

Draft Rules

North Carolina Data Share¹

Revised February 11, 2008

Section 1. Definitions.

(a) **“North Carolina Data Share”** (or **“NCDS”**) is a collaborative service of a group of multiple listing services each predominantly conducting its business in North Carolina and each referred to here as an **“NCDS MLS,”** to offer **IDX**, as defined below, in North Carolina and adjacent states.

(b) **“IDX,”** or Internet Data Exchange, is a tool that allows **MLS Participants**, as defined below, to display the listings of other **MLS Participants** on their respective web sites. Under an **IDX** policy, brokers exchange consent to display each other’s listings on the Internet. **IDX** refers strictly to brokers displaying other brokers’ listings with express permission.

(c) **“NCDS Participant”** is an authorized Participant of any **NCDS MLS** that permits the display of its listings on web sites of other **MLS Participants** in **NCDS MLSs** subject to these Rules. An **NCDS Participant** is identified as the authorized firm, i.e., the entity, regardless of whether the Participant of an individual **MLS** is identified as a firm or an individual.

(d) **“NCDS Database”** is the current aggregate compilation of all active listings of all **NCDS Participants**, except those listings where the seller or listing broker has opted out of Internet publication by so indicating on the listing contract or otherwise in the **MLS** system. Display of active listings is subject to any applicable state law. (For example, North Carolina law presently requires disclosure of the existence of a contingent purchase agreement on an active listing.) Any **NCDS MLS** in which any office of an **NCDS Participant** holds participatory rights may demand a copy of the listing agreement or the seller’s written instruction to withhold the listing from **NCDS**, which the Participant must provide within three business days.

(e) **“Subscribers”** with regard to a given Participant, are those non-principal brokers or licensees affiliated with an **NCDS Participant’s** office.

Section 2. Participation Presumed. Each **NCDS MLS** will presume that each Participant in it is an **NCDS Participant** unless the Participant informs the **MLS** to the contrary in writing or via electronic means provided by the **MLS**.

¹ Note that this working name is not intended as the name that the program will have upon launch. It is anticipated that the official project name and abbreviation would replace **“North Carolina Data Share”** and **“NCDS”** in the final documents.

Section 3. Publication Permitted. An NCDS Participant may republish all or a portion of the NCDS Database on the Internet, in accordance with the provisions of these Rules and in keeping with any policies that the NCDS MLS may adopt from time to time. Unless expressly contravened by the provisions of these Rules, all other MLS rules and regulations remain in full force and effect. Use of the NCDS Database is subject to these Rules, to the Code of Ethics of the National Association of REALTORS[®], to the extent it regulates the display of other brokers' listings on web sites and to applicable state laws of North Carolina and other states to the extent the same may apply.

Section 4. Eligibility to Display NCDS Database. In order to display listings of other NCDS Participants, a Participant must be engaged in real estate brokerage and must be and at all times remain compliant with all applicable rules and regulations of any applicable regulatory body, including, but not limited to, the rules and regulations of the North Carolina Real Estate Commission. A Participant will be deemed to be engaged in real estate brokerage if it maintains an office or Internet presence from which the Participant and its Subscribers are available to represent real estate sellers or buyers (or both).

Section 5. Required and Prohibited Fields and Records. An Internet republication of another NCDS Participant's listing must contain those fields defined as required for NCDS displays, and may not contain fields of data identified as prohibited for NCDS displays. Currently, the required fields are listing office name, listing number, and status. Currently, the prohibited fields are all those fields not included in the data feed the NCDS MLSs provide to the NCDS Participant. NCDS MLSs may amend the lists of required and prohibited fields subject to the terms of the agreement among them establishing the NCDS.

Section 6. NCDS Participant Need Not Display All Listings. An NCDS Participant may exclude the listings of other NCDS Participants from display on its NCDS web site only based on objective criteria including, but not limited to, geography, list price or type of property. If an NCDS Participant displays less than all the records in the NCDS Database, the NCDS Participant's web site must include a disclosure to consumers stating, "Some NCDS listings have been excluded from this web site."

Section 7. Displays.

(a) A display of another NCDS Participant's listing(s) may not include, in the body of the listing, any contact information or branding of the NCDS Participant who owns the web site, any of its Subscribers, or any third party. The body of the listing is defined as a rectangular space the borders of which are delimited by the utmost extent in each direction of the listing text and photo data.

