

Hillsdale County Board of REALTORS®

Multiple Listing Service Bylaws, Rules and Regulations

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Article I- Name

The name of this organization shall be the Multiple Listing Service of the Hillsdale County Board of REALTORS®®, Inc., hereinafter referred to as the Service.

Article II-Purpose

A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among Participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale.

Article III-Service Area

The area within which the Service shall function shall at all times be coextensive with or within the territorial jurisdiction of the Hillsdale County Board of REALTORS®®.

Article IV-Participation

Section 1. Participation Defined

Any REALTOR® Member of this or any other Board who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the 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 offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.** Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and 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 a Board Multiple Listing Service where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offer or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively"

requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

Section 2. Application for Participation

Application for participation shall be made in such manner and form as may be prescribed by the Board of Directors of the Service and made available to any REALTOR® (principal) member of this or any other Board requesting it. The application form shall contain a signed statement agreeing to abide by these Bylaws and any other applicable Rules and Regulations of the Service as from time to time amended or adopted.

Section 3. Discontinuance of Service

Participants of the Service may discontinue the service by giving the Service **14 days written notice** and may reapply to the Service after **three** months by making formal application in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid.

Section 4. Subscribers

Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed appraisers affiliated with Participants. The following persons may have access to the service under the supervision of the Participant, but are not required to be Subscribers: affiliated unlicensed clerical staff and personal assistants.

Article V-Service Charges

The charges made for participation in the Service shall be as determined, and as amended from time to time by the Board of Directors of the Hillsdale County Board of REALTORS®.

Article VI-Governing Body

Section 1. Government of the Service

The government of the Service shall be vested in the Board of Directors of the Hillsdale County Board of REALTORS® as defined in the Hillsdale County Board of REALTORS® Board Bylaws.

Article VII-Application

The following rules and regulations of the Multiple Listing Service of the Hillsdale County Board of REALTORS®, hereinafter referred to as "MLS", are applicable to member firm Participants and Subscribers.

Article VIII-Membership Responsibility

Section 1.

All member firm Participants shall abide by the Bylaws and Rules and Regulations of the MLS and the Multiple Listing Policy of the National Association of REALTORS®. Failure on the part of any member firm Participant or its licensees to receive a copy of any of the above mentioned Bylaws, Rules and Regulations and MLS Policy shall not relieve anyone of the responsibility for any violation thereof.

- a. The member firm Participant shall be deemed responsible for any of its licensees', violations as recited in Section (1) above.
- b. Licensees whose names appear on the Department of Licensing Report will be billed unless a waiver has been provided.

Article IX-Distribution of Governing Documents

Section 1.

The Bylaws and Rules and Regulations of the MLS and the Multiple Listing Policy and Code of Ethics of the National Association of REALTORS® shall be published and made available to member firm Participants in such a manner as established by the Hillsdale County Board of REALTORS® Board of Directors.

Article X-Confidentiality and Accuracy of MLS Information

Section 1. Confidentiality of MLS Information

Any information provided by the MLS to the Participants shall be considered official information of the service. Such information shall be considered confidential and exclusively for the use of the Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

- a. Access to MLS information not available by public access (other than described in (c) below), is available only by subscription and is accessed by Participants and Subscribers via assigned passwords. Passwords are confidential and not to be shared in any form with non-subscribers. Violation of this article and potential penalties are addressed in the Sanctions Policy of this document.
- b. MLS Not Responsible for Accuracy of Information—The information published and disseminated by the Service is communicated verbatim, without change by the Service, as filed with the Service by the Participant. The Service does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.
- c. Access to Comparable and Statistical Information—Board Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Board Members and individuals affiliated with Board Members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations.
- d. By the act of submitting any property listing content to the MLS, the Participant represents that he/she has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.
- e. All right, title and interest in every multiple listing compilation* created and copyrighted by the Hillsdale County Board of REALTORS®, and in the copyrights therein, shall at all times remain vested in the Hillsdale County Board of REALTORS ®.
- f. Each Participant or Subscriber shall be entitled to access MLS compilations. The Participant or Subscriber shall pay such access fees as are set by the Board.** Participants shall acquire by such lease only the right to use the MLS Compilations in accordance with these rules.

**The term MLS Compilation, as used in Section D herein, shall be construed to include any format in which property listing data is collected and disseminated to the Participants, including, but not limited to, bound book, loose-leaf binder, computer data base, card file, or any other format whatever.*

***This section should not be construed to require the Participant to lease a copy of the MLS compilation for any licensee affiliated with the Participant who is engaged exclusively in a*

specialty of the real estate business other than listing and selling real property, and who does not, at any time, have access to nor use of the MLS information or MLS facility of the board.

- g. Distribution—Participants shall at all times maintain control over and responsibility for each copy of any MLS compilation purchased from or leased to them by the Association, and shall not distribute any such copies to persons other than subscribers who are affiliated with such Participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by an Association Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and 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 an Association MLS where access to such information is prohibited by law.
- h. Display—Participants and those persons affiliated as licensees with such Participants, shall be permitted to display the MLS compilations to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation.
- i. Reproduction—Participants or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof except in the following limited circumstances: Participants or their affiliated licensees may reproduce from the MLS compilation, and distribute to prospective purchasers, a reasonable* number of single copies of property listing data contained in the MLS compilation which relate to any properties in which prospective purchasers are or may, in the judgment of the Participant or their affiliated licensees, be interested.

Reproduction made in accordance with this rule shall be prepared in such a fashion that the property listing data of properties other than that in which the prospective purchaser has expressed interest, or in which the Participant or the affiliated licensees are seeking to promote interest, does not appear on such reproduction.

Nothing contained herein shall be construed to preclude any Participant from utilizing, displaying, distributing, or reproducing property listing sheets or other compilations of data pertaining exclusively to properties currently listed for sale with the Participant.

Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the Participant and those licensees affiliated with the Participant who are authorized to have access to such information. Such information may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm.

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, "sold" information, "comparable," or statistical information from utilizing such information to support valuations on particular properties for clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for

valuation purposes, including automated valuations. MLSs must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations. (Amended 5/14)

**It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable," as used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus "reasonable" in number, shall include, but are not limited to, the total number of listings in the MLS compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.*

Article XI-LISTING PROCEDURES

Section 1.

- a. All listings of real or personal property which are listed subject to a real estate broker's license, and which are taken by Participants or subscribers on an exclusive right to sell or exclusive agency listing form, shall be entered into the system within **48** hours after the starting date of the contract and all necessary signatures of sellers have been obtained, with the exception of weekends, holidays and postal holidays.

