing entry. A listing will not be added to the database for publication without the Listing Contract being uploaded.

**Section 3 - Must Submit:**

1. Participant must submit to MHMLS all Exclusive Right or Exclusive Agency Listings of properties located in Dutchess County taken by an office in which the participant has an interest or taken by any office or associate broker which has an interest direct or indirect with the participant
2. Exception to submission is if a Participant has a written waiver, signed by the owners of the property that they do not want their property listed in MHMLS which must be submitted to MHMLS within twenty four (24) hours.

**Section 4 - Listed/Sold Separately:**

1. All properties which are to be sold separately must be listed separately.
2. When part of a listed property has been sold, the remainder of the property shall be relisted and notice of such partial sale shall be give to MHMLS.

**Section 5 - Rate of Commission:**

1. THE RATE OR AMOUNT OF COMMISSION CHARGED FOR THE SALE, LEASE, APPRAISAL OR MANAGEMENT OF REAL ESTATE SHALL BE NEGOTIATED BETWEEN EACH PARTICIPANT AND HIS CLIENT.
2. Every Listing Contract filed with MHMLS, shall include the percentage rate of commission or dollar amount of same the Seller has agreed to pay in connection with the sale of the property.
3. Alternatively, the Listing Participant may elect to set forth the dollar amount or percentage of the ultimate sales price which the Selling Participant will become entitled to upon consummation of the sale.
4. Net Listings are not legal in the State of New York and therefore, are not acceptable.
5. The listing must reflect the compensation to be paid to the Selling Participant unless the Listing Participant notifies the Selling Participant prior to the showing of property that a different offer of compensation will apply.

**Section 6 - Restrictions and Limitation: (Non Compliance Penalty \$100)**

1. All restrictions, all limitations and all contingencies placed on a Listing Contract by the owner and/or Listing Participant shall be set forth on the face of the listing distributed to Participants.
2. Conditional listings will not be disseminated to the Participants unless such conditional listing relates to the ability of the property owner to transfer the property to a third party corporation or Relocation Company in which case such condition shall not preclude the dissemination of the listings.

**Section 7 - Solicit:**

1. It shall be deemed a violation of the Rules and Regulations of MHMLS for a Participant to solicit actively an Exclusive Listing of another Participant.

**Section 8 - Changes:**

1. All changes, modifications and amendments to any Exclusive Listing Contract must be in writing, signed by the Seller(s), when required, and filed with MHMLS within twenty-four (24) hours after such change, modification or amendment is so made by the Seller(s).

**Section 9 - Obligation of Listing Participant:**

1. It is the obligation of the Listing Participant to protect the Selling Participant's rights, and it is the further obligation of the Listing participant to assist the Selling Participant, in accordance with the Participant's obligations to the homeowner.

**Section 10 - Listing Violations:**

1. The ability of each Participant to serve a specific Seller may vary; therefore the fees charged by each Participant will vary from office to office.
2. Accordingly, Participants should refrain from stating or implying to any person that there is no difference to the owner as to which Participant is given the listing.
3. To do so shall be deemed to be a violation of these Rules and Regulations.

**Section 11 - Ownership of Listings:**

1. A listing taken and submitted to MHMLS remains the property of the Listing Participant.

**Section 12 - Extensions:**

1. Any listing filed with MHMLS automatically expires unless a notice of renewal or extension is signed by the property owner(s) and is submitted to MHMLS.
2. No listing of or extension of an existing listing shall be solicited by a Participant other than the Listing Participant until the expiration of the listing.

**Section 13 - Deal Not Executed: (Non Compliance Penalty \$20 per day)**

1. In the event a Offer to Purchase or Contract of Sale is entered into, but for some reason thereafter the sale is not consummated, the Selling Participant, acting in the capacity of cooperating agent with the Listing Participant, shall be obligated to notify immediately the Listing Participant and the listing Participant shall immediately notify MHMLS that the sale was not consummated.

