

BYLAWS

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RULES AND REGULATIONS

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MULTIPLE LISTING SERVICE OF CATAWBA VALLEY, INC.

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MULTIPLE LISTING SERVICE OF CATAWBA VALLEY, INC.

BYLAWS

Article 1 Name

The name of this organization shall be the Multiple Listing Service of the Catawba Valley, Inc., hereinafter referred to as the service, all the shares of stock of which are solely and wholly-owned by the Catawba Valley Association of Realtors®.

Article 2 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 nonagency 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 procuring cause of the sale (or lease). *(Amended 11/04)*

Article 3 Service Area

The area within which the service shall function shall at all times be coextensive with or within the territorial jurisdiction of the Catawba Valley Association of REALTORS® which are approved by the Board of Directors of the Service.

Article 4 Participation Defined

Any Realtor® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these 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 North Carolina real estate broker's license and 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 an association 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 an association multiple listing service where access to such information is prohibited by law. The Realtor® principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership, or corporation as the participant shall have all rights, benefits, and privileges of the service, and shall accept all obligations to the service for the participant's firm, partnership, or corporation, and for compliance with the bylaws and rules and regulations of the service by all persons affiliated with the participant who utilize the service. *(Amended 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)*

Note 1: The requirements of (1) no record of recent or pending bankruptcy; (2) no record of official sanctions involving unprofessional conduct; and (3) completion of a course of instruction on the MLS rules and regulations and computer training related to MLS information entry and retrieval may be deleted from this section at the option of each association. In states where law requires non-association members be admitted to the MLS of an association of Realtors®, any limitations or restrictions imposed on participation or membership shall be no more stringent than permissible under the National Association's membership qualification criteria. However, in states where non-association member access to the MLS is not a requirement of state law, associations may, at their discretion, establish additional qualifications for non-association member participation and membership in the MLS. *(Amended 11/96)*

Note 2: An association may also choose to have the Board of Directors consider the following when determining a nonmember applicant's qualifications for MLS participation or membership:

- all final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years
- pending ethics complaints (or hearings)
- unsatisfied discipline pending
- pending arbitration requests (or hearings)
- unpaid arbitration awards or unpaid financial obligations to this or any other association or association MLS

Article 4.1 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 of this or any other association 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. *(Amended 2/94)*

Article 4.2 Discontinuance of Service

Participants of the service may discontinue the service by written notice on or before the Wednesday prior to the final Friday in the same month (excepting holiday schedules) and may reapply to the service by making formal application in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid. Active/In-Active Subscription date is shown on the announcements page of the MLS System.

Article 4.3 Subscribers

Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with participants. (Optional provision: Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS participant or the participant's licensed designee.) *(Adopted 4/92)*

Article 5 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 service, and specified in the rules and regulations of the service.

Article 6 Government of the Service

The government of the service shall be vested in a board of directors comprised of the elected officers and directors nominated and elected as described in this article.

Article 6.1 Officers of the Service

The officers of the service, who shall be identical as those elected annually by Catawba Valley Association of Realtors®.

Article 6.2 Board of Directors

The governing body of the Service shall be the Board of Directors which Directors shall be identical to those of the Catawba Valley Association of Realtors®.

Article 6.3 Terms of Office

The term of office for Officers and Directors shall commence on January 1 of each year. The Directors shall serve for staggered three-year terms with one-third of said terms expiring each year. Officers and Directors shall take office upon the effective date of their offices and shall continue until their successors are elected, qualified, and installed. No Officer(s) or Director(s) shall be nominated and elected to the same office for more than two consecutive terms. Vacancies among the Officers and Directors shall be filled by the Board of Directors until the next annual election, subject to approval by the Catawba Valley Association of Realtors®, Inc. (shareholder).

Article 6.4 Duties of Officers and Directors

The duties of the officers and directors are as follows:

1. The president shall be the chief executive officer of the service and shall preside at its meetings and those of the board of directors, and shall perform all the duties of the president subject to declared policies and, as required, subject to confirmation of the board of directors.
2. The president elect shall, in the absence of the president, perform all of the duties of the president.
3. The secretary-treasurer shall be the custodian of the funds of the service and shall keep an accurate record of all receipts and disbursements. The secretary-treasurer shall provide to all members of the board of directors a quarterly statement of all accounts and financial affairs for the service, and shall have charge of the corporate seal and affix the name to all documents properly requiring such seal.

The board of directors of the service shall be the governing body of the service and shall have control of all the affairs of the service and shall authorize all expenditures of funds. The board of directors shall, prior to the end of each fiscal year, prepare a budget reflecting projected costs and expenses of the service for the next fiscal year, indicating projected income from all sources. The budget shall be submitted to the participants of the service for approval on a date not less than thirty (30) days prior to the first day of the next fiscal year. The board of directors shall not incur an obligation in excess of the total budget without the authorization by vote of a two-thirds majority of Realtor® participants of the service present and voting unless such excess is the result of an increase in the volume of listings processed by the service over that projected in preparing the annual budget. The board of directors shall employ such executive, legal, and office personnel it deems necessary to care for and maintain the properties of the service and otherwise conduct the administrative business of the service. The board of directors shall have the right to make an audit of all books and accounts at any time without notice. The board of directors shall have the power from time-to-time to adopt such rules and regulations that they may deem appropriate subject to final approval of the board of directors of the Catawba Valley Association of Realtors® (shareholder). Except as otherwise provided in these bylaws and rules and regulations, the action of the board of directors shall be final. (Amended 10/16)

Article 7 Annual Meetings

The annual meeting of PARTICIPANTS of the Service shall be held at the time and place specified by the Board of Directors with not less than seven (7) days written notice to all participants.

Article 7.1 Special Meetings of the Service

Special meetings of participants of the service may be called from time to time by the president, the board of directors, or by 20% of the participants of the service. Written notice stating the day, place, and hour of the meeting, the purpose or purposes for which the meeting is called, shall be delivered to all Realtors® who are participants in the service not less than 7 days prior to said meeting.

Article 7.2 Quorum and Voting at Meetings of the Service

For the transaction of business, 30% of the participants of the service shall be considered a quorum. A majority vote by such participants present and voting at a meeting attended by a quorum shall be required for passage of motions.

Article 7.3 Meetings of the Board of Directors

The Board of Directors shall designate a regular time and place of meetings. A majority of Directors shall constitute a quorum. A majority vote by the Directors present and voting at a meeting attended by a quorum shall be required for passage of motions. Absence from three regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation.

Article 7.4 Presiding Officer

At all meetings of the participants of the service, or of the board of directors, the president or, in the absence of the president, the president elect shall serve as presiding officer. In the absence of the president and president elect, the president shall name a temporary chairperson or, upon the president's failure to do so, the board of directors of the service shall appoint a temporary chairperson.

Article 8 Committees

Multiple Listing Service Advisory Committee - The Service shall have a Multiple Listing Advisory Committee ("MLS Committee") whose duties shall be in accordance with paragraph 4 herein and such additional duties as may be prescribed by the Board of Directors from time to time.

1. Appointment of Committee - The President shall appoint, subject to confirmation by the Board of Directors, a MLS Committee consisting of five (5) REALTOR® Members and any Ex-Officio members. All members of the MLS Committee shall be PARTICIPANTS in the Service except, at the option of the President, REALTORS® affiliated with PARTICIPANTS may be appointed to service in such numbers as determined by the Board of Directors.
2. be filled as in the case of original appointees.
3. Attendance - Any MLS Committee member who fails to attend three (3) consecutive regular or special meetings of the MLS Committee, without excuse acceptable to the chairperson of the MLS Committee, shall be deemed to have resigned from the MLS Committee and the vacancy shall be filled as provided in paragraph 1 above.
4. Duties of the Committee

Subject to approval of the Board of Directors, the MLS Committee shall have the following duties.

- (1) To recommend to the Board of Directors, rules and regulations and amendments thereto, for the administration of the Service. Said rules and regulations shall be in conformity with the Bylaws of the Service and made a part hereof, as from time to time amended.
- (2) To recommend to the Board of Directors, procedures for the operation of the Service.

