



MLS Rules & Regulations

Approved by Board of Directors

June 2019

Changes to this set of MLSListings' rules: From time to time, MLSListings amends or updates these MLS Rules to adopt changes from its Board of Directors or from N.A.R. / C.A.R. policies or California law, for general service improvement. Recent changes to these rules are shown in red print by ~~strikeout~~ or underline.

- **Section 7.11.2 Listing Photograph Requirements**

Prohibition on overlays, mosaics or added text rescinded, however mages may not be text only.

~~Photos or images may not contain added text overlay, text only or be in a mosaic or tiled style (multiple images within one frame). Photos or images with embedded data such as time stamps or floorplans are not prohibited.~~ Images may not contain text only.

Contents



	MLS LISTINGS	0
1.	AUTHORITY.....	1
2.	PURPOSE.....	1
2.1	CLIENT OR CUSTOMER DEFINED.....	1
3.	MULTIPLE LISTING SERVICE.....	1
4.	PARTICIPATION AND AUTHORIZED ACCESS.....	1
4.1	PARTICIPANT.....	1
4.1.1	Broker Participant.....	1
4.1.2	Appraiser Participant.....	3
4.2	SUBSCRIBER.....	3
4.2.1	Real Estate Subscriber.....	3
4.2.2	Appraiser Subscriber.....	4
4.3	CLERICAL USERS.....	4
4.4	NOTIFICATION OF LICENSEES.....	5
4.5	PARTICIPATION NOT TRANSFERABLE.....	5
4.6	LISTING BROKER DEFINED.....	5
4.7	BUYER BROKER OR SELLING BROKER DEFINED.....	5
4.8	APPRAISER DEFINED.....	5
4.9	DENIED APPLICATION.....	6
4.10	SUBJECT TO MLS RULES.....	5
5.	MLS FEES AND CHARGES.....	6
5.1	SERVICE FEES AND CHARGES.....	6
5.1.1	Initial Participation and/or Application Fee.....	6
5.1.2	Recurring Participation Fee.....	6
5.1.3	Listing Fee.....	7
5.1.4	Book Fees.....	7
5.1.5	Computer Access Fees.....	7
5.1.6	Certification of Nonuse.....	7
5.1.7	Clerical Users.....	7
5.1.8	Other Fees.....	7
5.2	RESPONSIBILITY FOR FEES.....	7
6.	REGIONAL AND RECIPROCAL AGREEMENTS.....	8
7.	LISTING PROCEDURES.....	8
7.1	LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE.....	8
7.2	TYPES OF LISTINGS; RESPONSIBILITY FOR CLASSIFICATION.....	8
7.2.1	Scope of Service; Limited Service Listings.....	8
7.2.2	Scope of Service; MLS Entry-Only Listings.....	9
7.2.3	Scope of Service; Legal Obligations.....	9

7.3	TYPES OF PROPERTIES; RESPONSIBILITY FOR CLASSIFICATION.....	9
7.4	COMPLIANCE WITH CALIFORNIA AND FEDERAL LAW	10
7.5	MANDATORY SUBMISSION	10
7.6	EXEMPTED LISTINGS	11
7.7	SERVICE AREA	11
7.8	CHANGE OF LISTING INFORMATION	11
7.9	WITHDRAWAL OF LISTING PRIOR TO EXPIRATION	11
7.10	CONTINGENCIES.....	12
7.11	DETAIL ON LISTINGS FILED WITH THE SERVICE	12
7.11.1	<i>Completeness of Listings</i>	12
7.11.2	<i>Listing Photograph Requirements</i>	12
7.12	UNILATERAL CONTRACTUAL OFFER; SUBAGENCY OPTIONAL	12
7.13	ACCEPTANCE OF CONTRACTUAL OFFER.....	13
7.14	CONSENT TO ACT AS DUAL AGENT	13
7.15	LISTINGS REQUIRING SPECIAL DISCLOSURE OR IDENTIFICATION ON THE SYSTEM.....	13
7.15.1	<i>Estate Sale, Probate and Bankruptcy Listings</i>	13
7.15.2	<i>Lender Approval Listings</i>	14
7.15.3	<i>Auction Listings</i>	14
7.15.4	<i>Lender Owned Listings (REOs) and New Subdivision Sales</i>	14
7.15.5	<i>Government Agency (Federal, State and Municipal) As Seller</i>	15
7.16	CHANGES TO OFFER OF COMPENSATION BY LISTING BROKER TO ALL BROKER PARTICIPANTS	15
7.17	BROKER PARTICIPANT OR REAL ESTATE SUBSCRIBER AS PRINCIPAL.....	15
7.18	MULTIPLE UNIT PROPERTIES.....	15
7.19	EXPIRATION, EXTENSION, AND RENEWAL OF LISTINGS.....	15
7.20	LISTINGS OF PARTICIPANTS OR SUBSCRIBERS SUSPENDED, EXPELLED OR RESIGNED.....	16
7.20.1	<i>Failure to Pay MLS Fees; Resignation</i>	16
7.20.2	<i>Violation of MLS Rules</i>	16
7.21	NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS.....	16
7.22	DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS	17
7.23	CO-LISTINGS	17
8.	DOCUMENTATION; PERMISSION; ACCURACY OF INFORMATION.....	17
8.1	LISTING AGREEMENT AND SELLER'S PERMISSION	17
8.1.1	<i>Withholding Sales Price</i>	17
8.2	WRITTEN DOCUMENTATION.....	18
8.3	ACCURACY OF INFORMATION; RESPONSIBILITY FOR ACCURACY.....	18
8.4	INPUT DEFINED	18
8.5	BUYER, SELLER, PURCHASE AND SALE DEFINED	19
9.	SELLING PROCEDURES	19
9.1	SHOWINGS AND NEGOTIATIONS	19
9.1.1	<i>Showing Access</i>	19
9.2	DISCLOSING THE EXISTENCE OF OFFERS.....	19
9.3	AVAILABILITY TO SHOW OR INSPECT	19
9.4	PRESENTATION OF OFFERS.....	20
9.5	SUBMISSION OF OFFERS AND COUNTER-OFFERS	20
9.6	RIGHT OF BUYER BROKER IN PRESENTATION OF OFFER	20
9.7	RIGHT OF LISTING BROKER AND PRESENTATION OF COUNTER OFFERS.....	20
9.8	CHANGE OF COMPENSATION OFFER BY BUYER BROKER	20
9.9	BUYER BROKER AS A PURCHASER.....	21
9.10	PHYSICAL PRESENCE OF PARTICIPANT OR SUBSCRIBER.....	21
10.	REPORTING STATUS CHANGES AND OTHER INFORMATION TO THE MLS.....	21
10.1	STATUSES.....	21
10.2	REPORTING OF SALES	22
10.3	REMOVAL OF LISTINGS FOR REFUSAL/FAILURE TO TIMELY REPORT STATUS CHANGES	23
10.4	REPORTING CANCELLATION OF PENDING SALE.....	23
10.5	REFUSAL TO SELL	23
11.	OWNERSHIP OF MULTIPLE LISTING SERVICE COMPILATIONS AND COPYRIGHTS.....	23