Note 1: The MLS shall not require a Participant to submit listings on a form other than the form the Participant individually chooses to use provided the listing is of a type accepted by the Service, although a "property data form" may be required as approved by the MLS. However, the MLS, through its legal counsel:

- (1) May reserve the right to refuse to accept a listing form which fails to adequately protect the interests of the public and the Participants.*
- (2) Assure that no listing form filed with the MLS establishes, directly or indirectly, any contractual relationship between the MLS and the client (buyer or seller).*
- (3) The MLS shall accept exclusive right to sell listing contracts and exclusive agency listing contracts, and may accept other forms of agreement which make it possible for the listing broker to offer cooperation and compensation to the other Participants of the MLS acting as subagents, buyer agents or both.*
- (4) The listing agreement must include the seller's authorization to submit the agreement to the MLS, including the seller's authorization of the listing price.*
- (5) The different types of listing agreements include:*
 - (aa) Exclusive Right to Sell--The exclusive right to sell listing is the conventional form of listing submitted to the MLS in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.**
 - (bb) Exclusive Agency-- The exclusive agency listing also authorizes the listing*

broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right-to-sell listings with named prospects exempt should be clearly distinguished by a simple designation such as a code or symbol from exclusive right-to-sell listings with no named prospects exempt, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right-to-sell listings with no named prospects exempt. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right-to-sell listings with prospect reservations. (Amended 4/92)*

(cc) Open-- Open listings are not accepted except where required by law because the inherent nature of an open listing is such that it usually does not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.

(dd) Net-- The service may not accept net listings because they are deemed unethical and, in most states, illegal.

Note 2: A multiple listing service does not regulate the type of listings its members may take. This does not mean that a multiple listing service must accept every type of listing. The multiple listing service shall decline to accept open listings (except where acceptance is required by law) and net listings, and it may limit its service to listings of certain kinds of property. But, if it chooses to limit the kind of listings it will accept, it shall leave its members free to accept such listings to be handled outside the multiple listing service.

NOTE 3: A multiple listing service may, as a matter of local option, accept exclusively listed property that is subject to auction. If such listings do not show a listed price, they may be included in a separate section of the MLS compilation of current listings. (Adopted 11/92)

(i) Auction Properties

(1) The following must be posted in "Marketing Remarks": This property will be offered at auction or sold at absolute auction, and may be purchased with the representation of any licensed REALTOR®.

(2) Information about the time, date and place of sale MUST be posted in Agent Remarks, but may NOT be posted in Marketing Remarks.

(3) To post an auction property as "sold" in the MLS:

- "Other" must be checked under status, in the financing drop-down box*
- "Sold at absolute auction" and the type of sale (cash, mortgage, land contract, etc.) must be posted in the blank field adjacent to the financing box.*

OR

- "Sold at auction" must be checked under status in the Financing drop-down box.*

(4) The REALTOR who receives compensation of any kind offered through the MLS by the listing broker, shall have credit for the sale posted in the MLS.

- b. Once an offer has been accepted and all signatures obtained, a status of Active Contingent or Pending must be posted to the MLS within 48 hours. Within 48 hours of removal of all contingencies, the listing must be posted as Pending.
- c. A sale price acceptable to and approved by the seller as of the date of the listing must be posted in the MLS for all auction properties.
- d. Under "additional remarks," brokers may note a request from sellers that a listing not be

placed in the MLS. A copy of the listing contract must be provided to Hillsdale County Board of REALTORS® office upon request (within 24 hours) should a question arise as to why the listing is not in the service.

- e. Online offices may input their own listings and make any necessary changes and updates to the listing.
- f. The Board office will accept a change form, email or phone call to report changes to listings. Changes must be reported within 48 hours.
- g. Listings of business opportunities are not required to be entered in the MLS system. If entered in the MLS system, it may be with or without complete information.

Article XII – Additional Listing Criteria

Section 1. Listings Subject to Rules and Regulations of the Service

Any listing agreement taken by a member firm Participant, to be processed by the MLS is subject to the MLS Rules and Regulations immediately upon the signature(s) of the seller(s) being obtained.

Section 2. Detail on Listings Entered into the Service

A listing agreement or property data form (including the online form used by the service) shall be complete in every detail ascertainable. All fields required by the MLS, as determined by the Hillsdale County Board of REALTORS® Technology Committee, shall be filled in with the appropriate content and NOT left blank or filled in with zeros, or other numbers or symbols indicating data has not been obtained.*

***Note: Required fields determined by the Hillsdale County Board of REALTORS® Technology Committee shall be documented in a separate Board publication entitled: "MLS Data Requirements." Failure to comply with the requirements so noted will subject the offender to penalties under Addendum A-Board Sanctions Policy.**

Section 3. Exempted Listings

Any listing which a seller has requested NOT to have entered into the MLS is exempt if the request has been noted and signed by the seller.

Section 4. Change of Status of Listing

Any change in listed price or other changes in the original listing agreement shall be made only when authorized in writing by the owner and listing broker, and shall be entered into the MLS within **48** hours (except weekends, holidays and postal holidays) after said authorized change is received by the listing broker. All change forms must have the sellers and broker/sales agents signatures and seller's date of signature. If an office is contacted regarding the signatures they have 24 hours to submit the information to the Board Office.

Section 5. Withdrawal of Listing Prior to Expiration

Listings of property may be withdrawn from the multiple listing service by the listing broker before the expiration date of the listing agreement, provided notice is filed with the service, including a copy of the agreement between the seller and the listing broker which authorizes the withdrawal.

Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's concurrence. However, when a seller(s) can document that his or her exclusive relationship with the listing broker has been terminated, the multiple listing service may remove the listing at the request of the seller. *(Adopted 11/96)*

Section 6. Contingencies Applicable to Listings

Any contingency in a listing shall be explicitly noted in the listing agreement and processed to the membership accordingly. (See Article XIII, Section (9), Note 1)

Section 7. Listing Price Specified

The full gross listing price stated in the listing contract shall be included in the information published in the MLS compilation of current listings unless the property is subject to auction. The MLS shall not accept net listings or open listings.

Section 8. Listing Multiple Unit Properties

All properties which are to be sold or which may be sold separately must be indicated individually in the MLS. When part of a listed property has been sold, proper notification should be made in the MLS.

Section 9. No Control of Commission Rates or Fees Charged by Participants

The MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the MLS shall not fix, control, recommend, suggest or maintain the division of commissions, or fees between cooperating Participants or between Participants and non-Participants.

Section 10. Expiration, Extension, and Renewal of Listings

Listings filed with the multiple listing service will automatically be removed from the compilation of current listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed. (Amended 11/01)

If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s), filed with the listing office and available to the service at its request. Any extension or renewal of a listing must be entered into the MLS within 48 hours.

Section 11. Termination Date on Listings

Listings entered into the service shall bear a definite and final termination date as negotiated between the listing broker and the seller.