- (3) Within the budget limitations of the Service, as determined by the Board of Directors, to recommend purchasing equipment and supplies necessary for the operation of the Service.

Any action of the MLS Committee shall be subject to review of the Board of Directors at the request of any member of the MLS Committee or by the Board of Directors without such request.

5. Meetings of the MLS Committee - Meeting of the MLS Committee shall be held at such times and places as may be determined by a majority of the members of the MLS Committee or by the chairperson. A majority of the members of the MLS Committee shall constitute a quorum for the transaction of business.

Article 9 Fiscal Year

The fiscal year of the service shall commence on April 1 and shall end on March 31.

Article 10 Amendments to Bylaws

Subject to approval by the Catawba Valley Association of Realtors®, Inc. (shareholder), these Bylaws may be amended or repealed and new Bylaws may be adopted by an affirmative vote of the majority of Directors of the Service, except that no bylaw adopted or amended by the Catawba Valley Association of Realtors®, Inc. (shareholder) shall be altered or repealed by the Directors of the Service.

When amendments to the Bylaws of the Service have been approved by the Board of Directors of the Catawba Valley Association of Realtors®, Inc. (shareholder), said amendments shall be effective immediately or as stated in the amending resolution.

Article 10.1 Amendments to Rules and Regulations

Amendments to the rules and regulations of the service shall be by consideration and approval of the board of directors of the multiple listing service in accordance with the provisions of Article 7.3, concerning meetings of the board of directors, subject to final approval by the board of directors of the Catawba Valley Association of Realtors® (shareholder).

When approved by the board of directors of the Catawba Valley Association of Realtors® (shareholder) as described, the amendments to the rules and regulations of the multiple listing service shall be effective immediately or as stated in the amending resolution.

If the proposed amendments of the multiple listing service rules and regulations fail approval by the board of directors of the shareholder, the board of directors of the multiple listing service shall be informed, and advised that the proposed amendment or amendments must be further considered and resubmitted as approved by the board of directors of the multiple listing service to the board of directors of Catawba Valley Association of Realtors® (shareholder).

Article 11 Dissolution

In the event this service shall at any time terminate its activities, the board of directors of the service shall consider and adopt a plan of liquidation and dissolution with the approval of the participants thereof and of the board of directors of the Catawba Valley Association of Realtors® (shareholder). Said plan shall provide for the collection of all assets, the payment of all liabilities, and that the remaining portions thereof be assigned to the parent corporation, namely, the Catawba Valley Association of Realtors®.

Article 12 Indemnification

Any person who at any time serves or has served as an Officer or a Director of the Service, shall have a right to be indemnified by the Service to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitative action, suit, or proceeding (and any appeal therein), whether or not brought by or on behalf of the Service, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment,

money decree, fine (excluding an excise tax assessed with respect to an employee benefit plan), penalty, or settlement for which he may have become liable in any such action, suit, or proceeding.

The Board of Directors of the Service shall take all such action as may be necessary and appropriate to authorize the Service to pay the indemnification required by this Bylaw, including, without limitation, making a determination that indemnification is permissible in the circumstances and a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him. The Board of Directors may appoint a committee or special counsel to make such determination and evaluation. To the extent needed, the Board shall give notice to, and obtain approval by, the Catawba Valley Association of Realtors®, Inc. (shareholder) for any decision to indemnify.

Any person who at any time after the adoption of this Bylaw serves or has served in the aforesaid capacity for or on behalf of the Service shall be deemed to be doing or to have done so in reliance upon, and a consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

RULES AND REGULATIONS

DEFINITIONS

The following definitions of terms used will apply:

Participant: A REALTOR® principal, partner, corporate officer, branch manager or one who is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, who is a member in good standing of the Catawba Valley Association of Realtors®, Inc. and such other REALTOR® principals, partners, corporate officers, branch officer, manager members or those who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property in good standing of an Association of REALTORS® who have agreed in writing to conform to the Bylaws, Rules and Regulations, Policies, Procedures and Guidelines of the MLS and to pay the fees of MLS. (This definition shall not effect any contractual obligation which the Service has with any other entity.)

The Participant may appoint a Broker member of the Participant firm who is a REALTOR® member of the Association of REALTORS® to act in his stead as Participant by executing a written notice to MLS.

Agent: A licensed salesperson or representative of any PARTICIPANT. It is the responsibility of the PARTICIPANT to report to MLS any licensed individuals within thirty days of affiliation with PARTICIPANT by executing a Subscription Request Form.

Participant Vote: Each Participant shall have one (1) vote per firm.

Owner: Owner or seller of property offered in MLS.

Purchaser: Buyer of property listed in MLS.

All notice(s) provided for herein shall mean any statement, invoice or other written documentation sent from the MLS Office and shall be deemed received by the MLS Participant three (3) days following the date mailed by first class mail, postage prepaid to the Participant's last known address on file with the MLS office. It is the sole responsibility of the Participant to immediately report any change in address or telephone number to the MLS office.

Certification: Effective the first of each year, every Participant shall certify on a prescribed form no later than January 31 to the MLS office the mailing address of the Participant and those licensed individuals who are affiliated with said Participant for the purpose of MLS billing. Failure to do so will result in a fine. Failure to pay the fine by the stated due date can result in a hearing before the Board of Directors with possible sanctions imposed.

GENERAL RECOMMENDATIONS

Each Participant will observe and conduct their business in accordance with the Bylaws, Rules and Regulations and Policies, Procedures and Guidelines of the MLS and the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Each Participant will be steadfast in upholding the creed of the REALTORS® which is the Golden Rule: "Do unto others as you would have them do unto you."

NEW AND TRANSFERRING MEMBERS

Principals or state licensed or certified appraisers who are REALTORS® members in good standing are eligible to participate in MLS upon executing the proper MLS forms and paying the necessary fees.

Transfer of Licensee to another MLS firm requires a properly executed Transfer Subscription Form signed by the Participant with the firm they are leaving and by the Participant of the new firm they are affiliating with.

Existing listings taken by a broker prior to the time he/she became an MLS Participant will be input only with the voluntary written consent of the Participant.

All listings secured after the date of admittance to membership will be input in accordance with the MLS Rules and Regulations.

Listing Procedures

Section 1 Listing Procedures

Listings of real or personal property of the following types, which are listed subject to a real estate brokers license, and which are located within the territorial jurisdiction of the Catawba Valley Association of REALTORS® taken by Participant on an approved listing form shall be input into the Multiple Listing system within 72 hours of marketing date (holidays excluded). *(Amended 11/01)*

- a. single family homes for sale or exchange
- b. vacant lots and acreage for sale or exchange
- c. two-family, three-family, and four-family residential buildings for sale or exchange

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

- may reserve the right to refuse to accept a listing form which fails to adequately protect the interests of the public and the participants
- assure that no listing form filed with the multiple listing service establishes, directly or indirectly, any contractual relationship between the multiple listing service and the client (buyer or seller)

The multiple listing service 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 compensation to the other participants of the multiple listing service acting as subagents, buyer agents, or both. *(Amended 11/96)*

The listing agreement must include the seller's written authorization to submit the agreement to the multiple listing service. *(Amended 11/96)*

The different types of listing agreements include:

- exclusive right-to-sell
- open
- limited service
- exclusive agency
- net

The service may not accept net listings because they are deemed unethical and, in most states, illegal. Open listings 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. *(Amended 4/92)*

The exclusive right-to-sell listing is the conventional form of listing submitted to the multiple listing service in that the seller authorizes the listing broker to cooperate with and to compensate other brokers. *(Amended 4/92)*

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 "EA"* 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)*

On the property Data Form the code ERS is used for exclusive right to sell, or EA for exclusive agency. In the Agent Only Remarks section of the listing, an EA must be placed to denote the listing type is Exclusive Agency with a note to call the listing broker regarding exclusions or exemptions.

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: Co-Listings: Listings that are co-listed with other licensees who are not members or subscribers of the CVMLS must not be entered into the MLS.