11.1	MLS CONTENT AND MLS COMPILATION DEFINED	23
11.1.1	“MLS Content” Defined.....	23
11.1.2	“MLS Compilation” Defined	23
11.2	ACTIVE LISTING MLS COMPILATION DEFINED	23
11.3	COMPARABLE DATA MLS COMPILATION DEFINED.....	24
11.4	AUTHORITY TO PUT LISTINGS IN MLS COMPILATION	24
11.5	PHOTOGRAPHS ON THE MLS.....	24
11.6	COPYRIGHT OWNERSHIP	24
11.7	ACCESS TO MLS COMPILATIONS.....	24
11.8	DATABASE PRESERVATION	25
11.9	REMOVAL OF AND RESPONSIBILITY FOR CONTENT	25
11.10	PURSuing COMPLAINTS OF UNAUTHORIZED USE OF LISTING CONTENT.....	25
11.11	INDEMNIFICATION; LIMITATION OF LIABILITY	25
12.	PROHIBITIONS AND REQUIREMENTS	26
12.1	NOTIFICATION OF CALIFORNIA BUREAU OF REAL ESTATE (BRE) OR CALIFORNIA BUREAU OF REAL ESTATE APPRAISERS (BREA) ACTION.....	26
12.2	VIOLATIONS OF THE LAW.....	26
12.3	SUPERVISION OF LICENSEES AND APPRAISERS.....	27
12.4	SOLICITATION OF LISTING FILED WITH THE MLS	27
12.5	USE OF REMARKS.....	27
12.5.1	<i>Public Remarks Restrictions and Requirements</i>	27
12.5.2	<i>Confidential Remarks Restrictions and Requirements</i>	28
12.6	“FOR SALE” SIGNS	28
12.7	“SOLD” SIGNS AND USE OF THE TERM “SOLD”.....	28
12.8	ADVERTISING OF LISTING FILED WITH THE MLS	29
12.8.1	<i>Advertising Defined</i>	29
12.9	LIMITATIONS ON USE OF MLS INFORMATION IN ADVERTISING	29
12.10	FALSE OR MISLEADING ADVERTISING AND REPRESENTATIONS; TRUE PICTURE STANDARD OF CONDUCT.	29
12.11	USE OF MLS INFORMATION	30
12.12	CONFIDENTIALITY OF MLS INFORMATION	30
12.12.1	<i>Clerical Users</i>	30
12.13	ACCESS TO THE COMPILATIONS.....	31
12.14	DISPLAY.....	31
12.14.1	<i>Information Provided to Clients</i>	31
12.14.2	<i>Confidential Information</i>	31
12.14.3	<i>Appraisers</i>	31
12.14.4	<i>Clerical Users</i>	31
12.15	REPRODUCTION.....	32
12.15.1	<i>Copies to Prospective Purchasers</i>	32
12.15.2	<i>Information Reproduced</i>	32
12.15.3	<i>Copies for Appraisals</i>	33
12.15.4	<i>Compilation Downloading</i>	33
12.15.5	<i>Sold Information</i>	33
12.16	USE OF LISTING INFORMATION ON INTERNET.....	34
12.16.1	<i>Notification by Authorized Broker Participants and Real Estate Subscribers</i>	37
12.16.2	<i>Right to Charge for Download</i>	38
12.16.3	<i>Applicability of Rules to MLS</i>	38
12.17	LISTING BROKER’S RIGHT TO OPT OUT OF INTERNET ADVERTISING OF MLS INFORMATION.....	38
12.18	WEBSITE NAME AND STATUS DISCLOSURE.....	38
12.20	VIRTUAL OFFICE WEBSITES (VOWS).....	38
12.20.1	<i>VOW Definitions</i>	38
12.20.2	<i>VOW Operating Parameters</i>	39
12.20.3	<i>VOW Registrant Access Requirements</i>	39
12.20.4	<i>VOW Contact Requirements</i>	41
12.20.5	<i>VOW Data Security</i>	41
12.20.6	<i>VOW Listing Display Restrictions</i>	41