Section 12. Service Area

The service area of multiple listing services owned and operated by associations of REALTORS® is not limited to the jurisdiction of the parent association(s) of REALTORS®. Rather, associations are encouraged to establish multiple listing services that encompass natural market areas and to periodically reexamine such boundaries to ensure that they encompass the relevant market area. While associations are encouraged to work cooperatively to establish market area multiple listing services, the absence of such an agreement shall not preclude any association from establishing and maintaining a multiple listing service whose territory service area exceeds that of the parent association(s) jurisdiction. MLSs may not require other offices of a firm to participate in the MLS if any office of that firm participates in that MLS. (Revised 5/02).

Only listings of the designated types of property located within the service area of the MLS are required to be submitted to the service. Listings of property located outside the MLS's service area will be accepted if submitted voluntarily by a participant, but cannot be required by the service. *(Amended 11/17)*

Section 13. Listings of Suspended Participants

When a Participant (broker) of the service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Association (except where MLS participation without Association Membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, an Association MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of the current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised in writing of the intended removal so that the suspended Participant may advise his/her clients. All listings of the suspended Participant will be withdrawn.

Section 14. Listings of Expelled Participants

When a participant of the service is expelled from the MLS for failing to abide by a membership duty (i.e. violation of the Code of Ethics, association bylaws, MLS bylaws, MLS rules and regulations, or other membership obligations except failure to pay appropriate dues, fee, or charges), all listings currently filed with the MLS by the expelled participant shall, at the participant's option, be retained in the service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in

effect when the expulsion became effective. If a participant has been expelled from the association (except where MLS participation without association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an association MLS is not obligated to provide MLS services, including continued inclusion of the expelled participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled participant's listings from the MLS, the expelled participant should be advised, in writing, of the intended removal so that the expelled participant may advise his/her clients.

Section 15. Listings of Resigned Participants

When a Participant (broker) withdraws from the MLS, the MLS is not obligated to provide services, including continued inclusion of the withdrawn Participant's listings in the MLS compilation of current listing information. Prior to removal of any of a withdrawn Participant's listings from the MLS, the withdrawn Participant should be advised in writing of the intended removal so that the withdrawn Participant may advise his/her clients.

Section 16. Jurisdiction

Only listings of the designated types of property located within the jurisdiction of the MLS are required to be submitted to the service. Listings of property outside the MLS's jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the service. (Amended 11/01)

Article XIII –Selling Procedures

Section 1. Showings and Negotiations

Appointments for showings and negotiations with the seller for the purchase of listed property filed with the MLS shall be conducted through the listing broker except under the following circumstances:

- a. The listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or
- b. After reasonable effort, the cooperating broker cannot contact the listing broker or his representative. However, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.

Section 2. Presentation of Offers

The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so. (Amended 4/92)

Section 3. Disclosing the Existence of Offers

Listing brokers, in response to inquiries from buyers or cooperating brokers shall, with the seller's approval, disclose the existence of offers on the property. Where disclosure is authorized, listing brokers shall also disclose, if asked, whether offers were obtained by the

listing licensee, by another licensee in the listing firm, or by a cooperating broker. (Adopted 1/03, Amended 11/08)

Section 4. Availability of Listed Property

Listing brokers shall not misrepresent the availability of access to show or inspect listed property.

Section 5. Submission of Written Offers

The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer. (Adopted 11/87)

Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated. (Amended 11/05)

Section 6. Right of Cooperating Broker in Presentation of Offer

Cooperating participants or their representatives have the right to participate in the presentation of any offer they secure to purchase or lease to the seller or lessor. They do not have the right to be present at any discussion or evaluation of the offer by the seller or lessor and the listing broker. However, if a seller or lessor gives written instructions to a listing broker that cooperating brokers may not be present when offer they procure are presented, cooperating brokers have the right to a copy of those instructions. This policy is not intended to affect listing brokers' right to control the establishment of appointments for presentation of offers.

Where the cooperating broker is not present during the presentation of the offer, the cooperating broker can request in writing, and the listing broker must provide, written affirmation stating that the offer has been submitted to the seller, or written notification that the seller has waived the obligation to have the offer presented.

Section 7. Right of Listing Broker in Presentation of Counter-Offer

The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except where the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

Section 8.

No one shall divulge to anyone the terms, price or conditions recited in any offer to purchase presented cooperatively, on a specific property before the offer is presented to the seller.

Section 9. Reporting Sales to the Service.

Status changes, including final closing of sales, shall be reported to the Multiple Listing Service by the listing broker within 48 hours after they have occurred. If negotiations were carried on under Section 1 (a) or (b) hereof, the cooperating broker shall report accepted offers to the listing broker within 24 hours after occurrence and the listing broker shall report them to the MLS within 48 hours after receiving notice from the cooperating broker.(Amended 11/08)

NOTE 1: The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its participants. (Amended 11/01)

Note 2: In disclosure states, if the sale price of a listed property is recorded, the reporting of the sale price may be required by the MLS.

In states where the actual sale prices of completed transactions are not publicly accessible, failure to report sale prices can result in disciplinary action only if the MLS: 1. categorizes sale price information as confidential and 2. limits use of sale price information to participants and subscribers in providing real estate services, including appraisals and other valuations, to customers and clients; and to governmental bodies and third-party entities only as provided below.

The MLS may provide sale price information to governmental bodies only to be used for statistical purposes (including use of aggregated data for purposes of valuing property) and to confirm the accuracy of information submitted by property owners or their representatives in connection with property valuation challenges; and to third-party entities only to be used for academic research, statistical analysis, or for providing services to participants and subscribers. In any instance where a governmental body or third-party entity makes sale price information provided by the MLS available other than as provided for in this provision, a listing participant may request the sale price information for a specific property be withheld from dissemination for these purposes with written authorization from the seller, and withholding of sale price information from those entities shall not be construed as a violation of the requirement to report sale prices. (Adopted 11/11)

Note 3: As established in the Virtual Office Website ("VOW") policy, sale prices can only be categorized as confidential in states where the actual sale prices of completed transactions are not accessible from public records. (Adopted 11/11)

Section 10. Reporting Resolutions of Contingencies

The listing broker shall report to the MLS within **48** hours that a contingency on file with the

MLS has been fulfilled or renewed, or the agreement is cancelled.

Section 11. Advertising of Listings Filed with the Service

Except as specified in the broker Reciprocity/Internet Data Display Article in the MLS Rules and Regulations, a specific listing may be advertised by any Participant other than the listing broker without prior written or electronic consent of the listing broker, provided it includes the name of the listing broker/company in a font size at least as large as the largest type size used to display the listing data. Notwithstanding the foregoing, a listing broker may preclude any Participant(s) from advertising the listing broker's listing(s) upon written or electronic notice to the MLS.

Section 12. Reporting Cancellation of Pending Sale

The listing broker shall report immediately in the MLS the cancellation of any pending sale that has been previously posted in the MLS, and the listing shall be reinstated immediately.

