



Paperless Audit - Upon request, documentation concerning a listed property (*such as a valid listing agreement or signed extension*) is to be provided to the Association

Office within four (4) business hours from time of faxing request to broker (or his/her designate), or there shall be a \$100.00 fine. Business hours are 8:00 AM to 4:30 PM, Monday through Friday. Failure to provide documentation by the same person a second time shall result in a \$200.00 fine.

The listing agreement must include the seller's written authorization to submit the agreement to the Multiple Listing Service.

3. The different types of listing agreements include:

- (a) exclusive right to sell
- (b) exclusive agency
- (c) open
- (d) net

The Service may not accept net listings because (1) they are deemed unethical and, in most states, illegal. Open listing are not accepted except where required by law because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.

The exclusive right to sell listing is the conventional form of listing submitted to the Multiple Listing Service in that seller authorizes the listing broker to cooperate with and to compensate other brokers.

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 exempted should be clearly distinguished by a simple designation such as a code or symbol from exclusive right to sell listings with no named prospects exempted, 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 exempted. 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.

NOTE 2 A Multiple Listing Service does not regulate the type of listing 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.

**TYPES OF PROPERTIES:** The following are some of the types of properties that may be published through the Service, including types described in the preceding paragraph that are required to be filed with the Service and other types that may be filed with the Service at the Participant's option provided, however, that any listing submitted is entered into within the scope of the Participant's licensure as a real estate broker:

1. Residential
2. Residential Income/Multi-Family
3. Subdivided Vacant Lot
4. Land and Ranch
5. Motel-Hotel
6. Mobile Homes
7. Mobile Home Parks
8. Commercial Income
9. Industrial

**Section 1.1 LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE:** Any listing taken on a contract to be filed with the Service is subject to the Rules and Regulations of the Service upon the signature of the seller(s).

**Section 1.2 DETAIL ON LISTINGS FILED WITH THE SERVICE:** A Listing Agreement or Property Data Form, when filed with the Service by the listing broker, shall be complete in every detail which is ascertainable as specified on the Property Data Form. All fields designated as mandatory by the Multiple Listing Service shall be filled in. Room sizes are a mandatory field required by the service. If room sizes are not filled in within three (3) days of receiving a warning notice, a \$15.00 fine will be levied against the listing agent. *After an additional three (3) days time a \$30 fine will be levied if room sizes are not filled in. After nine (9) days the Listing Broker will be called. Starting on the tenth (10) day, there will be a fine of \$15 per day levied until room sizes are filled in properly, and until the agent calls the Association Office to notify them that the room sizes are complete as requested.*

At least one photo of all residential, multi-family, mobile home, and commercial properties filed with the service is required. If a photo is not submitted to the service within seven (7) days of submission of the listing, a warning will be issued, informing the agent that a \$15 fine will be levied against them if a photo is not in the system or at the Association Office to be scanned within three (3) days of receipt of the warning. If a photo is not in the system within three (3) days after receipt of the warning, a \$15.00 fine will be issued, the Association photographer will take a photo of the property, and the agent will be billed an additional \$15.00 for the photo.

**Section 1.2.1 LIMITED SERVICE LISTINGS:** Listing agreements under which the listing

broker will not provide one, or more of the following services:

(a) arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s);

(b) accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s);

(c) advise the seller(s) as to the merits of offers to purchase;

(d) assist the seller(s) in developing, communicating, or presenting counter-offers; or

(e) participate on the seller(s) behalf in negotiations leading to the sale of the listed property

will be defaulted with an appropriate code or symbol (e.g. LS) in MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initiating efforts to show or sell the property.

Section 1.2.2 - MLS ENTRY ONLY LISTINGS: Listing agreements under which the listing broker will not provide any of the following services:

(a) arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s);

(b) accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s);

(c) advise the seller(s) as to the merits of offers to purchase;

(d) assist the seller(s) in developing, communicating, or presenting counter-offers; or

(e) participate on the seller(s) behalf in negotiations leading to the sale of the listed property

will be identified with an appropriate code or symbol (e.g. E.O.) In MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients prior to initiating efforts to show or sell the property.