12.20.7	Posting Consumer Comments and Automated Value Estimate	42
12.20.8	Correction of VOW Listing Information	42
12.20.9	VOW Mandatory Listing Refresh	42
12.20.10	VOW MLS Listing Distribution Limitations.....	43
12.20.11	VOW Privacy Policy	43
12.20.12	VOW Selective Listing Display.....	43
12.20.13	Notification to MLS of Intent to Operate a VOW.....	43
12.20.14	Operation of Multiple VOWs.....	43
12.20.15	VOW Data Display Limitations	43
12.20.16	Changes to Listing Content	44
12.20.17	Listing Accuracy Disclaimer	44
12.20.18	Listing Broker or Agent Identification	44
12.20.19	Listing Search Result Limitation	44
12.20.20	Mandatory Registrant Password Change	44
12.20.21	VOW Co-Branding and Advertising.....	45
12.20.22	Identifying Listing Source.....	45
12.20.23	Searching Other Listings.....	45
12.20.24	MLS Licensing Agreement for VOW.....	45
12.20.25	Seller's Direction to Withhold from Internet.....	45
13.	LOCKBOXES	45
13.1	ELIGIBILITY FOR LOCKBOX PRIVILEGES.....	45
13.2	USE OF LOCKBOX CONTENTS	46
13.3	KEY USE AND SERVICE	46
13.4	ACCOUNTABILITY	46
13.5	DEEMED UNACCOUNTABLE	47
13.6	WRITTEN AUTHORITY	47
13.7	REMOVAL OF LOCKBOX	47
13.8	REPORTING MISSING OR UNACCOUNTABLE KEYS.....	47
13.10	RULES VIOLATIONS.....	48
13.11	RIGHT TO LIMIT ACCESS.....	48
13.12	LOCKBOX ACCESSIBILITY	48
14.	VIOLATIONS OF RULES AND REGULATIONS	48
14.1	GROUND FOR DISCIPLINARY ACTION AND SANCTIONS	48
14.2	SANCTIONS	49
14.3	CITATIONS	49
15.	PROCEDURES FOR MLS RULES HEARINGS	49
16.	ARBITRATION.....	49
16.1	MANDATORY ARBITRATION	49
16.2	OTHER ARBITRATION AGREEMENTS	50
16.3	ARBITRATION BETWEEN REALTOR® ASSOCIATION MEMBERS.....	50
16.4	ARBITRATION INVOLVING NON-REALTOR® ASSOCIATION MLS SUBSCRIBERS.....	50
16.5	SAME FIRM.....	50
16.6	TIMING	50
17.	NONPAYMENT OF MLS FEES	51
17.1	NONPAYMENT OF MLS FEES.....	51
17.2	DISPUTED AMOUNTS	51
17.3	REINSTATEMENT	51
18.	CHANGES IN RULES AND REGULATIONS.....	51
	APPENDIX A – CITABLE INFRACTIONS AND ASSOCIATED PENALTIES.....	52
	APPENDIX B – AUTHORIZED PROVIDERS.....	56
	APPENDIX C –PROPERTY CLASSES & PROPERTY TYPES.....	57

MLSLISTINGS MULTIPLE LISTING SERVICE RULES

1. AUTHORITY

MLSListings Inc. (“MLSListings”) may maintain for the use of its participants and subscribers a Multiple Listing Service (hereinafter referred to as “MLS” or “service”), which shall be subject to the bylaws of MLSListings and such rules and regulations as may be hereinafter adopted by the Board of Directors of MLSListings (hereinafter “Board of Directors”).

2. PURPOSE

A Multiple Listing Service is a means by which authorized MLS broker participants establish legal relationships with other participants by making a blanket unilateral contractual offer of compensation and cooperation to other broker participants; 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 among the participants so that they may better serve their clients, customers and the public. Entitlement to compensation is determined by the buyer broker’s performance as a procuring cause of the sale or lease.

2.1 Client or Customer Defined

A “customer” or “client” means a seller client of a participant/subscriber or a person who has expressed to a participant/subscriber an interest in purchasing real property, and who has described the type, features or location of the property in which he or she has an interest. This may include those with whom a prior business relationship exists.

3. MULTIPLE LISTING SERVICE

The MLS shall be governed by the Board of Directors in accordance with the bylaws of MLSListings and rules and regulations as developed by the MLS Rules Committee. All actions of the MLS Rules Committee shall be subject to the approval of the Board of Directors.

4. PARTICIPATION AND AUTHORIZED ACCESS

4.1 Participant

A participant is any individual who applies and is accepted by the MLS, meets and continues to meet all of the following requirements of either a broker participant or an appraiser participant as defined below in sections 4.1.1 and 4.1.2.