Article XIV – Refusal to Sell

Section 1.

If the seller of any listed property filed with the MLS refuses to accept a written and executed offer satisfying the price, terms and conditions stated in the listing contract, such information shall be transmitted to the MLS office regarding status of the listing which, in turn shall immediately be transmitted to all Participants.

Article XV –Prohibitions

Section 1. Information for Participants Only

Any listing filed with the service shall not be made available to any broker or firm not a member of the MLS without the prior consent of the listing broker.

Section 2. Signs

Only the "For Sale" signs of the listing broker may be placed on a property.

Section 3. Sold Signs

Prior to closing, only the sold sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

Section 4.

Participants shall not solicit a listing on property filed with the service unless such solicitation is consistent with Article 16 of the REALTORS® Code of Ethics, its Standards of Practice and its Case Interpretations.

NOTE 1: This section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standards of Practice 16-4. This section is intended to encourage sellers to permit their properties to be filed with the service by protecting them from being solicited, prior to expiration of listing, by brokers and sales persons seeking the listing upon its expiration. Without such protection a seller could receive hundreds of calls, communications, and visits from brokers and sales persons who have been made aware through MLS filing of the date the listing will expire and desire to substitute themselves for the present broker.

This section is also intended to encourage brokers to participate in the service by assuring them that other Participants will not attempt to persuade the seller to breach the listing agreement or to interfere with their attempts to market the property. Absent the protection afforded by this section, listing brokers would be most reluctant to generally disclose the identity of the seller or the availability of the property to other brokers.

This section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to Article 16 of the Code of Ethics.

Article XVI –Division of Commissions

Section 1. Compensation Specified on Each Listing

The listing broker shall specify, on each listing filed with the multiple listing service, 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 MLS 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)

In filing a property with the multiple listing service of an association of REALTORS®, the Participant of the service is making blanket unilateral offers of compensation to the other MLS Participants, and shall therefore specify on each listing filed with the service, the compensation being offered to the other MLS Participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.* (Amended 11/96)

*The compensation specified on listings filed with the multiple listing service shall appear in one of two forms. The essential and appropriate requirement by an association multiple listing service is that the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker, in writing, in advance of submitting an offer to purchase. The compensation

specified on listings published by the MLS shall be shown in one of the following forms:

- (1). by showing a percentage of the gross selling price
- (2). by showing a definite dollar amount (Amended 11/95)

Note: MLSs may also, as a matter of local discretion, allow participants to offer cooperative compensation as a percentage of the net sales price, with the net sales price defined as the gross sales price minus buyer upgrades (new construction) and seller concessions (as defined by the MLS unless otherwise defined by state law or regulation). (Adopted 5/08)

The listing broker retains the right to determine the amount of compensation offered to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law) which may be the same or different. (Amended 11/96)

This shall not preclude the listing broker from offering any MLS Participant compensation other than the compensation indicated on any listing published by the MLS, provided the listing broker informs the other broker, in writing, in advance of submitting an offer to purchase, and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants in the service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount. (Amended 11/95)

Note 1: The association multiple listing service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the association multiple listing service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a Participant. The association multiple listing service shall not disclose in any way the total commission negotiated between the seller and the listing broker.

Note 2: The listing broker may, from time to time, adjust the compensation offered to other multiple listing service Participants for their services with respect to any listing by advance published notice to the service so that all Participants will be advised. (Amended 4/92)

Note3: The multiple listing service shall make no rule on the division of commissions between Participants and non-Participants. This should remain solely the responsibility of the listing broker.

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 and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, when the gross commission is subject to court approval, 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 submit an offer that ultimately results in a successful transaction. (Amended 5/08)

Note 5: Nothing in these MLS rules precludes a listing Participant and a cooperating Participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction. (Adopted 11/05)

Note 6: Multiple listing services must give participants the ability to disclose to other participants any potential for a short sale. As used in these rules, short sales are defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale, and where the seller does not bring sufficient liquid assets to the closing to

cure all deficiencies. Multiple listing services may, as a matter of local discretion, require participants to disclose potential short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they may, as a matter of local discretion, also be permitted to communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between listing and cooperating participants. All confidential disclosures and confidential information related to short sales, if allowed by local rules, must be communicated through dedicated fields or confidential "remarks" available only to participants and subscribers. (Amended 5/09)

Section 2. Disclosing Potential Short Sales

Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing participants. (Amended 5/09)

When disclosed, participants may, at their discretion, advise other participants whether and how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating participants. (Adopted 5/09)

Where participants communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between the listing and cooperating participants, listing participants shall disclose to cooperating participants in writing the total reduction in the gross commission and the amount by which the compensation payable to the cooperating broker will be reduced within 24 hours of receipt of notification from the lender. (Adopted 5/10)

Section 3. Participant as Principal

If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any interest in a property, the listing of which is to be disseminated through the MLS, that person shall disclose that interest when the listing is filed with the MLS and such information shall be disseminated to all MLS Participants.

Section 4. Participant as Purchaser

If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest must be disclosed, in writing, to the listing broker not later than the time an offer to purchase is submitted to the listing broker. (Adopted 2/92)

Section 5. Dual or Variable Rate Commission Arrangements

The existence of a dual or variable rate commission arrangement (i.e. one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a

specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction, or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease. (Amended 5/01)

Article XVII –Limitations on Use of MLS Information

Section 1.

Use of information from the MLS compilation of current listing information from the Board's "statistical report," or from any "sold" or "comparable" report of the Board or MLS for public mass-media advertising by an MLS Participant or in other public representations may not be prohibited. However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the Board or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

"Based on information from the Hillsdale County Board of REALTORS® MLS for the period (date) through (date)."

Article XVIII –Waiver Policy

Section 1.

Upon application and approval at the discretion of the Board of Directors of the Hillsdale County Board of REALTORS® Multiple Listing Service a service waiver may be granted for those individuals employed by or affiliated as an independent contractor with the Participant who does not actually have access to and use the service. (This waiver does not apply to the REALTOR® Participant.)

A waiver is granted for the balance of the current calendar year. The exemption, if recommended, shall be effective when approved by the Board of Directors. The exemption for any individual shall automatically be revoked upon the individual's utilization of the service in any manner.

If the Hillsdale County Board of REALTORS® Multiple Listing Service is not notified of reinstatement of the user and the user is found using the system, the Participant will be found in violation and fined \$200 in addition to retroactive MLS fees back to the date of waiver. At the time a waiver is requested to be reinstated prior to the next calendar year the past fees and/or fines may be waived at the discretion of the Hillsdale County Board of REALTORS® Multiple Listing Service Directors.

Article XIX –Amendments to Rules and Regulations

Section 1.