Section 1.3 EXEMPTED LISTINGS: If the seller refuses to permit the listing to be

disseminated by the Service, the Participant may then take the listing ("office exclusive") and such listing shall be filed with the Service, but not disseminated to the Participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the Service.

Section 1.4 CHANGE OF STATUS OF LISTING: Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the Service within forty eight (48) hours (excepting weekends, holidays and postal holidays) after the authorized change is received by the listing broker.

Section 1.5 WITHDRAWAL OF LISTING PRIOR TO EXPIRATION: Listings of property may be withdrawn from the 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 exclusive relationship with the listing broker has been terminated, the Multiple Listing Service may remove the listing at the request of the seller.

Section 1.6 CONTINGENCIES APPLICABLE TO LISTINGS: Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants.

Section 1.7 LISTING PRICE SPECIFIED: The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings unless the property is subject to auction.

Section 1.8 LISTING MULTIPLE UNIT PROPERTIES: All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the Property Data Form. When part of a listed property has been sold, proper notification should be given to the Service.

Section 1.9 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS: The Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Service shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and nonparticipants.

Section 1.10 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.

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) and filed with the Service.

Section 1.11 TERMINATION DATE ON LISTINGS: Listings filed with the Service shall bear a definite and final termination date as negotiated between the listing broker and the seller.

Section 1.12 JURISDICTION: Only listings of the designated types of property located within the jurisdiction of the Multiple Listing Service are required to be submitted to the Service. Listings of property located outside the MLS's jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service.

Section 1.13 LISTINGS OF SUSPENDED PARTICIPANTS: When a Participant 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 obligations 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 compilations 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 clients.

Section 1.14 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, Board Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS shall, at the expelled 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, a Board MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listings 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 clients.

Section 1.15 LISTINGS OF RESIGNED PARTICIPANTS: When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of resigned Participant's listings from the MLS, the resigned Participant should be advised in writing of the intended removal so that the resigned Participant may advise his clients.

## SELLING PROCEDURES

Section 2 SHOWING AND NEGOTIATIONS: Appointments for showing and negotiations with the seller for the purchase of listed property filed with the Service shall be conducted through the listing broker except under the following circumstances:

a) the listing broker gives 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 options may preclude such direct negotiations by cooperating brokers.

Section 2.1 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.

Section 2.2 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 subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller(s) obtain the advice of legal counsel prior to acceptance of the subsequent offer.

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.

Section 2.3 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER: The cooperating broker, or buyer agent, or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's

written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

**Section 2.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFERS:**

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. 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 2.5 REPORTING SALES TO THE SERVICE:** Sales shall be reported immediately to the Service by the listing broker unless the negotiations were carried on in Section 2(a) or (b) hereof in which case the cooperating broker shall report, sending a copy to the listing broker within twenty-four (24) hours after acceptance.

If a sale pending is not reported to the service, a warning will be faxed to the listing broker, in which case he or she has twenty-four (24) hours to correct the listing. After that time, if the listing is not corrected, a \$10 fine will be levied against the listing agent. After three (3) fines are levied against the same agent, the fine rate will increase to \$25.00.

**Section 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES:** The listing broker shall report to the Service within twenty-four (24) hours that a contingency on file with the Service has been fulfilled or renewed or the agreement canceled.

**Section 2.7 ADVERTISING OF LISTING FILED WITH THE SERVICE:** A listing shall not be advertised by any Participant other than the listing broker, without the prior consent of the listing broker.

**Section 2.8 REPORTING CANCELLATION OF PENDING SALE:** The listing broker shall report immediately to the Service the cancellation of any pending sale and the listing shall be reinstated immediately.