4.1.1 Broker Participant

A broker participant is a participant who meets all of the following requirements:

- a. The individual or corporation for which the individual acts as a broker/officer holds a valid California real estate broker's license;
- b. The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal;
- c. The individual or corporation for which the individual acts as a real estate broker/officer offers and/or accepts compensation in the capacity of a real estate broker;*
- d. The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- e. The individual pays all applicable MLS fees; and
- f. The individual has completed any required orientation program of no more than eight (8) classroom hours within sixty (60) days after access has been provided, said individual to be given the opportunity to complete any mandated orientation program remotely.

*Note: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm "offers and/or accepts compensation" means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and on-going basis during the operation of the, Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

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") [See Rule No. 12.19] (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 and/or accept 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 on a nondiscriminatory manner to all Participants and potential Participants.

For violation of this section, see Appendix A, Citable Infractions, 5.5, Non-Completion of Any Required Orientation Program within 60 Days.

4.1.2 Appraiser Participant

An appraiser participant is a participant who meets all of the following requirements:

- a. The individual holds a valid California appraiser's certification or license issued by the Bureau of Real Estate Appraisers ("BREA") (also referred to as "Office" of Real Estate Appraisers or OREA);
- b. The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal;
- c. The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- d. The individual pays all applicable MLS fees; and
- e. The individual has completed any required orientation program of no more than eight (8) classroom hours within sixty (60) days after access has been provided, said individual to be given the opportunity to complete any mandated orientation program remotely.

For violation of this section, see Appendix A, Citable Infractions, 5.5, Non-Completion of Any Required Orientation Program within 60 Days.

4.2 Subscriber

A subscriber is an individual who applies and is accepted by the MLS, meets and continues to meet all of the following requirements of either a real estate subscriber or appraiser subscriber as defined below in sections 4.2.1 and 4.2.2:

4.2.1 Real Estate Subscriber

A real estate subscriber is a subscriber who meets all of the following requirements:

- a. The individual holds a valid California real estate salesperson's or broker's license,
- b. The individual is employed by or affiliated as an independent contractor with a broker participant;
- c. The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- d. The individual pays all applicable MLS fees; and
- e. The individual has completed any required orientation program of no more than eight (8) classroom hours within sixty (60) days after access has been provided, said individual to be given the opportunity to complete any mandated orientation program remotely.

For violation of this section, see Appendix A, Citable Infractions, 5.6, Non-Completion of Any Required Orientation Program within 60 Days.

4.2.2 Appraiser Subscriber

An appraiser subscriber is a subscriber who meets all of the following requirements:

- a. The individual holds a valid California real estate appraisers certification or license issued by the BREAs;
- b. The individual is employed by or affiliated as an independent contractor with an Appraiser Participant;
- c. The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- d. The individual pays all applicable MLS fees; and
- e. The individual has completed any required orientation program of no more than eight (8) classroom hours within sixty (60) days after access has been provided, said individual to be given the opportunity to complete any mandated orientation program remotely.

For violation of this section, see Appendix A, Citable Infractions, 5.5, Non-Completion of Any Required Orientation Program within 60 Days.

4.3 Clerical Users

Clerical users are individuals (whether licensed or unlicensed) under the direct supervision of an MLS participant or subscriber who perform only administrative and clerical tasks that do not require a real estate license or an appraiser's certificate or license. Each participant and subscriber shall notify the MLS of all clerical users employed by or affiliated as independent contractors with the participant or subscriber and shall immediately notify the MLS of any changes, additions to or deletions from the list. Clerical Users shall also be subject to the following requirements:

- (a) Each Clerical User is given a unique passcode;
- (b) Participant or Subscriber linked to the Clerical User may be fined, disciplined or terminated for Clerical User's misconduct;
- (c) Clerical Users may be required to complete any required orientation program of no more than eight (8) classroom hours within sixty (60) days after access has been provided, said individual to be given the opportunity to complete any mandated orientation program remotely.

For violation of this section, see Appendix A, Citable Infractions, 1.1, Use of MLS System by Unauthorized Party.

4.4 Notification of Licensees

Each participant shall provide the MLS with a list of all real estate licensees or certified or licensed appraisers employed by or affiliated as independent contractors with such participant or with such participant's firm and shall immediately notify the MLS of any changes, additions or deletions from the list. This list shall include any licensees under any broker associate affiliated with the participant.

For violation of this section, see Appendix A, Citable Infractions, 1.1, Use of MLS System by Unauthorized Party.

4.5 Participation Not Transferable

Participation in the MLS is on an individual basis and may not be transferred or sold to any corporation, firm or other individual. Any reimbursement of MLS fees is a matter of negotiation between those transferring the business or determined by internal contract arrangement within the firm. However, providing the first participant consents, the MLS shall allow a firm to designate a different person as a participant within the firm without additional initial participation fees. The MLS may charge an administrative fee for this service of reassigning participants within a firm.

4.6 Listing Broker Defined

For purposes of these MLS rules, a listing broker is a broker participant who is also a listing agent in accordance with Civil Code Section 1086 et. seq. who has obtained a written listing agreement by which the broker has been authorized to act as an agent to sell or lease the property or to find or obtain a buyer or lessee. Whenever these rules refer to the listing broker, the term shall include the real estate subscriber or a licensee retained by the listing broker but shall not relieve the listing broker of responsibility for the act or rule specified.