Section 1.1 Types of Properties

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: *(Amended 11/91)*

- residential
- residential income
- subdivided vacant lot
- land and farm
- industrial
- motel-hotel
- mobile homes
- mobile home parks
- commercial income

Section 1.1.1 Listings Subject to Rules and Regulations of the Service

Any listing taken on a contract to be filed with the multiple listing service is subject to the rules and regulations of the service upon 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 multiple listing service by the listing broker, shall be complete in every detail which is ascertainable as specified on the property data form.

Listings must be input into MLS within 72 hours of the marketing date. Failure to do so incurs a fine. Any inconsistency between the Listing Agreement and the computer entry will incur a fine.

Pictures or sketches for all Single Family, Land, Multi-Family or Commercial & Industrial properties is a requirement and must be uploaded into the MLS system. Altering photos or sketches by the overlaying of data and/or images to promote oneself or firm is not permitted on any photo or sketch uploaded to the MLS system. To do so incurs a fine. (See Section 6)

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
- e. participate on the seller's(s') behalf in negotiations leading to the sale of the listed property will be "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.

Note: Adoption of Section 1.2.1, limited service listings, is optional and a matter to be determined by each MLS. *(Adopted 05/01)*

Section 1.3 Exempt 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.

Note: Section 1.3 is not required if the service does not require all types of listings to be submitted by a participant to the service.

Upon establishing that an "Office Exclusive" has been taken by the PARTICIPANT and not filed with the MLS within 72 hours, a fine will be incurred.

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 twenty-four (24) hours (excepting weekends, holidays, and postal holidays) after the authorized change is received by the listing broker.

Any change in listed price or other change in the original listing agreement shall be made only when authorized by the seller and shall be input into MLS within seventy-two (72) hours (excepting weekends, holidays and postal holidays) after the authorized change is received by the listing broker.

Changes that require the owner's authorization:

- PCG Price Change
- EXT Extended Expiration Date
- WT Withdrawn Temporarily
- WDN Withdrawn
- OTHER Changes that Affect the Listing Agreement

Section 1.5 Withdrawal of Listing Prior to Expiration

Listings of property may be withdrawn from the multiple listing service by the Participant 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. *(Adopted 11/96)*

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 Pending of Listings:

All properties must be marked pending or pending active in the MLS system within 24 hours of the date the Offer to Purchase and Contract is signed by the sellers as being accepted. When the listing is marked pending, this indicates the seller wants no further showings and the listing no longer remains active in the MLS system. When the listing is marked pending active, the seller has accepted an offer but prefers to continue with back up showings and will retain an active status in the MLS system. If the sale does not close, the listing may be reactivated by using the Back on Market status in order for it to resume an active status in the system. *(Amended 10/17/12)*

Section 1.8 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. *(Amended 11/92)*

Section 1.9 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 multiple listing service.

If multiple vacant lots or multiple units of real property are available for sale and those multiple lots/units are owned by the same seller and listed by the same Listing Agent, then those multiple vacant lots or multiple units of real property may be entered collectively on one listing in the MLS System. When a vacant lot or unit of real property has been sold, the sold data must be entered immediately into the MLS system.

If multiple vacant lots or multiple units of real property are listed collectively on one listing, the following input rules apply:

- All lots must be in the same subdivision and under the same owner
- The lowest priced lot must appear in the MLS system as the listing price.
- All lot or unit numbers and prices must appear in the Remarks section with space provided to mark Sold.
- When a lot or unit is sold:
 - Input into computer under remarks which lot or unit sold.
 - Input the sold lot or unit as a new listing.
 - Immediately mark this new listing as Sold in computer.
 - Submit a new photo into system for the new listing.
 - When all lots or units are sold on the original listing, withdraw original listing from the computer.

Section 1.10 No Control of Commission Rates or Fees Charged by Participants

The multiple listing service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by participants. Further, the multiple listing service shall not fix, control,

recommend, suggest, or maintain the division of commissions or fees between cooperating participants or between participants and nonparticipants.

Section 1.11 Expiration 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) and filed with the service. *(Amended 11/01)*

Section 1.12 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 1.13 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 located outside the MLS's jurisdiction will (or will not) be accepted if submitted voluntarily by a participant, but cannot be required by the service. *(Amended 11/01)*

Note: Associations must choose whether the service will accept listings from beyond its jurisdiction into the MLS compilation. *(Amended 11/88)*

Section 1.14 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 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 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 1.15 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, fees, 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 clients.

Section 1.16 Listings of Resigned Participants

When a participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned participant's listings in the MLS compilation of current listing information. Prior to any removal of a 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.

SECTION 1.17 QUICK SALE/QUICK UNDER CONTRACT:

Quick Sale listings must be input into the MLS system accurately and completely, showing all the same information as if they are on the market for sale. If a quick under contract pending sale does not materialize, enter listing into Back on Market in order for it to resume an active status in the system.

SECTION 1.18 DOUBLE AND TRIPLE ENTRY:

One property that is entered by a Broker into the MLS system under two (2) different property types is considered a double entry. One property that is entered by a Broker three times into the MLS system under three different property types is considered a triple entry.

Selling Procedures

Section 2 Showings and Negotiations

Appointments for showings and negotiations with the seller for the purchase of listed property filed with the multiple listing service 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.
(Amended 4/92)

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. (Amended 4/92)

Section 2.2 Submission of Written Offers and Counter-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.

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 2.3 Right of Cooperating Broker in Presentation of Offer

The cooperating broker (subagent 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 or lessor's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations. (Amended 4/92)

Section 2.4 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 when 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. *(Adopted 11/93)*

Section 2.5 Reporting Sales to the Service

Status changes, including final closing of sales and sales prices, shall be reported to the multiple listing service by the listing broker within 24 hours after they have occurred. If negotiations were carried on under Section 2 a. or b. hereof, the cooperating broker shall report accepted offers and prices to the listing broker within 24 hours after occurrence and the listing broker shall report them to the MLS within 36 hours after receiving notice from the cooperating broker. *(Amended 11/11)*

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 2.6 Reporting Resolutions of Contingencies

The listing broker shall report to the multiple listing service within twenty-four (24) hours that a contingency on file with the multiple listing service has been fulfilled or renewed, or the agreement cancelled.

Section 2.7 Advertising of Listings 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 multiple listing service the cancellation of any pending sale, and the listing shall be reinstated immediately.

Section 2.9 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, the listing broker 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. *(Amended 11/08)*

Section 2.10 Availability of Listed Property

Listing brokers shall not misrepresent the availability of access to show or inspect listed property. *(Adopted 11/05)*

Section 2.11 Unlisted Buyer Agent Sale

A buyer agent, with a written buyer's agent agreement, may, upon the close of a sale of an unlisted property, enter the sales data into the MLS system for sales comp purposes, providing the agent receives their client's permission to do so. Should an agent choose to input this information, all listing/sales data entry rules apply. *(Adopted 5/16)*

Refusal to Sell

Section 3 Refusal to Sell

If the seller of any listed property filed with the multiple listing 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 the prior consent of the listing broker.

Section 4.1 For Sale Signs

Only the for sale sign of the listing broker may be placed on a property. *(Amended 11/89)*

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. *(Amended 4/96)*

Section 4.3 Solicitation of Listing Filed with the Service

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: This section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standard 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 its expiration.

Without such protection, a seller could receive hundreds of calls, communications, and 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.

Section 4.4 Use of the Terms MLS and Multiple Listing Service

No MLS participant, subscriber, or licensee affiliated with any participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants, subscribers and licensees affiliated with participants shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise. *(Adopted 11/07)*

Section 4.5 Bonus Information:

No seller-offered bonus or incentives nor conditional offers of bonus or incentives offered from the listing broker shall be distributed through the MLS System.

Division of Commissions

Section 5 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)*

Compensation paid to a Selling Agent (SA) and/or compensation paid to a Buyers Agent (BA) shall be specified on listings input into the MLS and shall appear in one of two forms.

1. By showing a percentage of the gross selling price
2. By showing a definite dollar amount

The cooperating compensation must be input into the system as follows:

1. If a percentage is used, no percent (%) sign to be shown.
2. If a dollar amount is used, no dollar mark (\$) or decimals (.) to be shown.
3. If a dual or variable rate commission is used, it shall be denoted by the letter "v" following the percentage or dollar amount of compensation, indicating to the cooperating broker that they contact the listing broker for further details.