**Section 14 - Withdrawals:**

1. Listed properties may be withdrawn or released from MHMLS before the expiration date of the Listing Agreement only by the Listing Participant, provided notice is filed with MHMLS together with a copy of said agreement.
2. A "Withdrawal" is a form, or any facsimile thereof, signed by the owner and the Listing Participant, whereby the owner(s) state(s) that the property is no longer for sale and which form sets forth any other relevant terms of such withdrawal.
3. The "Conditional Release" is a release of the homeowner conditioned on a specified time, and any other conditions that the homeowner agrees to. The Listing Participant is not protected after the date of the condition.
4. The "Unconditional Release" is executed on a Status Form signed by the property owner and broker unconditionally releasing the homeowner and broker from the Listing Contract. The Listing Participant is not protected by this release.
5. All Conditional and Unconditional releases must be submitted to MHMLS.



**Section 15 - Listing Agreement: (Non Compliance Penalty \$20 per day)**

1. When a Listing Contract has been filed with MHMLS, any agreement entered into with the homeowner that in any way affects such contract must likewise be filed with MHMLS within twenty-four (24) hours after making of same.

**Section 16 - Participant's Signature:**

1. A Listing Contract submitted to MHMLS by a Participant shall be signed by the Listing Participant or duly authorized agent within such Listing Participants office.
2. It is expressly understood that MHMLS assumes no responsibility for verification of the signatures reflected on any Listing contract submitted by any Participant and each Participant assumes sole and exclusive responsibility for the validity of all such signatures.

**Section 17 - Participant as Principal:**

1. If a Participant acts as a principal in listing or buying property which has been submitted for distribution by the Service, he shall make known his interest and shall be on the same basis as if he was acting as an agent.

**Section 18 - Listed in Another MLS:**

1. If a Participant submits a listing which has also been submitted to another Multiple Listing Service, the Participant shall indicate same at listing entry.

**Section 19 - Starting and Termination Date:**

1. Listing submitted to MHMLS shall bear a definite starting and final termination date as negotiated between the Listing participant and the Property owner.
2. Nothing herein contained shall be construed to recommend, suggest or require any minimum time period in any Exclusive Agreement.
3. Such time period shall be freely negotiable between the Listing Participant and the property owner.

**Section 20 - Hold Harmless:**

1. Each Participant agrees to be solely and exclusively responsible for the information set forth on the listing submitted for dissemination to the Participants of MHMLS.
2. Each Participant agrees to indemnify and hold harmless MHMLS from any and all liability arising out of the inclusion of inaccurate or inadequate data in the listing data forms.

**ARTICLE VIII - SELLING PROCEDURES**

**Section 1 - Negotiations:**

1. Negotiations with the Seller for the showing and/or the purchase of listed property filed with MHMLS shall be conducted through either the Listing Participant or the Selling Participant, as specified by the owner on the Listing Contract.
2. In the event that the Listing Participant is designated to negotiate on behalf of the Seller, the Selling Participant shall conduct negotiations directly with the Seller only under the following circumstances:
  - A. The Listing Participant gives the Selling Participant specific authority to negotiate directly; or
  - B. In cases where the Selling Participant has made a reasonable effort to contact the Listing Participant, and has been unable to do so, they may contact the seller directly, and with the

seller's permission, conduct negotiations. (A reasonable time is a minimum of twenty-four (24) hours.)

**Section 2 - Obligation of the Cooperating Participant:**

1. In the event that the owner of the listed property grants the Cooperating Participants the right to negotiate directly, such Cooperating Participant who has obtained an offer on a Multiple Listing shall notify the Listing Participant's office prior to presenting such offer to the Seller(s) to ascertain whether or not there is an accepted offer on the property.

**Section 3 - Presenting Offer:**

1. The Listing Participant must make arrangements to present an offer as soon as possible or must give the Cooperating Participant a satisfactory reason for not doing so.
2. The Cooperating Participant may accompany the Listing Participant in presenting all offers with the permission of the seller.