4.7 Buyer Broker or Selling Broker Defined

For purposes of these MLS rules, a buyer broker or selling broker is a broker participant who is also a selling agent in accordance with Civil Code Section 1086 who acts in cooperation with a listing broker to accept the offer of compensation and/or subagency to find or obtain a buyer or lessee. The buyer broker or selling broker may be the agent of the buyer or, if subagency is offered and accepted, may be the agent of the seller. Whenever these rules refer to the buyer broker or selling broker, the term shall include the real estate subscriber or licensee acting for the buyer or selling broker but shall not relieve that broker participant of responsibility for the act or rule specified.

4.8 Appraiser Defined

For purposes of these MLS rules, an appraiser is an appraiser participant, appraiser subscriber, or a licensed or certified appraiser acting for the appraiser participant or appraiser subscriber. Whenever these rules refer to the appraiser, the term shall also include the appraiser subscriber or a licensed or certified appraiser employed by or affiliated as an independent contractor with the firm that employs the appraiser but shall not relieve that appraiser participant of responsibility for the act or rule specified.

4.9 Denied Application

In the event an application for participation in the MLS is rejected by the MLS, the applicant, and his or her broker, if applicable, will be promptly notified in writing of the reason for the rejection. The broker shall have the right to respond in writing, and to request a hearing in accordance with the *California Code of Ethics and Arbitration Manual*.

4.10 Subject to MLS Rules

By becoming and remaining a Participant, Subscriber or Clerical User, each Participant, Subscriber and Clerical User agrees to be subject to these MLS rules and regulations, the enforcement of which are at the sole discretion of the applicable Committee/Board of Directors

5. MLS FEES AND CHARGES

5.1 Service Fees and Charges

The MLS, subject to approval of the Board of Directors, shall establish a schedule of MLS fees applicable to the MLS, which may include the following service fees and charges:

5.1.1 Initial Participation and/or Application Fee

Applicants for MLS services may be assessed initial participation and/or application fee.

5.1.2 Recurring Participation Fee

The recurring participation (subscription) fee of each broker participant shall be an amount times the total number of (1) the broker participant plus (2) the number of real estate licensees, whether licensed as brokers or salespersons, who are employed by or affiliated as independent contractors with such participant or the participant's firm that may, or do, transact real estate business and whose mailing address registered with the DRE is within the service area of the MLS. If more than one principal broker in the same firm elects to be a participant, the number of real estate licensees in the office will only be used once in calculating the recurring participation fees. A broker participant is not obligated to pay recurring participation fees or other MLS fees and charges for real estate licensees affiliated with the participant or the participant's firm if such licensees work out of a branch office of the participant or the participant's firm which is located beyond the MLS service area and does not participate in or benefit from the MLS.

The recurring participation fee of each appraiser participant shall be an amount times the total number of (1) the appraiser participant plus (2) the number of appraisers who have access to and use of the MLS, who are employed by or affiliated as independent contractors with such participant or the participant's firm within the service area of the MLS. If more than one principal appraiser in the same firm elects to be a participant, the number of appraisers in the firm will only be used once in calculating the recurring participation fees. An appraiser participant is not obligated to pay recurring participation fees or other MLS fees and charges for licensed or certified appraisers affiliated with the participant or the participant's firm if such appraisers work out of a branch office of the participant or

the participant's firm which is located beyond the MLS service area and does not participate in or benefit from the MLS.

5.1.3 Listing Fee

A broker participant shall pay a listing fee for each listing submitted to the MLS staff for input.

5.1.4 Book Fees

If applicable, the participant shall be responsible for book fees for each MLS book the participant wishes to lease. The participant may not obtain more MLS books than the total number of subscribers affiliated with the participant.

5.1.5 Computer Access Fees

If applicable, the recurring computer access fee for each participant shall be an amount times the total number of subscribers and salespersons licensed or certified as appraisers, brokers or salespersons, who are employed by or affiliated as independent contractors with such participant.

5.1.6 Certification of Nonuse

Participants may be relieved from payment under section 5.1.2 and 5.1.5 hereunder by certifying in writing to the MLS that a licensed or certified person in the office is engaged solely and exclusively in a specialty of the real estate business separate and apart from listing, selling, leasing, or appraising the type of properties which are required to be filed with the MLS. The participant and subscriber may also be subject to any other sanction imposed for violation of MLS rules including, but not limited to, a citation and suspension or termination of participation rights and access to the service.

For violation of this section, see Appendix A, Citable Infractions, 1.1, Use of MLS System by Unauthorized Party.

5.1.7 Clerical Users

Clerical users may be assessed application fees, computer access fees and other fees. The participant for the clerical user shall be responsible for all such fees.

5.1.8 Other Fees

Other fees that are reasonably related to the operation of the MLS may be adopted.

5.2 Responsibility for Fees

In the event the MLS allows for direct billing or payment by a subscriber for MLS fees, such fees shall be the exclusive obligation of that subscriber regardless of whether such subscriber becomes affiliated with a different participant. If the MLS does not allow for direct billing or payment by a subscriber for MLS fees, such fees shall be the responsibility of the participant with whom the subscriber was affiliated at the time the MLS fees were incurred. This section does not preclude in any way the ability of participants to pursue reimbursement of MLS fees from current or past subscribers or to establish agreements with subscribers regarding payment or reimbursement of MLS fees.