Amendments to the Rules and Regulations of the service shall be by consideration and approval of the Board of Directors of the Hillsdale County Board of REALTORS®.

Article XX Additional Provisions

Section 1. Sales of Property Not Listed in this MLS.

An agent is allowed to file a sale to the MLS by completing a selling and financing form with as much information as possible, with the actual sale price reported. The reported sale price will be used for the production figures of the office and agents for the annual MLS production reports. The profile may be sent to the MLS office to allow MLS staff to input it in the system. Photos and sketches will not be required, and sellers' signatures will not be required. The remarks section must explain that this listing is only a record of a sale.

Section 2. Reporting of Sales to the MLS.

Requests from a buyer or seller that the sale price of a property be kept confidential, must be made in writing and submitted to the Board Office upon request. One dollar (\$1.00) may be entered as the sale price under such circumstances. The buyer or seller must, however, give approval for the agent to allow the actual sale price to be disclosed for appraisals and the compilation of agent sales statistics.

Article XXI-Service Fees

The following service charges for operation of the multiple listing service are in effect to defray the costs of the service and are subject to change from time to time in the manner prescribed:

Initial Participation Fee: An applicant for participation in the service shall pay an application fee set from time to time by the Board of Directors with such fee to accompany the application.

Note: The initial participation fee shall approximate the cost of bringing the service to the participant.

Recurring Participation Fee: The annual participation fee of each participant shall be an amount set from time to time by the Board of Directors times each salesperson and licensed or certified appraiser who has access to and use of the service, whether licensed as a broker, sales licensee, or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such participant. Payment of such fees shall be made on or before the first day of the fiscal year of the multiple listing service. Fees shall be prorated on a monthly basis.

However, MLSs must provide participants the option of a no-cost waiver of MLS fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription

to a different MLS or CIE where the principal broker participates. MLSs may, at their discretion, require that broker participants sign a certification for nonuse of its MLS services by their licensees, which can include penalties and termination of the waiver if violated.* (Adopted 11/17)

Note 1: A multiple listing service may elect to have such fees payable on a quarterly or even on a monthly basis. However, added administrative services are necessitated by increased frequency of such payments.

Section 1. Listings

Any listing input by Board staff into any Multiple Listing Service, shall be input for a fee to be set from time to time by the Board of Directors and to be paid by the listing agent or broker.

Section 2. Reciprocal Listings

The Hillsdale County Board of REALTORS® has reciprocal agreements with other area associations. The reciprocal listing input fee will be charged at the same rate the reciprocal board charges the Hillsdale Board, except that the agent shall also pay a listing input fee to the Hillsdale Board Office as noted in Section 1, above.

Section 3. Application Fees

The application fee for a new office, or for a current member office principal ownership change, is \$200.00. This is not to be construed that multiple owners have to pay the fee to join the MLS.

Section 4. Appraisers

Licensed appraisers who are REALTOR® members only, who belong to another Board or Association shall be allowed access to the MLS Online system, upon payment of a set-up fee of \$200 and the same monthly MLS fees as are charged to other members.

Article XXII-Enforcement of Rules or Disputes

The Board of Directors shall give consideration to all written complaints having to do with violations of the rules and regulations. By becoming and remaining a participant, each participant agrees to be subject to these rules and regulations, the enforcement of which are at the sole discretion of the Board of Directors.

Section 1. Compliance with Rules

By becoming and remaining a participant or subscriber in this MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in

these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a. letter of warning
- b. letter of reprimand
- c. attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed \$15,000
- e. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- f. termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years. *(Revised 11/14)* **M**

Note: A participant (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or user/subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the MLS rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the individual's record will reflect the fulfillment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance. (Revised 05/14)

Section 2. Consideration of Alleged Violations

If the alleged offense is a violation of the rules and regulations of the service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the Technology Committee, and if a violation is determined, the committee may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the association in accordance with the bylaws and rules and regulations of the association of REALTORS® within 20 days following receipt of the committee's decision. (Amended 11/96)

If, rather than conducting an administrative review, the Committee has a procedure established to conduct hearings, the decision of the Technology Committee may be appealed to the board of directors of the association of REALTORS® within 20 days of the tribunal's decision being rendered. Alleged violations involving unethical conduct shall be referred to the association's Grievance Committee for processing in accordance with the professional standards procedure of the association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the association of REALTORS®. (Amended 2/98)

Section 3-Complaints of Unauthorized Use of Listing Content

Any participant who believes another participant has engaged in the unauthorized use or display of listing content, including photographs, images, audio or video recordings, and virtual tours, shall send notice of such alleged unauthorized use to the MLS. Such notice shall be in writing, specifically identify the allegedly unauthorized content, and be delivered to the MLS not more than sixty (60) days after the alleged misuse was first identified. No participant may pursue action over the alleged unauthorized use and display of listing content in a court of law without first completing the notice and response procedures outlined in this Section 3 of the MLS rules.

Upon receiving a notice, the Board of Directors will send the notice to the participant who is accused of unauthorized use. Within ten (10) days from receipt, the participant must either: 1) remove the allegedly unauthorized content, or 2) provide proof to the Board of Directors that the use is authorized. Any proof submitted will be considered by the Board of Directors, and a decision of whether it establishes authority to use the listing content will be made within thirty (30) days.

If the Board of Directors determines that the use of the content was unauthorized, the Board of Directors may issue a sanction pursuant to Addendum A, Section 2 of the MLS rules, including a request to remove and/or stop the use of the unauthorized content within ten (10) days after transmittal of the decision. If the unauthorized use stems from a violation of the MLS rules, that too will be considered at the time of establishing an appropriate sanction.

If after ten (10) days following transmittal of the Board of Director's determination the alleged violation remains uncured (i.e. the content is not removed or the rules violation remains uncured), then the complaining party may seek action through a court of law.

Section 3.1-MLS Rules Violations

MLS participants may not take legal action against another participant for alleged rules violation(s) unless the complaining participant has first exhausted the remedies provided in these rules.

MLS Policy Statement-Information Related to Listings of Commercial and Industrial Property

An association or association MLS may also publish a compilation of commercial and industrial properties listed with association or MLS members so that prospective cooperating brokers will have the opportunity to contact the listing broker to learn the terms of any cooperative relationship the listing broker wishes to establish. Such a mechanism is not a multiple listing service. If an association or association MLS provides this type of informational function (commonly referred to as a commercial information exchange or CIE) to its members, it shall not publish either the total commission negotiated between the listing broker and the seller or any offers of compensation to cooperating brokers. If a relationship is established between the listing broker and a prospective cooperating broker, it is strongly recommended that the terms and conditions be established in writing prior to the time the cooperating broker commences any efforts to produce a prospective purchaser or lessee. None of the foregoing is

intended to preclude a CIE from providing, as a matter of local determination, access to information from CIE compilations to affiliate members of associations or to others engaged in recognized fields of real estate practice or in related fields. (Revised 11/04)

CIE fees, dues and charges: CIE participants must be given the option of a no-cost waiver for any licensee or licensed or certified appraiser who does not use the service and who can demonstrate subscription to a different CIE or MLS where their principal is a participant. CIEs may, at local discretion, require that broker participants sign a certification for nonuse of the CIE's services by their licensees, which can include penalties and termination of the waiver if violated.