## REFUSAL TO SELL

**Section 3. REFUSAL TO SELL:** If the seller of any listed property filed with the Service refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the Service and to all Participants.

## PROHIBITIONS

**Section 4. 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 prior consent of the listing broker.

**Section 4.1 "FOR SALE" SIGNS:** Only the "For Sale" signs of the listing broker may be

placed on a property.

Section 4.2 "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 4.3 SOLICITATION OF LISTING FILED WITH THE SERVICE: Participants shall not solicit a listing on a 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: 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 the listing, by brokers and salespersons seeking the listing upon expiration.

Without such protection, a seller could receive hundreds of calls, communications or visits from brokers and salespersons 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.

## DIVISION OF COMMISSION

Section 5.COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING: The listing broker shall specify on each listing filed with the 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). 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.

NOTE 1: In filing a property with the 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.\*

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

This shall not preclude the listing broker from offering any MLS Participant compensation other than the compensation indicated on any listings published by the MLS provided the listing broker informs the other broker in writing in advance of his producing 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.

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 MLS shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a Participant. The Association MLS shall not disclose in any way the total commission negotiated between the seller and the listing broker.

\* The compensation specified on listings filed with the MLS shall appear in one of two forms. The essential and appropriate requirement by a 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. 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.

NOTE 2: The listing broker may, from time to time, adjust the compensation offered to other MLS Participants for their services with respect to any listing by advance published notice

to the Service so that all Participants will be advised.

NOTE 3: The MLS shall make no rule on the division of commissions between Participants and nonparticipants. This should remain solely the responsibility of the listing broker.

NOTE 4: 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.

Section 5.1 PARTICIPANT AS PRINCIPAL: If a Participant or any licensee or licensed or certified appraiser affiliated with a Participant has any interest in property, the listing of which is to be disseminated through the Service, that person shall disclose that interest when the listing is filed with the Service and such information shall be disseminated to all MLS Participants.

Section 5.2 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 shall be disclosed in writing to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

Section 5.3 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 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 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 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.

## SERVICE CHARGES

### Section 6. SERVICE FEES AND CHARGES:

(a) Initial Participation Fee: An applicant for participation in the Service shall pay an application fee of \$400.00 with such fee to accompany the application.

(b) Subscription Fees: One complete set of current listings shall be supplied to the Participant upon payment of the application fee and the participation fee, and the Participant shall be responsible for a subscription fee determined by the Board of Directors

for each additional set of listings to be supplied to each individual, employed by or affiliated as an independent contractor (including licensed or certified appraisers) with the Participant who has access to and who utilizes the Service.

Section 6.1 MONTHLY FEE: A monthly participation charge shall be billed by the Association to the Participant. A REALTOR Participant will be required to subscribe to computer access for each of the Participant's salespeople and licensed or certified appraisers who have access to and who utilize the Service.

Computer access for each of a Participant's salespeople will be supplied upon application by the Participant at an additional cost per month per individual. Said monthly fee shall include access to all computerized information that the Participant and his salespeople may be entitled to receive.

Section 6.2 WAIVER: Waivers may be given for reasons of illness/inability to work, or if the salesperson requesting a waiver is engaged exclusively in a specialty of real estate not included in the MLS. A Waiver Form will be required to be signed for each of the Participant's salespeople who do not use the service as specified above. Violation of the signed Waiver Form will cause the waiver to be revoked.

## COMPLIANCE WITH RULES

Section 7. COMPLIANCE WITH RULES: The following action may be taken for noncompliance with the rules:

a) for failure to pay any service charge and/or fine within one (1) month of the date due, and provided that at least ten (10) days notice has been given, the Service shall be suspended until service charges and/or fines are paid in full.

b) for failure to comply with any other rule, the provisions of Section 9 and 9.1 shall apply.

c) The Treasurer of the Association shall only accept payment from the MLS Participant (principal broker).

Section 7.1 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 Regulation 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.