**Section 4 - Submitting Offers:**

1. The Listing Participant shall submit to the Seller all offers until so instructed to do otherwise by the Seller.

**Section 5 - Negotiating Participant: (Non Compliance Penalty \$5 per day)**

1. The Negotiating Participant shall notify the other participant (Listing or Cooperating, as the case may be) within twenty-four (24) hours of an acceptance of an offer.
2. "Acceptance of an Offer" shall be defined as the acknowledgment by the Seller(s) either that:
  - A. A written offer to purchase is accepted; or
  - B. A verbal offer has been accepted and that the Listing Participant shall not further show the property pending execution of formal contracts.
  - C. In the event such written acknowledgment is not obtained by the Listing Participant from the seller, the Listing Participant shall not be permitted to withhold the showing by any Cooperating Participant.
3. If the Seller has accepted an offer either verbally or in writing and nevertheless wishes the property to be continued to be shown pending the execution of formal contracts, it shall be the duty of the Listing Participant to:
  - A. Report the listing status as 'Continue Showing'.
  - B. Continue to show the property for purposes of obtaining additional offers; and
  - C. Inform each Cooperating Participant prior to a showing that the property is the subject of an accepted offer and that the Seller has requested continued showing.
4. The Listing Participant shall report in writing the acceptance of an offer to MHMLS by the next business day.

**Section 6 - Contract Signed: (Non Compliance Penalty \$5 per day)**

1. Contracts signed by all parties shall be reported within twenty-four (24) hours to MHMLS by the Listing Participant.

**Section 7 - Closings:**

1. The closing of a transaction shall be reported by the Listing Participant to MHMLS within twenty four (24) hours or the next business day, whichever is the latter of the time of the closing. **(Non Compliance Penalty \$20 per day)**

## **ARTICLE IX - PROHIBITIONS**

### **Section 1 - Available to non-Participants: (Non Compliance Penalty \$500 and/or suspension or expulsion from MHMLS)**

1. A Participant shall not make available to a non-participant any listing other than the participant's own listing, disseminated by MHMLS without the express consent of the Listing Participant.

### **Section 2 - For Sale Sign:**

1. No "For Sale" sign may be placed on a property, the listing of which has been submitted for distribution by MHMLS except with the express consent of the owner(s) of the property.

### **Section 3 - Sold Sign:**

1. No "Sold" sign may be placed on a property, the listing of which has been submitted for distribution by MHMLS except with the consent of the owner(s) of the property.

### **Section 4 - Solicitation: (Non Compliance Penalty \$500)**

1. No solicitation of any kind shall be made for listing a property that has been distributed by the Service, by other than the Listing Broker until the listing has expired.

### **Section 5 - Registered Mark:**

1. The Company shall have the right to designate the form, color, lay-out, etc. of the Registered Mark of MHMLS, in connection with the use of such mark by any Participant in the Service.
2. No sign on a property that is not listed with the Service may include the logo of MHMLS, or the words Mid-Hudson Multiple Listing Service, LLC.

### **Section 6 - Advertise:**

1. No Participant shall advertise any listing disseminated through MHMLS using the verbiage "Ours Exclusively" or "Exclusively Ours" in such advertising.

## **ARTICLE X - DIVISION OF FEE'S**

### **Section 1 - MHMLS Fee:**

1. The commission shall be divided between the Listing and Cooperating Participants according to the specified division of commission pursuant to Article X, Section 2.

### **Section 2 - Division of Commission:**

1. The Listing Participant with the permission of their client, shall establish the division of commissions, and shall reflect same on the listing contract and data forms submitted to MHMLS for dissemination.
2. MHMLS does not recommend or suggest any specific division of commissions between Participants.
3. On Listings sold by non-participants, commissions shall be divided in the discretion of the Listing Participant.

**Section 3 - Outside Dutchess County:**

1. Participants may enter any Exclusive Right and Exclusive Agency listings outside Dutchess County.

**Section 4 - Deposit Moneys:**

1. In the event a sale is not completed, any portion of a deposit legally retained by the Listing and/or Selling Broker as commission shall be divided in accordance with provisions of Article X, Section 1.