(b) Every display of another Participant's listing must bear the approved NCDS icon, if any, immediately adjacent to the property information. Every display of another Participant's listing must bear the listing broker Participant's name. Each of these required items must be reasonably visible and legible to a site visitor, e.g., no tiny text or gray text on gray background. Text must appear in a type size equal to the median size used for listing data on the page.

(c) No display of another Participant's listing may include the listings or property addresses of sellers who have chosen to withhold their listings or addresses from display on the Internet. Notwithstanding this prohibition, listing brokers may display on their own sites the listings and property addresses of consenting sellers.

(d) NCDS Participants are advised to review North Carolina Real Estate Commission articles and rules on advertising to ensure compliance with state law.

Section 8. Modification of Listings. An NCDS Participant may not modify or manipulate the data relating to another NCDS Participant's listing. (This is not a limitation on the design of the site but refers to the actual data.)

Section 9. Disclosure/Disclaimer Required. Any web page display, including another Participant's listing must display the following disclosure/disclaimer: "The data relating to real estate on this web site derive in part from the North Carolina Data Share program. Brokers make an effort to deliver accurate information, but buyers should independently verify any information on which they will rely in a transaction. All properties are subject to prior sale, change, or withdrawal. Neither [name of web site owner] nor any listing broker shall be responsible for any typographical errors, misinformation, or misprints, and they shall be held totally harmless from any damages arising from reliance upon this data. This data is provided exclusively for consumers' personal, non-commercial use and may not be used for any purpose other than to identify prospective properties they may be interested in purchasing. © 200_ North Carolina Data Share and its constituent Multiple Listing Services"

Section 10. Additional Functions and Content. An NCDS Participant may, subject to the requirements of the Rules, display generic links or "buttons" (such as "Map" or "Tax Info") on listings of other NCDS Participants. If the NCDS Participant displays data from other sources, such as property tax records, sales histories from public records, etc., that data must be segregated on the page from the other NCDS Participants' listings and its source clearly identified.

Section 11. Participant Control and Branding.

(a) Any web site that displays any portion of the NCDS Database must be under the actual and apparent control of a single Participant who is an NCDS Participant and must be advertised as that NCDS Participant's web site. Actual control means that the NCDS Participant has either built the web site for its own use with internal resources or obtained technology for the web site under an agreement with a third party that provides the NCDS Participant final control over the operations of the web site. Apparent control means that a reasonable consumer viewing the web site would conclude that it is under the control of the NCDS Participant. The following are currently deemed to be evidence of apparent control: that the NCDS Participant's branding is more prominent than that of any other entity and that the domain name and branding on the web site distinguish the NCDS Participant from non-participating firms, e.g., from other franchisees of the same franchise, if applicable.

(b) The NCDS Participant shall include brokerage branding on any page of its web site displaying any portion of the NCDS Database or where visitors may initiate a search that may display any portion of the NCDS Database, including pages framed by a Subscriber's web site. The NCDS Participant's branding shall appear at the top of the page and shall consist, at a minimum, of the brokerage firm's full name with all text displayed in such a manner as to clearly communicate that the brokerage is the source of the data, and with a hyperlink from the brokerage's name or logo to the brokerage firm's home page. The display will be as clearly legible as the listing data on the same page. Brokerage firm name here means the full name of the firm as registered with each NCDS MLS in which the firm participates (e.g., "Century 21" or

“RE/MAX” is not enough; it must include the entire firm name). The REALTOR® Code of Ethics may require further information, such as state of licensure.

Section 12. Limited Use Statement; End-User Licensing Agreement. Before displaying any of the NCDS Database, the NCDS Participant’s web site must alert the consumer that use of the NCDS data is subject to an End-User License Agreement in the form prescribed by the NCDS MLSs, if any. This requirement shall be deemed satisfied if the “search” button or other button the consumer clicks to activate a search is immediately adjacent to a link that legibly states, “Use of this site is subject to a License Agreement to which you agree by performing a search” that links to the entire End-User License Agreement NCDS MLSs have adopted, if any.