## MEETINGS

Section 8 MEETINGS of the MLS Committee: The MLS Committee shall meet for the transaction of its business at a time and place as determined by the Committee or at the call of the Chairman. The President of the Association shall appoint, subject to confirmation by the Board of Directors, a MLS Committee of five or more (5) members. All members of the Committee shall be Participants in the Service, except, at the option of the Board of Directors, other members affiliated with Participants may be appointed to serve in such numbers as determined by the Board of Directors. The committee members so named shall serve one year terms. The committee shall select its Chairman and Vice Chairman from the members thereof.

Section 8.1 MEETINGS OF MLS PARTICIPANTS: The Committee may call meetings of the Participants in the Service to be known as meetings of the Multiple Listing Service.

Section 8.2 CONDUCT OF MEETINGS: The Chairman or Vice Chairman shall preside at all meetings or in their absence, a temporary Chairman from the membership of the Committee shall be named by the Chairman or, upon his failure to do so, by the Committee.

## ENFORCEMENT OF RULES OR DISPUTES

Section 9. CONSIDERATION OF ALLEGED VIOLATIONS: The Committee shall give consideration to all written complaints from Participants having to do with violations of the Rules and Regulations.

Section 9.1 VIOLATION OF RULES AND REGULATIONS: If the alleged offence 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 MLS 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 of the Association and Rules and Regulations of the MLS within twenty (20) days following receipt of the Committee's decision. If the Multiple Listing Committee has a procedure established to conduct hearings, the decision of the Multiple Listing Committee tribunal may be appealed to the Board of Directors within twenty (20) days of the tribunal's decision being rendered.

Section 9.2 COMPLAINTS OF UNETHICAL CONDUCT: All other complaints of unethical conduct shall be referred by the Committee to the Secretary of the Association of REALTORS for appropriate action in accordance with the Professional Standards procedures established by the Association's Bylaws.

## CONFIDENTIALITY OF MLS INFORMATION

Section 10. CONFIDENTIALITY OF MLS INFORMATION: Any information provided by the Service 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 real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

Section 10.1 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.

Section 10.2 ACCESS TO COMPARABLE AND STATISTICAL INFORMATION: Association 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 Association Members and individuals affiliated with Association 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.

#### OWNERSHIP OF MLS COMPILATIONS \* AND COPYRIGHTS

Section 11.: By the act of submitting of any property listing content to the MLS, the Participant represents that he 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 the listed property.

Section 11.1: All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Kankakee County Association of REALTORS, Inc. and in the copyrights therein, shall at all times remain vested in the Kankakee County Association of REALTORS, Inc.

Section 11.2: Each participant shall be entitled to lease from the Kankakee County Association of REALTORS, Inc. 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.

\*The term MLS Compilation, as used in Section 11 and 12 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 (or licensed or certified appraiser) affiliated with the Participant

who is engaged exclusively in a specialty of the real estate business other than listing, selling, or appraising the types of properties which are required to be filed with the MLS, and who does not, at any time, have access to or use of the MLS information or MLS facility of the Association.

## USE OF COPYRIGHTED MLS COMPILATIONS

Section 12. DISTRIBUTION: Participants shall at all times maintain control over and responsibility for each copy of any MLS Compilations leased to them by the Association of REALTORS, and shall not distribute any such copies to persons other than subscribers who are affiliated with such participant as licensees or 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 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.

Section 12.1 DISPLAY: 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 12.2 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 judgement of the Participant or their affiliated licensees, be interested.

Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data or 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, comparables, or statistical information from utilizing such information to support an estimate of value on a particular property for a particular client. However, only such information that a Board Multiple Listing Service has deemed to be nonconfidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules and Regulations.

\* 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 purchasers' 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 or properties which would be shown to the prospective purchaser.

## USE OF MLS INFORMATION

Section 13. LIMITATIONS ON USE OF MLS INFORMATION: Use of information from the

MLS Compilation of current listing information, from the Association's Statistical Report, or from any sold or comparable report of the Association or MLS for public mass-media advertising by an MLS Participant or in other public representations may not be prohibited.