Section 4-Nonpayment of Fees

The following action may be taken for nonpayment of fees:

- a. For failure to pay any service charge or fee within one month of the date due, and provided that at least 10 days notice has been given, the service shall be suspended until service charges or fees are paid in full.
- b. For failure to comply with any other rule, the provisions of Section 2 shall apply.

Section 5-Complaints of Unethical Conduct

All other complaints of unethical conduct shall be referred by the Board of Directors of the service to the Professional Standards Administrator of the association of Realtors® for appropriate action in accordance with the professional standards procedures established in the association's bylaws.

Section 6. Applicability of Rules to Users and/or Subscribers

Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these rules and regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the rules and regulations. Further, failure of any user or subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant. (Adopted 4/92)

Section 7-Confidentiality of MLS Information

Any information provided by the multiple listing service to the participants shall be considered official information of the service. Such information shall be considered

confidential and exclusively for the use of participants and real estate licensees affiliated with such participants and those participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such participants. *(Amended 4/92)*

Section 8-Ownership of MLS Compilation and Copyright

By the act of submitting any property listing content to the MLS, the participant represents and warrants that he or she is fully authorized to license the property listing content as contemplated by and in compliance with this section and these rules and regulations, and also thereby does grant to the MLS license to include the property listing content in its copyrighted MLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to the listed property. *(Amended 5/16)*

Each participant who submits listing content to the MLS agrees to defend and hold the MLS and every other participant harmless from and against any liability or claim arising from any inaccuracy of the submitted listing content or any inadequacy of ownership, license, or title to the submitted listing content.

Section 9-Display

*Each participant shall be entitled to lease from the Hillsdale County Board of Realtors® a number of copies of each MLS compilation sufficient to provide the participant and each person affiliated as a licensee (including licensed or certified appraisers) with such participant with one copy of such compilation. The participant shall pay for each such copy the rental fee set by the association.**

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

Section 10-Use of Copyrighted MLS Compilation

Participants and those persons affiliated as licensees with such participants shall be permitted to display the MLS compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation.

Section 11-Reproduction

Participants or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof, except in the following limited circumstances:

Participants or their affiliated licensees may reproduce from the MLS compilation and distribute to prospective purchasers a reasonable* number of single copies of property listing data contained in the MLS compilation which relate to any properties in which the prospective

purchasers are or may, in the judgment of the participants or their affiliated licensees, be interested.

Nothing contained herein shall be construed to preclude any participant from utilizing, displaying, distributing, or reproducing property listing sheets or other compilations of data pertaining exclusively to properties currently listed for sale with the participant.

Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the participant and those licensees affiliated with the participant who are authorized to have access to such information. Such information may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm.

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparables, or statistical information from utilizing such information to support valuations on particular properties for clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. MLSs must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited.

Section 12-Changes in Rules and Regulations

Amendments to the rules and regulations of the service shall be by a majority vote of the members of the Technology Committee, subject to approval by the board of directors of the association of Realtors®.

Section 13-Orientation

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within thirty (30) days after access has been provided. *(Amended 11/04)*

Participants and subscribers may be required, at the discretion of the MLS to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancements and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated orientation and additional training remotely. *(Revised 11/17)*

Article XXIII-Internet Data Exchange

Authorization

IDX affords MLS Participants the ability to authorize limited electronic display and delivery of their listings by other participants via the following authorized mediums under the participant's control: websites, mobile apps, and audio devices. As used throughout these rules, "display" includes "delivery" of such listings. (Amended 5/17)

Section 1.-Definitions

Broker Reciprocity—Broker Reciprocity affords MLS Participants the ability to authorize limited electronic display of their listings by other participants.

Broker Reciprocity Database—The current aggregate compilation of all listings of all Broker Reciprocity Subscribers except those listings where the property seller has opted out of Internet publication by so indicating on the listing contract and on the Listing Data Input Form by entering "NO" in the Public Viewable "YES/NO" field.

Broker Reciprocity Subscriber (hereafter called a BRS)—An MLS Participant that participates in the Broker Reciprocity program with their listings.

Broker Reciprocity Subscriber's Agent (hereafter called a BRSA)—Is a BRS's non-principal broker or sales licensee who has written authorization from the BRS to use the BR Database with a limited electronic display or frame their BRS's limited electronic display.

MichRIC—The Michigan Regional Information Center, LLC which is an organization that provides MLS computer services and a real property database to the Members of the MichRIC Member Associations and MLSs.

Participants' consent for display of their listings by other participants pursuant to these rules and regulations is presumed unless a participant affirmatively notifies the MLS that the participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit the display of that participant's listings, that participant may not download, frame or display the aggregated MLS data of other participants. Even where participants have given blanket authority for other participants to display their listings on BRS or BRSA sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display.

Section 2-Republication Of Broker Reciprocity Database On Internet Permitted

- a. A BRS or BRSA may republish all or a portion of the Broker Reciprocity Database on a limited electronic display in accordance with the following provisions and any policies that MLS may adopt from time to time. A BRS or BRSA may select the listings they choose to display on their BRS or BRSA sites based only on objective criteria including, but not limited to, factors such as geography or location ("uptown," "downtown," etc.), list price, type of property (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed on any BRS or BRSA site must be independently made by each BRS or BRSA. If you plan to display only a subset of the BR Database, you shall have one of the following disclosures on your web site that explains the situation to consumers:

"(Your firm's name) does not display the entire MLS (or MichRIC) Broker Reciprocity database on this web site." And, if applicable, the following statement: "The listings of some real estate brokerage firms have been excluded."