6. REGIONAL AND RECIPROCAL AGREEMENTS

The MLS may, subject to the Board of Directors' approval, enter into reciprocal or regional agreements with Associations of REALTORS® or other MLSs to allow the other MLS participants and subscribers access to the service in exchange for comparable benefits to the participants and subscribers of this service. In the event of such agreements, the participants and subscribers agree to abide by the respective rules of the other MLSs pursuant to such agreements and to abide by such rules when accessing the other MLSs' databases or using their lockbox systems.

7. LISTING PROCEDURES

7.1 Listings Subject to Rules and Regulations of the Service

Any listing filed with the service is subject to the rules and regulations of the service.

7.2 Types of Listings; Responsibility for Classification

The service shall accept exclusive right to sell, seller reserved, open, and probate listings in Accordance with California Civil Code Section 1086 et seq. that satisfy the requirements of these MLS rules. Exclusive right to sell listings that contain any exceptions whereby the owner need not pay a commission if the property is sold to particular individuals shall be classified for purposes of these rules as an exclusive right to sell listing but the listing broker shall notify all participants of the exceptions. It shall be the responsibility of the broker participant and real estate subscriber to properly classify the type of listing, and if necessary, obtain a legal opinion to determine the correct classification. By classifying the type of the listing, the listing broker certifies that the listing falls under the legal classification designated. The MLS shall have no affirmative responsibility to verify the listing type of any listing filed with the service. However, the MLS shall have the right to have legal counsel make a determination as to the classification of the listing type and if the listing broker does not reclassify it accordingly, the MLS shall have the right to reject or remove any such listing that it determines falsely represents the classification of listing type.

For violation of this section, see Appendix A, Citable Infractions, 3.1, Submission of Listings That Do Not Satisfy the Requirements of the MLS Rules

7.2.1 Scope of Service; Limited Service Listings.

Limited Service listings are listings whereby the listing broker, pursuant to the listing agreement, will not provide one or more of the following services:

- a. provide buyer brokers with any additional information regarding the property not already displayed in the MLS but instead gives buyer brokers authority to contact the seller(s) directly for further information;
- b. accept and present to the seller(s) offers to purchase procured by buyer brokers but instead gives buyer brokers authority to present offers to purchase directly to the seller(s);
- c. advise the seller(s) as to the merits of offers to purchase;
- d. assist the seller(s) in developing, communicating, or presenting counter-offers; or
- e. participate on the seller(s)' behalf in negotiations leading to the sale of the listed property.

Said Limited Service listings will be identified with an appropriate code or symbol (e.g. “LS”) in MLS compilations so potential buyer brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for buyer brokers being asked to provide some or all of these services to listing broker’s clients, prior to initiating efforts to show or sell the property.

7.2.2 Scope of Service; MLS Entry-Only Listings

MLS Entry-Only listings are listings whereby the listing broker, pursuant to the listing agreement, will not provide any of the following services:

- a. provide buyer brokers with any additional information regarding the property not already displayed in the MLS but instead gives buyer brokers authority to contact the seller(s) directly for further information;
- b. accept and present to the seller(s) offers to purchase procured by buyer brokers but instead gives buyer brokers authority to present offers to purchase directly to the seller(s);
- c. advise the seller(s) as to the merits of offers to purchase;
- d. assist the seller(s) in developing, communicating, or presenting counter-offers; or
- e. participate on the seller(s)’ behalf in negotiations leading to the sale of the listed property.

Said MLS Entry-Only listings will be identified with an appropriate code or symbol (e.g. “EO”) in MLS compilations so potential buyer brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for buyer brokers being asked to provide some or all of these services to listing broker’s clients, prior to initiating efforts to show or sell the property.

7.2.3 Scope of Service; Legal Obligations

The scope-of-service classifications set forth in these rules do not alter any obligations otherwise imposed on real estate licensees under California law, including Department of Real Estate regulations, statutory law and common law. The MLS’s acceptance or publication of listings eligible for MLS submission in no way constitutes a validation that said obligations have been met.

7.3 Types of Properties; Responsibility for Classification

The MLS shall accept listings that satisfy the requirements of these rules on the following types of property: (See Appendix C for further detail)

7.3.1	Residential	Includes Single Family, Townhouse, Condominium, Farm/Ranch, Manufactured Home, and Floating Home
7.3.2	Rental	Includes House for Rent, Townhouse for Rent, Apartment/Condo for Rent, and Other Rental Property
7.3.3	Mobile Home	Includes Single, Wide, Double Wide, Triple Wide, Quad Wide and Mobile Floating Home
7.3.4	Residential Lot	Includes, Residential Lot, Residential Development Land, Agriculture/Ranch Land, and Other Residential Land
7.3.5	Income/Multi-Unit 2-4	Includes Duplex, Triplex, Fourplex, and Other Multi-Unit

7.3.6	Income/Multi-Unit 5+	Five or More Units
7.3.7	Commercial for Sale	Commercial Property
7.3.8	Commercial Land	Includes Commercial Agricultural Land, Industrial Land, and Other Commercial Land
7.3.9	Commercial Lease	Commercial Buildings for Lease/Rent
7.3.10	Business	Business for Sale

It shall be the responsibility of the broker participant and real estate subscriber to properly classify the class of property listed, and if necessary, obtain a legal opinion to determine the correct classification. By specifying the class of property listed, the listing broker certifies that the listing falls under the classification designated. The MLS shall have no affirmative responsibility to verify the property class of any listing filed with the service. However, the MLS shall have the right to have legal counsel make a determination as to the classification of the property class and if the listing broker does not reclassify it accordingly, the MLS shall have the right to reject or remove any such listing that it determines falsely represents the property class of the listing. Submission of duplicate listings by the same participant within the same property class is prohibited.