Section 13. Co-Mingling. Except as permitted by these Rules or by the Data Share Agreement between the NCDS MLS’s, the NCDS Participant’s web site may not co-mingle the NCDS Database with listing data content from other sources and any other listing content must be accessed via a separate search on other pages of the Participant’s web site. “Co-mingling” is the ability for a visitor to the web site to execute a single search that searches any portion of the NCDS Database at the same time it searches listing data from any other source or the display on a single web page of any portion of the NCDS Database and listing data from any other source. The foregoing notwithstanding, the NCDS Participant’s web site may co-mingle the NCDS Database with listings from other multiple listing services, even if those multiple listing services are not part of the NCDS service.

Section 14. Frequency of Updates. An NCDS Participant must update the NCDS information on its Internet web site no less frequently than every 72 hours. The NCDS Participant’s NCDS web site must indicate the date of the last update of data.

Section 15. Subscriber Sites. All Subscribers’ web sites displaying NCDS listings are subject to the NCDS Participant’s control. Subscribers’ web sites may display NCDS listings only subject to an agreement prescribed by the NCDS MLSs among the NCDS Participant, the Subscriber, the NCDS web site vendor, and an NCDS MLS in which NCDS Participant participates and all such displays are subject to these Rules including, without limitation, Rules applicable to Participant control and branding. NCDS Participants may operate multiple web sites displaying the NCDS Database, each of which meets the requirements of these Rules applicable to Participant control and branding, but which give the appearance of being web sites jointly branded by the NCDS Participant and one or more of its Subscribers.

Section 16. Avoid Scraping of Data. An NCDS Participant displaying the NCDS Database or any portion of it must make reasonable efforts to avoid “scraping” of all or any portion of the NCDS Database or displaying of that data on any other web site. Reasonable efforts include monitoring the web site for signs that a third party is scraping such data. The NCDS Participant shall employ appropriate security protection such as firewalls and the NCDS MLSs may adopt policies regarding appropriate measures to guard against scraping upon reasonable notice to all NCDS Participants. The NCDS Participant shall maintain, for a period of six months, an audit trail of consumer activity on the Participant’s NCDS site and make that information available to any NCDS MLS that requests it with reason to believe that the Participant’s NCDS site has caused or permitted a breach in the security of the data or a violation of Rules related to use by consumers. “Scraping” refers to the collection of data from a Participant’s NCDS site by automated means by any other person or entity, e.g., by operation of a “script” or “spider” that repeatedly visits the NCDS site, running structured queries allowing the party operating the script to gather and aggregate listing data content from the NCDS site.

Section 17. Suspicious Activity Reported. If an NCDS Participant suspects “scraping” of all or any of the NCDS Database or suspects that any other wrongful activity has occurred, the NCDS Participant must report the suspicion and any evidence to the NCDS MLS(s) in which it participates immediately for investigation and action.

Section 18. Third Party Contractors. Any NCDS Participant using a third party to develop or design its web site must have a written agreement with such third party and an NCDS MLS from which the Participant obtains participatory rights in any form that may be prescribed by the NCDS MLSs.

Section 19. Intent to Establish NCDS Site. An NCDS Participant must notify the NCDS MLS(s) in which it participates of its establishment of an NCDS site at or before the time the site becomes available to the public; an NCDS Participant may make its site available to its MLS for review, and the MLS may review the site if resources permit, in advance of it being made available to the public. Each NCDS Participant must make its site directly accessible to each NCDS MLS for purposes of monitoring/ensuring compliance with applicable rules and policies. The NCDS Participant must inform the NCDS MLS(s) in which it participates of the site’s domain name by providing each url of each search page on which this data appears on the Internet, and any subsequent changes to the url.

Section 20. No Disclosure. No NCDS Participant shall use any portion of the NCDS Database or provide it to a third party for any purpose other than as expressly provided for in these Rules.

Section 21. Compliance with Rules. An NCDS Participant must make changes to an Internet site necessary to cure a violation of these Rules within five business days of written notice from any MLS in which the NCDS Participant holds participatory rights, or from a panel of the NCDS MLSs, of the violation. If the violation continues after five business days, the NCDS MLS from which the NCDS Participant obtains the NCDS Database may terminate the data feed. If the violation continues after ten business days, the NCDS MLS must terminate the NCDS Participant’s data feed. In the event an NCDS MLS from which an NCDS Participant does not obtain participatory rights alleges (a) that Participant has violated the NDCS rules, and (b) no NCDS MLS from which the Participant obtains participatory rights has taken action to remedy the rule violation, that MLS may seek review of the Participant’s conduct before an NCDS review panel according to any procedure provided for by the NCDS MLSs. Each NCDS Participant consents to the disclosure among all NCDS MLSs of the existence and status of any disciplinary action against it under these Rules.