**Section 5 - Escrowing of Commission:**

1. Upon the escrowing of commission or any portion thereof due on sale of property that had been submitted for distribution by the Service, the Listing Participant shall give instructions to the Escrow Agent for division of said commissions in Accordance with Article X Sections 1 and 2.

**Section 6 - Collecting Participant:**

1. In the event the commission is placed in escrow, the Listing Participant must distribute all moneys due within seventy-two (72) hours after bank collection of the commission by the Listing Broker.
2. In the event that a participant fails to comply with the requirement to distribute all moneys due within such seventy-two (72) hour period, the Broker retaining said commission shall be required to pay MHMLS an Additional Service Charge of Twenty (\$20) Dollars for each day in which the commission has not been distributed after the seventy-two (72) hour period has elapsed following the bank collection of the commission.

**ARTICLE XI - LOCKBOXES AND TITLE KEYS**

1. MHMLS does not participate in a Lock Box or Lock Box Key program. Lock boxes used by Participants and/or Participating Affiliates are at their own discretion and risk with the approval of the property owner.

**ARTICLE XII - ADDITIONAL SERVICE FEES**

**Section 1 - Charged to Participant:**

1. The expense and cost of operating MHMLS shall be borne by fees charged to Participants in the manner and amount prescribed from time to time by the Board.

**Section 2 - Membership Fee:**

1. There shall be a membership fee.
2. The amount shall be determined from time to time by the Board.

**Section 3 - Fees Charged for Violation of Rules and Regulations:**

1. In addition to all other fees charged by MHMLS to the Participants and for the purpose of assuring strict adherence by the Participants to these Rules and Regulations, the following fees shall be payable by a Participant after review by and upon the recommendation of the Board:

- A. In the event a Participant fails to comply Article VII of the Rules and Regulations the Participant shall be required to pay to the MHMLS the following amount:
    - Section 1 (*Procedures*) a fee in the amount of Twenty (\$20) Dollars for each day after Twenty-four (24) hours the property was listed.
    - Section 2 (*Protect Interest*) a fee in the amount of twenty (\$20) Dollars for each day of lateness after the expiration of the seventy-two (72) hour period.
    - Section 6 (*Restrictions and Limitation*) a fee in the amount of One hundred (\$100) Dollars.
    - Section 13 (*Deal Not Executed*) a fee in the amount of twenty (\$20) Dollars for each day of lateness after twenty-four (24) hours.
    - Section 15 (*Listing Agreement*) a fee in the amount of twenty (\$20) Dollars for each day of lateness after the seventy-two (72) hour period.
  
  - B. In the event a Participant fails to comply with Article VIII of the Rules and Regulations, The Participant shall be required to pay to MHMLS the following amount:
    - Section 5 (*Negotiating Participant*) a fee in the amount of five (\$5) Dollars for each day following the twenty-four (24) hour period after the acceptance of the offer.
    - Section 6 (*Contract Signed*) a fee in the amount of five (\$5) Dollars for each day following the Twenty-four (24) hour period after fully executed contracts.
    - Section 7.1 (*Closings*) a fee in the amount of Twenty (\$20) Dollars for each day following the Twenty-four (24) hour after the closing.
  
  - C. In the event a Participant fails to comply with Article IX of the Rules and Regulations, the Participant shall be required to pay MHMLS the following amount:
    - Section 1 (*Available to non-Participant*) a additional fee in the amount of Five Hundred (\$500) Dollars and/or shall be suspended or expelled from the Service, or both at the discretion of the Board.
    - Section 4 (*Solicitation*) a additional fee in the amount of Five Hundred (\$500) Dollars shall be paid to the Service.
2. In the event that a violation of any other Article or Section of these Rules and Regulations occur the Board may establish an Additional Service Fee from One (\$1.00) Dollar up to an aggregate of One Thousand (\$1,000) Dollars for each such violation which service fee shall be determined in sole and absolute discretion of the Board.