For violation of this section, see Appendix A, Citable Infractions, 3.1, Submission of Listings That Do Not Satisfy the Requirements of the MLS Rules.

7.4 Compliance with California and Federal Law

Notwithstanding any other provision of these MLS rules and regulations to the contrary, the service shall accept any listing that it is required to accept under California or federal law.

7.4.1 Time Frame Definitions. Unless otherwise expressly indicated, where compliance time frames set forth "days," "days" mean calendar days; "days after" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 p.m. on the final day; and "days prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.

7.5 Mandatory Submission

Broker participants shall input exclusive right to sell or seller reserved listings on one to four unit residential property and vacant residential lots located within the service area of the MLS within 3 days after all necessary signatures of the seller(s) have been obtained on the listing. All necessary signatures are those needed to create an enforceable listing, which generally means all named signatories to the listing agreement. In the event there are known additional property owners not made a signatory to the listing, listing broker shall disclose said fact on the service and state whether the listed seller will make the sale contingent on the consent of the additional property owners. Only those listings that are within the service area of the MLS must be input. Open listings or listings of property located outside the MLS's service area (see section 7.7) are not required by the service, but may be input at the broker participant's option.

For violation of this section, see Appendix A, Citable Infractions, 2.1, Listing Not Loaded Within 3 Days of Start Date of Listing.

7.6 Exempted Listings

If the seller refuses to permit the listing to be disseminated by the service, the listing broker shall submit to the service within 3 days an electronic certification warranting that the seller does not authorize the listing to be disseminated by the service during the specified waiver period. By inputting this certification to the service, broker participants and real estate subscribers represent that they have in their possession the seller's signed, written authorization for the exemption.

At any time and for any reason the service shall have the right to request a copy of the seller's signed written authorization and verify the certification's existence and adequacy. If a listing broker or subscriber is requested to provide a copy of such authorization he must provide the written authorization signed by the seller within 1 day of the request.

For violation of this section, see Appendix A, Citable Infractions, 2.2, Listing Waiver Not Submitted to MLS Within 3 Days of Start Date of Listing.

7.7 Service Area

The MLS shall service the area coextensive with the territorial jurisdiction of the shareholder boards/associations of REALTORS®. If the MLS has entered into agreements with other MLSs and has enlarged the service area as part of the agreements, submission of the type of listings specified in section 7.5 is mandatory for the area covered by the combined service areas set forth in the agreements.

7.8 Change of Listing Information

Listing brokers shall input any change in listing information, including the listed price or other change in the original listing agreement, to the MLS by the end of the next day after the authorized change is received by the listing broker. By inputting such changes to the MLS, the listing broker represents that the listing agreement has been modified in writing to reflect such change or that the listing broker has obtained other legally sufficient written authorization to make such change.

For violation of this section, see Appendix A, Citable Infractions, 2.3, Status Changes Not Reported by Deadline.

7.9 Withdrawal of Listing Prior to Expiration

Listings of property must be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement if the listing broker has received written instructions from the seller to withdraw the listing from the MLS. Listing broker may withdraw any listing from the MLS 48 hours after providing seller with written notice of the broker's intention to withdraw the listing based on a dispute with the seller regarding the terms of the listing agreement. The MLS may require the listing broker to provide a copy of any notice of dispute or any written instructions from the seller. Sellers do not have the unilateral right to require the MLS to cancel any listing. However, the MLS reserves the right to remove a listing from the MLS database if the seller can document that his or her listing agreement with the listing broker has been terminated or is invalid. Withdrawal from the MLS with

the seller's consent does not relieve the obligation of the listing broker to report the sale and sales price if it closes escrow while the seller is represented by the listing broker.

For violation of this section, see Appendix A, Citable Infractions, 3.4, Purposely Manipulating the MLS System to Circumvent the Rules.

7.10 Contingencies

Any contingency or condition of any term in a listing shall be specified and noticed to the participants and subscribers.

7.11 Detail on Listings Filed With the Service

7.11.1 Completeness of Listings

All listings input into the MLS shall be complete in every detail including full gross listing price, listing expiration date, compensation offered to other broker participants and any other information required to be included as determined by the MLS and approved by the Board of Directors. Listings that are incomplete shall be ineligible for publication in the MLS and subject to immediate removal.

7.11.2 Listing Photograph Requirements

All listings that are entered into the MLS for sale or lease must include a property photograph within 3 days after entry. Properties with existing buildings must include a photograph of the front of the building. ~~Photos or images may not contain added text overlay, text only or be in a mosaic or tiled style (multiple images within one frame). Photos or images with embedded data such as time stamps or floorplans are not prohibited. Images may not be text only.~~ Listings that will not have a property photo must have an MLS-provided "Seller Prefers No Photo" image published on the listing within the required time and must have written authorization from the seller to exclude a primary image, and that certification must be provided to the service upon request. On new construction, a realistic artistic rendering of the intended appearance of the front of the building will suffice until the building is completed, at which time an appropriate photograph must be submitted.