Section 22. Costs Paid by Participant. Costs incurred by any NCDS MLS in providing the NCDS Database and other NCDS services to a Participant, its Subscribers, or its vendor, may be assessed by the NCDS MLS to the NCDS Participant. Each NCDS MLS establishes the fees it charges, if any, for NCDS services in its sole discretion upon notice to NCDS Participants.

Section 23. No Other Participatory Rights Granted. No Participant of an NCDS MLS obtains participatory rights in any other NCDS MLS by virtue of being an NCDS Participant, except as expressly set forth in these rules regulating the use of listing data under the NCDS service. A Participant may receive offers of compensation made by other brokers only through those MLSs in which the Participant has participatory rights.

NORTH CAROLINA DATA SHARE AGREEMENT¹

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.

¹ If the AE working group selects a final project name before adoption of this Agreement, references to North Carolina Data Share and NCDS will be replaced with the appropriate names.

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 Confered.

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.

[Signature Page to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this ____ day of _____, 2008
(the effective date of this Agreement).

Authorized Signature	Authorized Signature
Signer's name	Signer's name
Signer's Title	Signer's Title
Association or MLS	Association or MLS
Date	Date
Authorized Signature	Authorized Signature
Signer's name	Signer's name
Signer's Title	Signer's Title
Association or MLS	Association or MLS
Date	Date
Authorized Signature	Authorized Signature
Signer's name	Signer's name
Signer's Title	Signer's Title
Association or MLS	Association or MLS
Date	Date

Authorized Signature	Authorized Signature
Signer's name	Signer's name
Signer's Title	Signer's Title
Association or MLS	Association or MLS
Date	Date
Authorized Signature	Authorized Signature
Signer's name	Signer's name
Signer's Title	Signer's Title
Association or MLS	Association or MLS
Date	Date

NCDS budget - DRAFT

2007-2010

February 8, 2008

	YEAR		
	2007-08	2009	2010
Initial/startup expenses			
Consulting fees			
Already paid/committed*	38,000		
Marketing consultant - project service mark selection	10,000		
Graphic design for brochure/materials	3,000		
Legal fees			
Develop NCDS/IDX participant access agreement	750		
Negotiate & draft contract with technology partner	3,000		
Technology partner setup/development fees**	53,000		
Sub-total: anticipated expenses	107,750	-	-
Contingency (percentage of anticipated expenses)***	10,775	-	-
TOTAL initial/startup expenses	\$ 118,525	\$ -	\$ -
Ongoing expenses			
Technology partner hosting/maintenance fees**	84,000	86,520	89,116
Legal fees	3,000	5,000	5,000
Promotional costs (receptions for neighbor MLSs, etc.)	2,000	2,000	2,000
Sub-total: anticipated expenses	89,000	93,520	96,116
Contingency (percentage of anticipated expenses)***	8,900	9,352	9,612
TOTAL ongoing expenses	\$ 97,900	\$ 102,872	\$ 105,727
TOTAL OF ALL INITIAL AND ONGOING COSTS PER YEAR****	\$ 216,425	\$ 102,872	\$ 105,727

Approximate cost per MLS subscriber (agent) per year

Based upon following membership totals	Subscribers				
CMLS (Charlotte)	10,928				
Triad MLS (Greensboro/Highpoint/W-S)	4,235				
Triangle (Raleigh)	8,954				
Wilmington	1,932				
Total	26,049	\$ 8.31	\$ 3.95	\$ 4.06	

* L/SBA fees through February 2008, including vendor selection and budgeting process.

** This is the average of the quotes from the two finalists. Final numbers will vary as one finalist is more expensive in year one and the other in subsequent years.

*** Contingency percentage = 10%

(Adjust the amount of contingency by changing the value in this cell.)

**** Not included: L/SBA travel expenses billed to MLSs; travel expenses of participating MLSs to attend NCDS meetings; MLS staff time.