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)*

While MLSs are not required to authorize participants to offer cooperative compensation based on net sale prices, those that do permit such offers must define "seller concessions" for purposes other than new construction, unless that term is defined by applicable state law or regulation. The following definition of "seller concessions" is suggested but not required for adoption:

Points paid by seller on behalf of buyer, seller-paid buyer closing costs, cash or cash allowances not escrowed, down payment assistance, additions or alterations not considered deferred maintenance, and personal property not usual and customary to such transactions conveyed from seller to buyer having an agreed upon monetary value. *(Adopted 05/12)*

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 nonagency 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 5/10)*

Note 1: The 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)*

Note 3: The multiple listing service 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: 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, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating

brokers prior to the time they submit an offer that ultimately results in a successful transaction. *(Amended 5/10)*

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)*

Note 7: Confidential disclosures and confidential information related to short sales may be communicated through the provided "short sale" field or "Agent Remarks" which is confidential and available only to participants and subscribers.

Section 5.0.1 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) to other participants and subscribers. *(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 5.1 Participant as Principal

If a participant or any licensee (or licensed or certified appraiser) affiliated with a participant has any ownership interest in a property, the listing of which is to be disseminated through the multiple listing service, that person shall disclose that interest when the listing is filed with the multiple listing service and such information shall be disseminated to all multiple listing service 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. *(Adopted 2/92)*

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/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 “V” 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)*

Service Charges

Section 6 Service Fees and Charges

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:

- a. **Initial Participation Fee:** An applicant for participation in the service shall pay an application fee of \$1,000 with such fee to accompany the application.

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

- b. **Service 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 payment of the current monthly MLS service fee.

MLS service shall be provided to the Participant upon the payment of current monthly fee, which monthly service fee may be subject to change per the Board of Directors. Participants who have no affiliated licensees under their supervision may elect to pay their service fees on a quarterly basis. In addition, the Participant shall pay a service fee at the current monthly rate for each affiliated licensee, employed by or an independent contractor with the Participant (including licensed or certified appraisers), which individual has access to and uses the service. The same monthly fee is due for each affiliated licensee of a non-jurisdictional Participant (meaning a Participant who maintains primary membership with another MLS) if the non-jurisdictional Participant’s primary MLS has an all inclusive joining policy. An all inclusive joining policy means that a non-jurisdictional Participant and all firm licensees are required to join the MLS. However, if a non-jurisdictional Participant’s primary MLS does not have an all inclusive joining policy, then the non-jurisdictional Participant will pay the currently monthly fee for each affiliated licensee who uses the service.

Note 1: This should be a minimal charge based on actual costs of producing and distributing the information.

Note 2: Any combination of charges may be used if they are in accordance with the National Association’s MLS Antitrust Compliance Policy Point No. 3, which prohibits a fee that is contingent on the sale of a listed property.

Note 3: Financing from the multiple listing service should be adequate but not in such amounts as to be the source of financing the association’s operation. The multiple listing service should pay its own way and allow for a reasonable operating reserve, but it is merely another service of the association and not the principal activity or reason for the association’s existence. As long as it is able to restrict its services exclusively or primarily to association members, the service is not properly an association profit center.

Note 4: Multiple listing services that choose to include affiliated unlicensed administrative and clerical staff, personal assistants, and/or individuals seeking licensure or certification as real estate appraisers among those eligible for access to and use of MLS information as subscribers may, at their

discretion, amend Section 6, recurring participation fee and subscription fees, as necessary to include such individuals in the computation of MLS fees and charges. *(Adopted 4/92)*

- c. **Additions or Deletions:** It is the Participants' responsibility to submit to MLS properly executed Service/Delete Requests in a timely manner. PARTICIPANTS must report all new licensees to MLS within thirty (30) days of affiliation and failure to do so will incur a \$250.00 fine.

Service will be added or deleted one (1) time per month, on the Wednesday prior to the final Friday in the same month (excepting holiday schedules), unless otherwise requested. Active/In-Active Subscription date is shown on the announcements page of the MLS System. *(Amended 1/19/17)*

- d. **Listings Subject to the Service:** All listings subject to these Rules and Regulations (except listings as set forth in Section 1.3) shall be input into the MLS system within seventy-two (72) hours of the marketing date. (holidays excluded). Failure to comply with this listing procedure will result in the assessment of a fine of \$15.00.
- e. **Office Exclusive:** When an "Office Exclusive" is taken by a PARTICIPANT, a copy must be filed with the MLS within 72 hours. Failure to do so will result in a \$15.00 fine.
- f. **Contract Request:** MLS reserves the right to request from the Participant at any time a copy of the written listing contract, purchase contract, as well as any other documentation required by these Rules and Regulations and the customary business practices of the MLS. Failure to provide valid documentation to MLS within twenty-four (24) hours shall result in the assessment of \$500 fine and the listing will be removed from the MLS system. *(Amended 10/17/12)*
- g. **Inconsistencies Between Listings and MLS Computer:** Each inconsistency between Listing Contract or amendments to the contract and the information input into the MLS system will incur a \$50.00 fine. You will be notified and given 72 hours to submit correction. If the MLS Office does not receive notification and proof of the correction within that 72 hour period, an additional \$250.00 will be assessed and the listing will be removed from the MLS system.
- h. **Promotion of Oneself or Firm:** No-one is allowed to overlay text and/or images on MLS photos or sketches or use pictures, virtual tours, video links or data fields to promote oneself or firm, excluding Agent Only & Syndication Remarks data field. To do so incurs a fine of \$1,000. *(Amended 6-20-2012)*
- i. **Price Change, Extension of Expiration Date, or Withdrawal:** Other fines are charged for changes that require the owners signature on Price Changes, Extended Expiration Date, Withdrawn and Other changes that affect the listing agreement at \$15.00 per occurrence if not input into the system within 72 hours.
- j. **Bonus:** Any bonus information in the MLS system that reflects a seller-offered bonus, seller incentives, or bonuses offered from a listing broker that are advertised based on specific conditions of offers will incur a \$50.00 fine.
- k. **Closed and Sold Listings:** Closed/Sold Listings are to be input into the MLS system immediately after closing. A \$50.00 fine will be imposed for any Closed/Sold Listings that are not sold in the MLS system within five (5) days of notification. After an additional five (5) days have lapsed and the listing is not Sold in the system, an additional \$100.00 fine will be imposed.
- l. **Billing and Service Fee:** Subscription and miscellaneous billing is due and payable at the MLS Office by the 20th of each month at 5:00 p.m., or in the case of Participants who are eligible to pay on a quarterly basis, by the 20th on the first month of each quarter. Participants who pay on a quarterly basis are not eligible for a refund in the case of termination of service prior to the end of the quarter. Failure to have

the payment to the MLS Office by that time will incur a \$25.00 late fee for the first two times within a calendar year that the payment is received late. Third and all future infractions of late payments during a calendar year will incur a \$50.00 late fee, in addition to other fees relating to suspension. If the full amount of the past due bill (including late fee) is not paid within thirty (30) days following the due date, membership in MLS will be suspended. A reinstatement fee of \$500 will be charged, in addition to the outstanding balance due and owing, including any applicable late fees if reinstated on or before sixty (60) days following suspension. If reinstatement and payment of all related fees occurs after (60) days from the date of suspension, the full Initial Participation Fee of \$1,000 will be charged, in addition to payment in full of the outstanding balance, including late fees.