- b. A BRS or BRSA must notify the MLS of their intention to display Broker Reciprocity information and must give the MLS direct access for purposes of monitoring/ensuring compliance with the applicable rules and policies.
- c. Display of expired and withdrawn listings is prohibited.
Because "sold" information is publically accessible in Michigan, the sold listings in the MLS for the past 36 months shall be provided in the Broker Reciprocity Database upon request of the BRS or BRSA and the sold listings for the past 36 months may be displayed on their limited electronic display subject to these Broker Reciprocity Rules.
- d. Confidential information intended only for the other BRSs and BRSA's may not be displayed on Broker Reciprocity sites. The list of those fields by Property type is as follows:

Residential (and All Other Property types)

Office ID, Agent ID, Co-Office ID, Public Viewable, Show Address to Public, Show AVM to Public, VOW Public Comments, Sub Agency Compensation, Buyer Agency Compensation, Transaction Coordinator Compensation, Variable Rate, Exclusive Agency, Reserved Prospect, Listing Date, Expiration Date, Occupant Type, Owner Name, Owner Phone, Showing Instructions, Tour Date, Tour Time, Agent Only Remarks

Vacant Land (Same as Residential) plus the following:

Listings to Commercial Source, Documents at Listing Office

Multi Family (Same as Residential) plus the following:

Annual Insurance, Annual Maintenance, Annual Utilities, Annual Maintenance Fees, Gross Operating Income, Total Expense, Net Operating Income

Commercial Sale (Same as Residential)
Commercial Lease (Same as Residential)
For All Sold Listings

Sold Sales Condition, Sold Sale Terms and Seller Concessions

- e. Participation in Broker Reciprocity is available to all MLS Participants who are REALTORS® who are engaged in real estate brokerage and who consent to display of their listings by other participants.
- f. The BRS or BRSA must refresh all MichRIC download and BRS and BRSA displays automatically fed by those downloads at least once every twelve (12) hours. The MLS requires you to display on your web site the last update date. (i.e. Updated: xx/xx/xx)
- g. A BRS or BRSA may not modify the actual data relating to another BRS's listing. A computer generated written description of the listing using the actual data from the BRS's listing is permissible. For your own listings, you can do anything you want to as long as it is in compliance with applicable laws and the Code of Ethics. MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields. The additional data shall be located outside the "body" of the BR's listing as defined in subparagraph "m".
- h. Listings, including property addresses, can be included in BR displays except where a seller has directed their listing brokers to withhold their listing or the listing's property address from all display on the Internet (including, but not limited to, publicly-accessible websites or VOWs) or other electronic forms of display or distribution. (Amended 5/17) If the property address is withheld, the property shall not appear on any maps.
- i. Participants may select the listings they choose to display through IDX based only on objective criteria including, but not limited to, factors such as geography or location ("uptown," "downtown," etc.), list price, type of property (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g. exclusive right-to-sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed through IDX must be independently made by each participant. (Amended 5/17)
- j. Display of seller's(s') and/or occupant's(s') name(s), phone number(s), and email address(es) is prohibited.

- k. Any BR display controlled by a participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface not smaller than the median used in the display of data. For purposes of the BR policy and these rules, "control" means the ability to add, delete, modify and update information as required by the BR policy and MLS Rules. (Amended 5/17)
- l. A brief or thumbnail display is defined as being no more than 200 characters of listing data text. A thumbnail display of another BRS's listing may not include any contact information or branding of the BRS who owns the web site or any of its agents. A thumbnail display may only include the following: text data about the listed property, an image of the listed property, the logo of the listing broker and "buttons" or hot links for a detailed listing display. The provision relating to "contact information or branding" is designed to prevent the web-site-owning BRS's or BRSA's contact information, contact links, and branding, and that of its agents, from appearing on other BRS's listings. "Branding" refers to any marks or language referring to the web-site-owning BRS repeated in the thumbnail display of another BRS's listing. Any association of such information or branding with the listing data is a violation of this rule.
- m. A search result producing a detailed display of another BRS's listing shall display that BRS's name and Listing Agent's name within the property information in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. MichRIC's copyright notice shall be displayed immediately following the property information. The copyright notice shall be at least a 10 point font size and appear exactly as follows: " Copyright nnnn MichRIC, LLC. All rights reserved. "[Where nnnn is the current year.] The copyright symbol can be used in place of the word "copyright". MLS interprets any display containing more than 200 characters of listing data text as being a detailed display. A detailed display of another BRS's listing may not include any contact information, links to, or branding of the MLS Participant who owns the web site or any of its agents within the "body" of the listing data. The "body" is defined as the rectangular space whose borders are delimited by the utmost extent in each direction of the listing text and photo data. The prohibition on branding or contact information within the "body" of the listing data is intended to prevent any possible confusion on the part of the consumer as to the source of the listing.
- n. Any result identifying another BRS's listing shall include the disclaimer "Information Deemed Reliable But Not Guaranteed." This disclaimer shall be at least a 10 point font size. Display of minimal information e.g."thumbnails", text messages, "tweets", etc. of two hundred (200) characters or less are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

- o. Any limited electronic display used for publication of the Broker Reciprocity Database or any portion thereof must be controlled by a BRS or a BRSA and advertised as that BRS's or BRSA's limited electronic display. In order to participate in Broker Reciprocity™, a limited electronic display must be marketed and branded or cobranded as the broker's site. For purposes of the BR policy and these rules, "control" means the ability to add, delete, modify and update information as required by the BR policy and MLS Rules.
- p. Non-principal brokers and sales licensees affiliated with a BRS may display information available through Broker Reciprocity on their own websites subject to their BRS's consent and control and their written authorization. If written authorization is obtained by a non-principal broker or sales licensee to use the BR database to populate their web site, the BRS, licensee and any third party vendor shall sign an agreement with the MLS setting forth the permissible uses of the BRS Database, agreeing to comply with the MLS Rules and Regulations governing the BR Database, and agreeing to comply with all state laws and regulations.
- q. Any BRS or BRSA display controlled by a BRS or BRSA that:
 - 1. Allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
 - 2. Displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, either or both of those features shall be disabled or discontinued for the seller's listings at the request of the seller.

The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all displays controlled by participants. Except for the foregoing and subject to paragraph q below, a participant's BRS display may communicate the participant's professional judgment concerning any listing. Nothing shall prevent a BRS or BRSA display from notifying its customers that a particular feature has been disabled at the request of the seller.
- r. BRSs and BRSA's shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property BRSs and BRSA's shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, BRSs and BRSA's shall not be obligated to remove

or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

- s. BRs and BRSA's may not use Broker Reciprocity provided listings for any purpose other than display as provided for in these rules. This does not require a BRS or BRSA to prevent indexing of Broker Reciprocity listings by recognized search engines
- t. A BRS or BRSA must make changes to an Internet display necessary to cure a violation of the MLS's Rules and Regulations within five (5) business days of notice from the MLS of the violation. MLS reserves the right to discontinue the data feed you receive if you do not comply with this requirement. You may also be subject to fines from the MLS. The recipient of a sanction may request a hearing before the Professional Standards Committee of the Association of REALTORS® in accordance with the Bylaws and Rules and Regulations of the Association within 20 days following receipt of the notice of violation.
- u. Except as provided in the BR policy and these rules, a Broker Reciprocity site or a BRS or BRSA operating a Broker Reciprocity site or displaying BR information as otherwise permitted may not distribute, provide, or make any portion of the MichRIC database available to any person or entity. In addition, a brokerage firm cannot sell access to the Broker Reciprocity Data to other brokers or any other businesses, whether or not they are participants in MLS.
- v. A BRS or BRSA may co-mingle the listings of other brokers received in a BR feed with listings available from other MLS BR feeds, provided all such displays are consistent with the BR rules, and the BRS and BRSA holds participatory rights in those MLSs. As used in this policy, "co-mingling" means that consumers are able to execute a single property search of multiple BR data feeds resulting in the display of BR information from each of the MLSs on a single search results page; and that BRSs may display listings from each BR feed on a single webpage or display.
- w. No portion of the Broker Reciprocity Database shall be co-mingled with any non-MLS listings on the BRS's or BRSA's Internet web site limited electronic display. If you take listings from consumers but do not put them into an MLS system, they cannot appear on any thumb-nail display or as part of any search results with BR Database data. If the property in question appears in any other MLS, then the property may be co-mingled.