However, any print or nonprint form of advertising or other forms of public representations based in whole or in part on information supplied by the Association 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 Kankakee County Association of Realtors, Inc. Multiple Listing Service for the period (date) through (date)."

"NOTE: This representation is based in whole or in part on data supplied by the Kankakee County Association of REALTORS, Inc. or its Multiple Listing Service. Neither the Association or its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Association or its MLS may not reflect all real estate activity in the market."

## CHANGES IN RULES AND REGULATIONS

Section 14. 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 Multiple Listing Service Committee, subject to approval by the Board of Directors of the Association of REALTORS.

## INTERNET DATA EXCHANGE (IDX)

Section 15 - IDX (INTERNET DATA EXCHANGE) DEFINED: IDX affords MLS Participants the option of authorizing display of their active listings on other Participants' Internet web sites.

Section 15.1 - Participants' consent for display of their active listings by other Participants pursuant to these rules and regulations must be established in writing. If a Participant withholds consent on a blanket basis to permit the display of that Participant's listings, that Participant may not download or frame the aggregated MLS data of other Participants. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis as instructed by the seller.

Section 15.2 - Participation in IDX 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. This requirement can be met by maintaining an office or Internet presence from which Participants are available to represent real estate sellers or buyers (or both).

Section 15.2.1 - Participants must notify the MLS of their intention to establish an IDX site and must make their site directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies.

Section 15.2.2 - Participants must protect IDX information from misappropriation by employing reasonable efforts to monitor and prevent “scraping” or other unauthorized accessing, reproduction, or use of the MLS database.

Section 15.2.3 - Listing or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to, publicly-accessible websites or VOWS) shall not be accessible via IDX sites. Notwithstanding this prohibition, listing brokers may display on their IDX sites or their other website(s) the listing or property address of consenting sellers.

Section 15.2.4 - Participants may select the listings they choose to display on their IDX 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, exclusive agency, or open listing), or the level of service being provided by the listing firm. Selection of listings displayed on any IDX site must be independently made by each participant.

Section 15.2.5 - Participants must refresh all MLS downloads and refresh all MLS data at least once every seven (7) days.

Section 15.2.6 - Except as provided in these rules, an IDX site or a participant or user operating an IDX site may not distribute, provide, or make any portion of the MLS database available to any person or entity.

Section 15.2.7 - When displaying listing content, a participant’s or user’s IDX site must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.

Section 15.3 - Display: Display of listing information pursuant to IDX is subject to the following rules:

Section 15.3.1 - Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited.

Section 15.3.2 - Participants shall not modify or manipulate information relating to other Participants’ listings. (This is not a limitation on site design but refers to changes to actual listing data.)

Section 15.3.3 - All listings displayed pursuant to IDX shall identify the listing firm.

Section 15.3.4 - All listings displayed pursuant to IDX shall identify the listing agent.

Section 15.3.5 - Non-principal brokers and sales licensees affiliated with IDX Participants may display information available through IDX on their own web sites subject to their Participant's consent and control and the requirements of state law and/or regulation.

Section 15.3.6 - All listings displayed pursuant to IDX shall show the MLS as the source of the information.

Section 15.3.7 - Participants (and their affiliated licensees, if applicable) shall indicate on their web sites that IDX information is provided exclusively for consumers' personal, non-commercial use and may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing.

Section 15.3.8 - The right to display other Participants' listings pursuant to IDX shall be limited to a Participant's office(s) holding participatory rights in this MLS.

Section 15.3.9 - Listings obtained through IDX must be displayed separately from listings obtained from other sources, including information provided by other MLSs.

Section 15.3.10 - No portion of the IDX database shall be used or provided to a third party for any purpose other than those expressly provided for in these rules.

Section 15.3.12 - Service Fees and Charges: Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