- m. Certification by Participant:** Participant will certify to MLS on a prescribed form by January 31 of each year those licensees affiliated with said Participant. Failure to do so will result in a \$50.00 fine.
- n. Waiver of Licensees:** A waiver of service fees may be granted after review by the Board of Directors to a licensee affiliated with or employed by a MLS Participant who is either: an office manager; office staff; property manager; a licensee dealing exclusively with commercial and industrial properties; an appraiser who already holds membership in MLSCV; a principal or owner of the company who holds a license but is not actively engaged in brokerage of real estate; or an affiliated licensee of a non-jurisdictional Participant who primarily subscribes to another MLS, provided that the MLS to which the non-jurisdictional Participant primarily subscribes does not have an all inclusive joining policy. "An all inclusive joining policy" means that a non-jurisdictional Participant and all firm licensees are required to join the MLS. Each licensee and the Participant requesting a waiver must complete and sign such forms as required which includes a statement that the licensee does not list or sell properties or use the service. Failure to submit the required forms will result in the Participant being billed MLS service fees for the licensee.
- o. NSF Check Returns:** Participants will be assessed a \$25.00 fee for each Non-Sufficient Funds (NSF) check returned by the banking institution on which the check was drawn.
- p. Geographic Area Entry:** Any property input into the MLS system must be entered into the MLS geographic area where the property is located; those areas being set forth by MLS. Once notification is given to the Participant by the MLS office, the listing must be corrected or removed within 48 hours from notification. Failure to do so will result in a \$100.00 fine. If this compliance is not met within 72 hours of the first notification, the Participant will be subject to disciplinary action by the MLS Board of Directors.
- q. Quick Sale/Quick Under Contract:** When a Quick Sale listing is entered into the MLS System, it must be entered accurately and completely including remarks. When MLS is notified, a warning call from the MLS will be made to the Participant allowing 72 hours to properly input the listing. If the listing is not corrected within the 72 hour time limit, a \$50 fine will be incurred and Participant again notified. If within the second 72 hours the listing is not corrected, and additional \$50 fine will be incurred.
- r. Room Levels and Other Room Names:** Room levels and other room names are required to be entered accurately into MLS. Room levels will be shown as Main, 2nd, 3rd, Bsmt, and other and marked with an uppercase X to denote room and/or room names on appropriate levels. Upon notification that room levels and/or room names have been omitted, contact will be made to the MLS Participant giving notice of the 72 hour deadline to input the information or make necessary corrections. Proof of all corrections must be received by the MLS Office within the 72 hour time frame. Failure to do so will result in a \$50 per listing fine assessment. If within the next 72 hours, the additions or corrections are not made and proof of correction sent to MLS, a fine of \$100 per listing will be automatically assessed. An additional \$100 fine per listing will be assessed every 72 hour period until such time the room levels and/or room names are input or corrected and proof of correction sent to the MLS Office.

- s. **Parking:** Parking information on the listing must be filled in accurately and completely. If the MLS is notified that insufficient parking information appears on a listing, the Participant will be notified by MLS and given a 72 hour time limit on making the correction. If within the 72 hours the listing is not corrected, a \$50 fine will be incurred. If within the second 72 hours the listing is not corrected, the Participant will again be notified and an additional \$50 fine will be incurred.
- t. **Password/Codes:** You may NOT disclose or share your MLS system password codes with anyone and/or violation of Section 18.2.6 can result in a fine of up to \$5,000 and/or suspension or termination from MLS. (Amended 5/21/14)
- u. **Publishing of Lockbox Codes:** The input of a lockbox code in any field of the MLS system is prohibited. To do so constitutes a \$1,000 fine for each occurrence and the lockbox code will be removed from the system.
- v. **Sub-Property Types:** MLS listings are required to reflect the correct sub-property type in MLS. Upon notification that a property has been entered into MLS which reflects an incorrect sub-property type, contact will be made to the MLS Participant giving notice of the 72 hour deadline to make the correction. Proof of correction must be received by the MLS Office within the next 72 hours. Failure to do so will result in a \$50 per listing fine assessment. If within the next 72 hours, the correction is not made and proof of correction sent to MLS, a fine of \$100 per listing will be automatically assessed. An additional \$100 fine per listing will be assessed every 72 hours period until such time the property is entered into the correct sub-property type and proof of correction sent to MLS.
- w. **Directions:** Written driving directions are required to be input into the Directions field of MLS. Leaving this field blank or referring to an internet search or GPS for directions is unacceptable. Failure to complete this field will result in a \$500 fine.
- x. **MLS System Information:** All information input into the MLS System, including images, shall be original content produced and/or created by the listing agent. Information, not original content or produced by listing agent, must be used with permission only. Violation will result in \$100 fine and image(s) shall be removed. (Amended 5/21/14)

Note: Fees, fines and charges are established by the MLS Board of Directors.

Compliance with Rules

Section 7 Compliance with Rules—Authority to Impose Discipline

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)*

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 7.1 Compliance with Rules

The following action may be taken for noncompliance with the rules:

- a. For failure to pay any fees, fines and/or service charges by the twentieth (20th) of the month and provided that (10) days notice has been sent by the MLS office:
 - (1) A late charge or fee shall be added to the outstanding balance on the twenty-first (21st) of the month.
 - (2) By the twentieth (20th) of the second month with current and past fees still outstanding, computer service shall be suspended.
 - (3) By the twentieth (20th) of the third month with current and past due fees still outstanding, MLS membership shall be terminated.
 - (4) Partial payments will not be accepted, only payments in full for outstanding and current charges and fees including any late charges and fees will be accepted.
- b. For failure to comply with Section 10 (Confidentiality of MLS Information), Section 11 (Ownership of MLS Compilations and Copyrights) and Section 12 (Use of Copyrighted MLS Compilations), the provisions of Sections 9 and 9.1(a) shall apply.
- c. For failure to comply with any other Rules, the provisions of Sections 9 and 9.1(b) shall apply.

Section 7.2 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)*

Note: Adoption of Section 7.2 is optional and should be adopted by multiple listing services desiring to establish authority to impose discipline on non-principal users or subscribers affiliated with MLS members or participants. *(Adopted 4/92)*

Meetings

Section 8 Meetings

The meetings of the participants in the service or the board of directors of the multiple listing service for the transaction of business of the service shall be held in accordance with the provisions of Article 7, bylaws of the service.

Enforcement of Rules or Disputes

Section 9 Consideration of Alleged Violations

The board of directors shall give consideration to all written complaints having to do with violations of the rules and regulations. *(Amended 2/98)*

Section 9.1 Violations of Rules and Regulations

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 board of directors of the service, and if a violation is determined, the board of directors 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 twenty (20) days following receipt of the directors' decision. *(Amended 11/96)*

If, rather than conducting an administrative review, the MLS has a procedure established to conduct hearings, any appeal of the decision of the hearing tribunal may be appealed to the board of directors of the MLS within twenty (20) days of the tribunal's decision. Alleged violations involving unethical conduct shall be referred to the professional standards committee of the association of Realtors® for processing in accordance with the professional standards procedures 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)*

a. Violations of Sections 10, 11, and 12: If the Board of Directors find that there has been a violation of either Sections 10, 11 or 12, then the sanction to be imposed shall be as follows:

- (1) For the first violation by the Participant and/or the Participant's agent or licensee, a fine of One Thousand (\$1,000) Dollars and such remedial/educational programs as the Board of Directors deem appropriate.
- (2) For the second violation occurring within two (2) years from the date of the first violation by the Participant and/or the Participant's same agent or licensee, a fine of Twenty-Five Hundred (\$2,500) Dollars and suspension from MLS for a period of three (3) months.
- (3) For the third violation occurring within two (2) years from the date of the first violation by the Participant and/or the Participant's same agent or licensee, a fine of Five Thousand (\$5,000.00) Dollars and suspension from the Multiple Listing Service for a period of six (6) months.

(NOTE: Sanctions to be imposed as set forth in 9.1a, (2), or (3) are to be imposed only when there is a violation for the second or third time within two (2) years from the date of the first offense by the same Participant and/or the Participant's same agent or licensee. For example, if the Participant or Agent A of the Participant is in violation for three (3) separate occasions within two (2) years, then the Participant of Agent A will be subject to the sanctions as imposed in 9.1a (3). However, if Agent A, Agent B, Agent C and Agent D of the same Participant are in violation on different occasions and all violations occur within two (2) years from the date of the first violation, then the maximum sanctions will be those as set forth in 9.1a(1).

- b. Violations - Other: Except as stated in 9.1a, if the alleged offense is a violation of any other Rules and Regulations, then the Board of Directors may direct the imposition of a sanction which it deems reasonable and appropriate.