If you serve a market area without an MLS, you must either enter such listings into an MLS in a market that has one, or you must not co-mingle those listings with the BR Database listings.

- x. Any BRS and BRSA using a third party to develop and /or design its limited electronic display shall have a written agreement with that third party in the form prescribed by the MLS. MLS requires that third parties gaining access to the BR Database sign the standard contract as approved by the MLS. Providing an MLS password to an unauthorized recipient is a serious violation of the MLS Rules and Regulations punishable by a fine as established by the individual MichRIC Member Associations for their MLS.

Section 3. Service and Fees

Service fees and charges for participation in IDX shall be as established annually by the Board of Directors. (Amended 5/05)

Section 4. Virtual Office Websites

- a. A Virtual Office Website ("VOW") is a Participant's Internet website, or a feature of a Participant's website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant's oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant may, with his or her Participant's consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant's oversight, supervision, and accountability.
- b. As used in Section 12 of these Rules, the term "Participant" includes a Participant's affiliated non-principal brokers and sales licensees – except when the term is used in the phrases "Participant's consent" and "Participant's oversight, supervision, and accountability". References to "VOW" and "VOWs" include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner ("AVP") on behalf of a Participant.
- c. "Affiliated VOW Partner" ("AVP") refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to the Participant's supervision, accountability and compliance with the VOW Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to MLS Listing Information is derivative of the rights of the Participant on whose behalf the AVP operates a VOW.
- d. As used in Section 19 of these Rules, the term "MLS Listing Information" refers to active listing information and sold data provided by by Participants to the MLS and aggregated and distributed by the MLS to Participants.

Section 4.2

- a. The right of a Participant's VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.
- b. Subject to the provisions of the VOW Policy and these Rules, a Participant's VOW, including any VOW operated on behalf of a Participant by an AVP, may provide other features, information, or functions, e.g. Internet Data Exchange ("IDX").
- c. Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate permission from other MLS Participants whose listings will be displayed on the Participant's VOW.

Section 4.3

- a. Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:
 - (i) The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
 - (ii) The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.
 - (iii) The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.

- b. The Participant must assure that each Registrant's password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant's password.
- c. If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.
- d. The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a "Terms of Use" provision that provides at least the following:
 - (i) That the Registrant acknowledges entering into a lawful consumer-broker relationship with the participant;
 - (ii) That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;
 - (iii) That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;
 - (iv) That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;
 - (v) That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.
- e. The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- f. The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of

Participants' listings by the VOW. The Agreement may also include such other provisions as may be agreed to between the Participant and the Registrant.

Section 4.4

A Participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the Participant to ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principal broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

Section 4.5

A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of MLS Listing Information. A Participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

Section 4.6

- a. A Participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.
- b. A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision:

Seller Opt-Out Form

1. Please check either Option a or Option b
 - a. ☐ I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.
 - OR
 - b. ☐ I have advised my broker or sales agent that I do not want the address of the listed property to be displayed on the Internet.
2. I understand and acknowledge that, if I have selected option a, consumers who conduct searches for listings on the Internet will not see information about the listed property in response to their search. _____ Initials of seller.
3. The Participant shall retain such forms for at least one year from the date they are signed, or one year from the date the listing goes off the market, whichever is greater.

Section 4.7

- a. Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.
- b. Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 19.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

Section 4.8

A Participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 48 hours following receipt of a communication from the listing broker explaining why the data or information is false. The Participant shall not, however, be obligated to correct or

remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 4.9

A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

Section 4.10

Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.

Section 4.11

A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

Section 4.12

A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR®.

Section 4.13

A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

Section 4.14

A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the Participant.

Section 4.15

A Participant's VOW may not make available for search by, or display to, Registrants any of the following information:

- a. Expired or withdrawn listings.
- b. The compensation offered to other MLS Participants.
- c. The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- d. The seller's and occupant's name(s), phone number(s), or e-mail address(es).
- e. Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property

Section 4.16

A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS Listing Information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields.

Section 4.17

A Participant shall cause to be placed on his or her VOW a notice indicating that the MLS Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by the MLS. A Participant's VOW may include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

Section 4.18

A participant shall cause any listing that is displayed on his or her VOW to identify the name of the listing firm and the listing broker or agent in a readily visible color, in a reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.

Section 4.19

A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not fewer than five hundred (500) listings or fifty percent (50%) of the listings in the MLS, whichever is less.

Section 4.20

A Participant shall require that Registrants' passwords be reconfirmed or changed every 180 days.

Section 4.21

A Participant may display advertising and the identification of other entities ("co-branding") on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant's logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

Section 4.22

A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

Section 4.23

A participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to be searched separately from listings in the MLS.

Section 4.24

Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

Section 4.25

Where a seller affirmatively directs his or her listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within forty-eight (48) hours. *(Adopted 11/08)*

Addendum A: Sanctions Policy

Section 1. Sanctions Policy

The following fines shall apply to any Participant or subscriber to the service for failure to enter any listings, photos, listing extensions, sold information and/or changes into the service with the 48-hour time frame noted in these Rules and Regulations:

- a. A sanction rate of \$10 per day up to a maximum of \$300. (Days shall be counted from the date of the signing of the listing contract, NOT the date the violation was reported.)

Section 2. Copyright and Confidentiality

Sanctions for violation of MLS copyright and confidentiality are as follows:

- a. First offense-\$300.00
- b. Second offense, up to \$1000.00 at the discretion of the Board of Directors.
- c. Third offense-suspension from the MLS for one year, at the discretion of the Board of Directors.

Section 3. NAR Compliance

All sanction recipients are entitled to due process before the Professional Standards Committee of the Board as outlined in the National Association of REALTORS® Multiple Listing Service Rules, Article XXIII, Section 2.

Addendum B-Change of MLS Providers

Any change in MLS providers must be recommended by the Technology Committee and approved by the Board of Directors. Upon approval by the Board of Directors, such change must be voted upon and approved by the general membership.