Section 9.2 Complaints of Unethical Conduct

All other complaints of unethical conduct shall be referred by the board of directors of the service to the Catawba Valley Association of Realtors® for appropriate action in accordance with the professional standards procedures established in the association's bylaws. *(Amended 11/88)*

Confidentiality of MLS Information

Section 10 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 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.

Ownership of MLS Compilation* and Copyright

Section 11

By the act of submitting any property listing content to the MLS, the participant represents that he has been authorized to license and also thereby does license 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. *(Amended 5/16)*

Note: The Digital Millennium Copyright Act (DMCA) is a federal copyright law that enhances the penalties for copyright infringement occurring on the Internet. The law provides exemptions or "safe harbors" from copyright infringement liability for online service providers (OSP) that satisfy certain criteria. Courts construe the definition of "online service provider" broadly, which would likely include MLSs as well as participants and subscribers hosting an IDX display.

One safe harbor limits the liability of an OSP that hosts a system, network or website on which Internet users may post user-generated content. If an OSP complies with the provisions of this DMCA safe harbor, it cannot be liable for copyright infringement if a user posts infringing material on its website. This protects an OSP from incurring significant sums in copyright infringement damages, as statutory damages are as high as \$150,000 per work. For this reason, it is highly recommended that MLSs, participants and subscribers comply with the DMCA safe harbor provisions discussed herein.

To qualify for this safe harbor, the OSP must:

1. Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, participant, subscriber, or other individual or entity.
2. Develop and post a DMCA-compliant website policy that addresses repeat offenders.
3. Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.
4. Have no actual knowledge of any complained-of infringing activity.
5. Not be aware of facts or circumstances from which complained-of infringing activity is apparent.
6. Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

Full compliance with these DMCA safe harbor criteria will mitigate an OSP's copyright infringement liability. For more information see 17 U.S.C. §512. *(Adopted 11/15)*

*The term MLS compilation, as used in Sections 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 database, card file, or any other format whatsoever.

Section 11.1

All right, title, and interest in each copy of every multiple listing compilation created and copyrighted by the MLS of Catawba Valley, Inc. and in the copyrights therein, shall at all times remain vested in the MLS of Catawba Valley, Inc.

Section 11.2 Display

Each participant shall be entitled to lease from the MLS of Catawba Valley, 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.

*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 Compilation

Section 12 Distribution

Participants shall, at all times, maintain control over and responsibility for each copy of any MLS compilation leased to them by the MLS of Catawba Valley, Inc. 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 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 or published by an association multiple listing service where access to such information is prohibited by law. *(Amended 4/92)*

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 the prospective purchasers are or may, in the judgment 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 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.

*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.

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 by these rules and regulations. *(Amended 05/14)*

Use of MLS Information

Section 13 Limitations on Use of MLS Information

Use of information from 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 non-print forms 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 Catawba Valley Association of Realtors® (alternatively, from the MLS of Catawba Valley, Inc. for the period (date) through (date). *(Amended 11/93)*

Changes in Rules and Regulations

Section 14 Changes in Rules and Regulations

Amendments to the rules and regulations of the service shall be by consideration and approval of the board of directors of the multiple listing service, subject to final approval by the board of directors of the MLS of Catawba Valley, Inc. (shareholder).

Note: Some associations may prefer to change the rules and regulations by a vote of the participants of the service, subject to approval of the board of directors of the service, with final approval by the board of directors of the association of Realtors® which is the sole and exclusive shareholder of the stock of the service corporation.

Software Support

Section 15 Software Support

Broker/agent on-line support for the Black Knight MLS Solutions Paragon System is available by calling 877-657-4357 (MLS HELP). The Paragon Support Operating hours are: Monday-Friday 7:00 am - 9:00 pm, Saturday 10:00 am - 4:00 pm & Sunday 12:00 pm - 4:00 pm, or email paragonsupport@lpsvcs.com.

Lockbox Policy

Section 16 Lockbox Policy

Combination lockboxes are utilized and may be secured from the MLS Office. Please observe the following guidelines:

- a. Practice the Golden Rule – Schedule all appointments as directed by the Listing Agent in the MLS service.
- b. Replace lockbox front when removing key. Do not leave key or lockbox front in the property.
- c. Turn off all lights, lock the house securely, replace key in lockbox and resecure.
- d. Do not allow the lockbox combination or house key to leave the possession of the PARTICIPANT or authorized person.
- e. Under no circumstance are lockbox combinations allowed to be input into the MLS computer. To do so constitutes a fine. (See Section 6 u)

Orientation

Section 17 Orientation

Applicants for MLS membership shall submit a completed application form and remittance of applicable MLS fees. Services shall be activated upon the first available monthly status change which occurs typically on the Wednesday before the last Friday of the month. MLS Participants are required to attend and complete training at the first available orientation. Should the MLS Participant not attend the first scheduled orientation, MLS services may be inactivated until such time as orientation is completed. If the individual does not satisfy all of the requirements of membership within **180 days** from the receipt of the application, membership shall be terminated. If a membership is terminated, reinstatement requirements will be reviewed. *(Amended 8/23/15)*

Internet Data Exchange (IDX)

Section 18 IDX Defined

IDX affords MLS participants the ability to authorize limited electronic display of their listings by other participants. *(Amended 5/12)*

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 IDX sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display. *(Amended 05/12)*

Section 18.2 Participation

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. *(Amended 11/09)*

Section 18.2.1

Participants must notify the MLS of their intention to display IDX information and must give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies. *(Amended 05/12)*

Section 18.2.11

Participants shall not modify or manipulate information relating to other participants listings. MLS Participants may augment their IDX display of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated by the data supplied by the MLS. The source(s) of the information must be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized fields.

Section 18.2.2

MLS participants may not use IDX-provided listings for any purpose other than display as provided for in these rules. This does not require participants to prevent indexing of IDX listings by recognized search engines. *(Amended 05/12)*

Section 18.2.3

Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing broker 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). *(Amended 05/12)*

Section 18.2.4

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 or exclusive agency), 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. *(Amended 11/06)*

Section 18.2.5

Participants must refresh all MLS downloads and IDX displays automatically fed by those downloads at least once every twelve (12) hours. *(Amended 11/14)*

Section 18.2.6

Except as provided in the IDX policy and these rules, an IDX site or a participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity. *(Amended 05/12)*

** A violation of this section will result in a \$5,000 fine and/or suspension or termination from MLS.*

Section 18.2.7

Any IDX 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. For purposes of the IDX policy and these rules, “control” means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules. *(Amended 05/12)*

**Violation of this section constitutes a \$1,000 fine and/or suspension or termination from MLS*

Section 18.2.8

Any IDX display controlled by a participant or subscriber that

- a. 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
- b. 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 Section 18.2.9, a participant’s IDX display may communicate the participant’s professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying its customers that a particular feature has been disabled at the request of the seller. *(Adopted 05/12)*

Section 18.2.9

Participants 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. Participants 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, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment. *(Amended 05/12)*

Section 18.2.10

An MLS participant (or where permitted locally, an MLS subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are

consistent with the IDX rules, and the MLS participant (or MLS subscriber) 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 IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that participants may display listings from each IDX feed on a single webpage or display. *(Adopted 11/14)*

Section 18.3 Display

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

Note: All of the following rules are optional but, if adopted, cannot be modified. Select those rules which apply to your IDX program and number the sections accordingly.

Section 18.3.1

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. Confidential fields intended only for other MLS participants and users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed. *(Amended 05/12)*

Note: The only fields you may display for IDX purposes are:

SINGLE FAMILY

- | | | | |
|---------------------------------|-----------------------------|----------------------------------|---------------------------|
| 1. # Bedrooms | 23. Cooling | 50. LA1 User Code | 76. Parking |
| 2. # of Fireplaces | 24. County | 51. Lakefront Y/N | 77. Photo count |
| 3. # Full Baths | 25. Cumulative DOM | 52. Listing Date | 78. Photo Timestamp |
| 4. # Partial Baths | 26. Doc Timestamp | 53. Listing Office | 79. Primary Residence Y/N |
| 5. Address | 27. Elementary School | 54. Listing Price | 80. Public Remarks |
| 6. Address Direction | 28. Exterior Features | 55. LO1 Main Office ID | 81. State |
| 7. Address Number | 29. Exterior Siding | 56. LO1 Office AddressStreetName | 82. Status |
| 8. Address Street | 30. First Photo | 57. LO1 Office Address 2 | 83. Status Category |
| 9. Agent | 31. Fixture Comments | 58. LO1 Office City | 84. Status detail |
| 10. Allow Auto Est Market Value | 32. Fixtures Exceptions Y/N | 59. LO1 Office Email | 85. Style |
| 11. Allow Consumer Comment | 33. Foreclosure Y/N | 60. LO1 Office Name | 86. Sub Property Type |
| 12. Allow Display of address | 34. Geo Address line | 61. LO1 Office Phone1 Number | 87. Subdivision |
| 13. Allow Display on VOW | 35. Geo Lattitude | 62. LO1 Office State | 88. System ID |
| 14. Approx # of Acres | 36. Geo Longitude | 63. LO1 Office URL | 89. Total Baths |
| 15. Area | 37. Geo Match Code | 64. LO1 Office Zip | 90. Total Heated SQFT |
| 16. Auction Y/N | 38. Geo Postal Code | 65. LO1 OfficePhone1CountryID | 91. Total Unheated SQFT |
| 17. Available for Rent Y/N | 39. Geo Primary City | 66. LO1 Office Phone1 Ext | 92. Type |
| 18. Basement Y/N | 40. Geo Quality | 67. Marketing Date | 93. Unit # |
| 19. Bonus Room Y/N | 41. Geo Secondary City | 68. Middle School | 94. Update Date |
| 20. City | 42. Geo Zoom Level | 69. MLS # | 95. Virtual Tour |
| 21. City Limits | 43. Heating | 70. New Construction | 96. Water-Lake/Stream |
| 22. Class | 44. High School | 71. Non Member Office | 97. Water/Sewer |
| | 45. HUD Owned Y/N | 72. NonMem Agent | 98. Year Built |
| | 46. IDX Include | 73. Other Room 1 | 99. Zip |
| | 47. Interior Features | 74. Other Room 2 | 100.Zoning |
| | 48. LA1 Agent First Name | 75. Ownership | |
| | 49. LA1 Agent Last Name | | |

LAND:

- | | | | |
|----------------------|--------------------------------|-------------------------|-----------------------|
| 1. Address | 6. Allow Auto Est Market Value | 9. Allow Display on VOW | 14. City Limits |
| 2. Address Direction | 7. Allow Consumer Comment | 10. Approx # of Acres | 15. Class |
| 3. Address Number | 8. Allow Display of address | 11. Area | 16. County |
| 4. Address Street | | 12. Buildings | 17. Cumulative DOM |
| 5. Agent | | 13. City | 18. Doc Timestamp |
| | | | 19. Doc Allowed (Y/N) |

20. Elementary School	38. High School	58. LO1 Office Zip	73. Photo Timestamp
21. Exterior Features	39. HUD Owned Y/N	59. LO1 OfficePhone1CountryID	74. Public Remarks
22. First Photo Add Timestamp	40. IDX Include	60. LO1 Office Phone1 Ext	75. Restrictions
23. Fixture Comments	41. Interior Features	61. Lot #	76. Road Frontage
24. Fixtures Exceptions Y/N	42. LA1 Agent First Name	62. Lot Description	77. Road Frontage Ft
25. Foreclosure Y/N	43. LA1 Agent Last Name	63. Manufactured Home Allowed	78. State
26. Geo Address line	44. LA1 User Code	64. Marketing Date	79. Status
27. Geo Lattitude	45. Lakefront Y/N	65. Middle School	80. Status Category
28. Geo Longitude	46. Listing Date	66. Minimum SQFT Requirements	81. Status detail
29. Geo Match Code	47. Listing Office	67. MLS #	82. Sub Property Type
30. Geo Matched Method	48. Listing Price	68. Modular Home Allowed	83. Subdivision
31. Geo Postal Code	49. LO1 Main Office ID	69. Non Member Office	84. System ID
32. Geo Primary City	50. LO1 Office AddressStreetName	70. NonMem Agent	85. Update Date
33. Geo Quality	51. LO1 Office Address 2	71. Ownership	86. Utilities Available
34. Geo Secondary City	52. LO1 Office City	72. Photo count	87. Virtual Tour
35. Geo Subdivision	53. LO1 Office Email		88. Water/Sewer
36. Geo Update Timestamp	54. LO1 Office Name		89. Water Description
37. Geo Zoom Level	55. LO1 Office Phone1 Number		90. Water/Sewer
	56. LO1 Office State		91. Zip
	57. LO1 Office URL		92. Zoning

MULTI-FAMILY:

1. # Stories	23. Exterior Features	51. LO1 Main Office ID	78. Subdivision
2. # Units	24. Exterior Siding	52. LO1 Office AddressStreetName	79. System ID
3. Address	25. First Photo Add Timestamp	53. LO1 Office Address 2	80. U1 #Bedrooms
4. Address Direction	26. Fixture Comments	54. LO1 Office City	81. U1 #Full Baths
5. Address Number	27. Fixtures Exceptions Y/N	55. LO1 Office Email	82. U1 #Partial Baths
6. Address Street	28. Foreclosure Y/N	56. LO1 Office Name	83. U1 Heated Sq Ft Ftr
7. Agent	29. Geo Address line	57. LO1 Office Phone1 Number	84. U2 #Bedrooms
8. Allow Auto Est Market Value	30. Geo Lattitude	58. LO1 Office State	85. U2 #Full Baths
9. Allow Consumer Comment	31. Geo Longitude	59. LO1 Office URL	86. U2 #Partial Baths
10. Allow Display of address	32. Geo Match Code	60. LO1 Office Zip	87. U2 Heated Sq Ft Ftr
11. Allow Display on VOW	33. Geo Postal Code	61. LO1 OfficePhone1CountryID	88. U3 #Bedrooms
12. Approx # of Acres	34. Geo Primary City	62. LO1 Office Phone1 Ext	89. U3 #Full Baths
13. Area	35. Geo Quality	63. Middle School	90. U3 #Partial Baths
14. Available for Rent (Y/N)	36. Geo Secondary City	64. MLS #	91. U3 Heated Sq Ft Ftr
15. City	37. Geo Subdivision	65. Non Member Office	92. U4 #Bedrooms
16. City Limits	38. Geo Update Timestamp	66. NonMem Agent	93. U4 #Full Baths
17. Class	39. Geo Zoom Level	67. Ownership	94. U4 #Partial Baths
18. Cooling	40. Heating	68. Parking	95. U4 Heated Sq Ft Ftr
19. County	41. High School	69. Photo count	96. Update Date
20. Cumulative DOM	42. HUD Owned Y/N	70. Photo Timestamp	97. Virtual Tour
21. Doc Timestamp	43. IDX Include	71. Primary Residence Y/N	98. Water/Sewer
22. Elementary School	44. Interior Features	72. Public Remarks	99. Year Built
	45. LA1 Agent First Name	73. State	100.Zip
	46. LA1 Agent Last Name	74. Status	101.Zoning
	47. LA1 User Code	75. Status Category	
	48. Listing Date	76. Status detail	
	49. Listing Office	77. Sub Property Type	
	50. Listing Price		

COMMERCIAL/INDUSTRIAL:

1. # of Acres	22. Doc Timestamp	Level	61. LO1 Office Phone1 Ext
2. # of Restrooms	23. Electricity	41. Heating	62. Location
3. # Stories	24. Exterior Features	42. IDX Include	63. Marketing Date
4. Address	25. First Photo Add	43. Interior Features	64. MLS #
5. Address Direction	Timestamp	44. LA1 Agent First	65. Non Member Office
6. Address Number	26. Fixture Comments	Name	66. NonMem Agent
7. Address Street	27. Fixtures	45. LA1 Agent Last	67. Ownership
8. Agent	Exceptions Y/N	Name	68. Parking
9. Allow Auto Est	28. Foreclosure Y/N	46. LA1 User Code	69. Photo count
Market Value	29. Geo Address line	47. Listing Date	70. Photo Timestamp
10. Allow Consumer	30. Geo Lattitude	48. Listing Office	71. Public Remarks
Comment	31. Geo Longitude	49. Listing Price	72. Road Frontage
11. Allow Display of	32. Geo Match Code	50. LO1 Main Office	73. Road Frontage Feet
address	33. Geo Matched	ID	74. State
12. Allow Display on	Method	51. LO1 Office	75. Status
VOW	34. Geo Postal Code	AddressStreetName	76. Status Category
13. Area	35. Geo Primary	52. LO1 Office Address 2	77. Status Detail
14. Available for Rent	City	53. LO1 Office City	78. Sub Property Type
(Y/N)	36. Geo Quality	54. LO1 Office Email	79. System ID
15. City	37. Geo Secondary	55. LO1 Office Name	80. Total SQFT
16. City Limits	City	56. LO1 Office Phone1	81. Update Date
17. Class	38. Geo	Number	82. Virtual Tour
18. Construction	Subdivision	57. LO1 Office State	83. Water/Sewer
19. Cooling	39. Geo Update	58. LO1 Office URL	84. Year Built
20. County	Timestamp	59. LO1 Office Zip	85. Zip
21. Cumulative DOM	40. Geo Zoom	60. LO1 OfficePhone1CountryID	86. Zoning

Section 18.3.2 N/A

Section 18.3.3

All listings displayed pursuant to IDX shall identify the listing firm 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. Displays 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. *(Amended 05/12)*

**Violation of this section constitutes a \$1,000 fine and/or suspension or termination from MLS*

Section 18.3.4 N/A

Section 18.3.5

Non-principal brokers and sales licensees affiliated with IDX participants may display information available through IDX on their own websites subject to their participant’s consent and control and the requirements of state law and/or regulation.

Section 18.3.6

Deleted November 2006.

Section 18.3.7

All listings displayed pursuant to IDX shall show the MLS as the source of the information. “Copyrighted listing data provided by the MLS of Catawba Valley, Inc. for Internet Data Exchange with all rights reserved. The information is deemed reliable but not guaranteed. The data relating to real estate on this site comes from

the MLS member Firms who participate in Internet Data Exchange.” Every listing detail page will display the name of the listing brokerage.

Displays 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. *(Amended 05/12)*

**Failure to do so constitutes a fine of \$1,000 and/or suspension or termination from MLS.*

Section 18.3.8

Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information is provided exclusively for consumers’ personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that the data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect participants and/or the MLS from liability. Displays 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. *(Amended 05/12)*

Section 18.3.9 N/A

Section 18.3.10

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 18.3.11 N/A

Section 18.3.12

Display of expired, withdrawn, or sold listings* is prohibited. *(Amended 11/14)*

Section 18.3.13 N/A

Section 18.3.14 N/A

Section 18.3.15 N/A

Section 18.3.16

Advertising (including co-branding) on pages displaying IDX-provided listings is prohibited.

Section 18.4 Service Fees and Charges

Service fees, fines and charges for participation in IDX shall be as established by the Board of Directors. *(Adopted 11/01, Amended 5/05)*

Section 18.4.1 IDX Sanctions and Fines

A violation of any provision of Section 18 may result in the Participant’s suspension or termination from MLS, in addition to a fine as determined by the Board of Directors, unless otherwise set forth herein. The fines as specified in this Section 18 shall be imposed by the Board of Directors upon finding a violation has occurred unless the Board of Directors determines that there are extenuating circumstances that justify a reduction in the specific fine. Any Participant who violates this Section 18 will be responsible for and required to pay for MLS’ reasonable attorney fees and costs incurred in the enforcement of the rules and regulations.

Virtual Office Websites (VOWs)

Section 19 Virtual Office Websites

Section 19.1 VOW Defined

- 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 19 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 Virtual Office Websites, 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 participants to the MLS and aggregated and distributed by the MLS to participants.

Section 19.2

- 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 19.3

- 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 e-mail address for each Registrant. The participant must send an e-mail 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 e-mail 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 e-mail 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, e-mail address, user name, and current password of each Registrant. The participant must keep such records for not less than one hundred eighty (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, e-mail 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' ownership of and the validity of the MLS' 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 19.4

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 19.5

A participant's VOW must employ reasonable efforts to monitor for and prevent misappropriation, scraping, and other unauthorized uses 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.

Note: MLSs may adopt rules requiring Participants to employ specific security measures, provided that any security measure required does not impose obligations greater than those employed by the MLS.

Section 19.6

- a. A participant's VOW shall not display the 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 e-mail, 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. Check one.
 - a. I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.
 - 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 searches.

Initials of Seller

- c. The participant shall retain such forms for at least one (1) year from the date they are signed or one (1) year from the date the listing goes off the market, whichever is greater.

Section 19.7

- a. Subject to Subsection b., below, 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. to 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 19.8

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 forty-eight (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 19.9

A participant shall cause the MLS listing information available on its VOW to be refreshed at least once every three (3) days.

Section 19.10

Except as provided in these rules, in the National Association of Realtors®' VOW policy, or in 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 19.11

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 19.12

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 19.13

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 19.14

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.

Note: Adoption of Sections 19.15 through 19.19 is at the discretion of the MLS. However, if any of the following sections are adopted, an equivalent requirement must be imposed on participants' use of MLS listing information in providing brokerage service through all other delivery mechanisms.

Section 19.15

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

- a. expired, and withdrawn, listings

Note: Due to the 2015 changes in IDX policy and the requirement that participants are allowed to use MLS listing information through all delivery mechanisms when providing brokerage services, MLSs can no longer prohibit the display of pending (“undercontract”) listings to the Registrants of a participant’s VOW

- 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
- f. sold information

Note: If sold information is publicly accessible in the jurisdiction of the MLS, Subsection 19.15f. must be omitted.

Section 19.16

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 19.17

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 19.18

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 19.19 N/A

Section 19.20

A participant shall require that Registrants’ passwords be reconfirmed or changed every 90 days.

Note: The number of days passwords remain valid before being changed or reconfirmed must be specified by the MLS in the context of this rule and cannot be shorter than ninety (90) days. Participants may, at their option, require Registrants to reconfirm or change passwords more frequently.

Section 19.21

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 19.22

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 identify the source of the listing.

Section 19.23

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 19.24

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

Section 19.25 N/A

Section 19.26

Such fees and charges for participation in VOWS shall be established from time to time by the MLS Board of Directors.

THIRD PARTY ACCESS

SECTION 20 Third Party Access:

Service providers desiring to access MLSCV data in order to offer products or services to MLSCV members may request a Third Party Download. Examples of the MLSCV – Third Party relationships are Realtor.com and Top Producer.

This privilege to access MLSCV data is subject to the full compliance with the following conditions:

- a. At least one MLSCV Participant in good standing sponsors the request.
- b. The Service Provider submits request, in writing, to the MLS Committee and the MLS Committee will present it to the Board of Directors of MLSCV for approval.
- c. The Service Provider's request must contain the following:
 - i. Name of Company
 - ii. Brief description of company business model
 - iii. Name of product/service
 - iv. Purpose of product/service
 - v. Description of product/service
 - vi. Product/Service price structure
 - vii. Explanation of how product/service can benefit MLSCV members
 - viii. List of specific fields and records required and desired frequency of delivery
 - ix. List of MLSCV Members sponsoring this request
 - x. The Service Provider will provide additional information in writing if requested by the MLS Committee
- d. The granting of third party access is deemed a privilege and NOT a right
- e. Notwithstanding the granting of third party access to service provider, MLSCV reserves the absolute and discretionary right to immediately terminate third party access at any time without advance notice to the service provider.

All third party downloads, if approved, will be subject to such additional terms and conditions and/or costs as approved by MLSCV.

MLS CONTACT

Section 21 MLS Contact

The participant has the option to advise the MLS Office in writing if they desire the day to day operations of MLS to be discussed with anyone other than themselves. This person is designated the MLS Contact.

Any questions concerning incorrect listings, late fees, billing, rules and other matters pertaining to MLS must be carried out with the participant, their appointed MLS Contact and the MLS Office staff.

Questions from any other agents within the participants firm will be referred back to the MLS Contact or the participant with the firm.