For violation of this section, see Appendix A, Citable Infractions, 3.1, Submission of Listings That Do Not Satisfy the Requirements of the MLS Rules.

7.12 Unilateral Contractual Offer; Subagency Optional

In filing a property with the MLS, the broker participant makes a blanket unilateral contractual offer of compensation to the other MLS broker participants for their services in selling the property. Except as set forth in Rule 7.15 below, a Broker Participant must specify some compensation to be paid to either a buyer's agent or a subagent and the offer of compensation must be stated in one, or a combination of, the following forms (1) a percentage of the gross selling price; or (2) a definite dollar amount. The amount of compensation offered through the MLS may not contain any provision that varies the amount of compensation offered based on conditions precedent or subsequent or on any performance, activity or event. In the event there are any service fees or administrative costs, etc to be imposed on buyer's agent's compensation, any such reductions should be factored in as a reduced amount the listing broker initially offers to a buyer broker and may not be made a condition of the offer. Furthermore, the MLS reserves the right to remove a listing from the MLS database that does not

conform to the requirements of this section. At the broker participant's option, a broker participant may limit his or her offer of compensation to buyer's agents only, to subagents only, or make the offer of compensation to both. Any such limitations must be specified on the property data form and in the MLS. The amount of compensation offered to buyers' agents or subagents may be the same or different but must be clearly specified on the property data profile sheet. Broker participants wishing to offer subagency to the other MLS broker participants must so specify on the property data profile sheet and on the MLS, otherwise, the offer of compensation does not constitute an offer of subagency.

7.13 Acceptance of Contractual Offer

The Listing Broker Participant's contractual offer (with or without subagency) is accepted by the Buyer Broker Participant by procuring a buyer which ultimately results in the creation of a sales or lease contract. Payment of compensation by the Listing Broker Participant to the Buying Broker Participant/buyer broker under this section is contingent upon **either** (1) the final closing **or** (2) the Listing Broker Participant's receipt of monies resulting from the seller's or buyer's default of the underlying sales or lease contract. Notwithstanding this section, the listing broker and/or buyer broker shall still retain any remedies they may have against either the buyer or seller due to a default under the terms of the purchase agreement, listing agreement or other specific contract. Any dispute between participants arising out of this section shall be arbitrated under Section 16 of these rules and shall not be considered an MLS rules violation.

7.14 Consent to Act as Dual Agent

By offering compensation and/or subagency to broker participants, the listing broker is not automatically representing that the seller has consented to the buyer broker acting as a dual agent representing both the buyer and the seller. No buyer broker shall act as both an agent of the buyer and the seller without first contacting the listing broker and ascertaining that the seller has consented to such dual agency.

7.15 Listings Requiring Special Disclosure or Identification on the System.

7.15.1 Estate Sale, Probate and Bankruptcy Listings

Compensation offered through the MLS to buyer brokers on estate sale, probate or bankruptcy listings is for the amount published therein as long as the buyer broker produces the contract which is ultimately successful and confirmed by the court, if court confirmation is required. In the event the contract produced by the buyer broker is overbid in court and the overbid contract is confirmed, the original buyer broker shall receive the amount of compensation specified as "unconfirmed buyer broker's compensation" or "u.c.b." in the property data profile sheet and on the MLS. For estate sale or probate listings, the compensation offered through the service under these rules and this section shall be considered an agreement as referred to in California Probate Code Section 10165 and will therefore supersede any commission splits provided by statute when there is no agreement. This section contemplates that estate sale, probate and bankruptcy judges have broad discretion and therefore are not intended as a guarantee of a specific result as to commissions in every probate or bankruptcy sale. All listings that require or may require court confirmation must be so identified.

7.15.2 Lender Approval Listings

Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing broker. This section does not allow Participants with short sale listings to place any reduction conditions on compensation offered through the MLS for items such as lender reductions of the gross commission, short sale negotiator fees or other administrative costs of the transaction. Any reductions from the commission for such items, if any, should be factored in as a reduced amount the listing broker initially offers to a cooperating broker and may not be made a condition of the offer.

7.15.3 Auction Listings

Only auction listings which comply with these MLS Rules and Regulations, including, but not limited to Sections 7.12 and 7.13, may be submitted to the Service. Auction listings entered into the MLS system shall have listing contracts as required under these rules, be clearly labeled as auction listings, and provide all the terms and conditions of the auction. Reserve auctions are not permitted on the MLS. Auction listings shall further specify the following:

- (a) The list price, which shall be seller's minimum acceptable bid price;
- (b) The date, time and place of the auction;
- (c) All required procedures for Participants/Subscribers to register their representation of a potential bidder;
- (d) The amount of the buyer's premium, if any;
- (e) The time or manner in which potential bidders may inspect the listed property;
- (f) Whether or not the seller will accept a purchase offer prior to the scheduled auction; and
- (g) Any other material rules or procedures for the auction.

Subsections (b) through (g) above shall not appear in a listing's public remarks.

7.15.4 Lender Owned Listings (REOs) and New Subdivision Sales

Compensation offered through the MLS to buyer brokers on listings in which the seller is a lending institution or its assignee (commonly referred to as "REO" listings) or a new subdivision sales office is for the amount published therein unless the listing broker indicates on the MLS the following: (a) the published compensation is a percent of the gross selling price minus concessions, credits or upgrades accepted by the buyer (net selling price); (b) this fact is clearly communicated to buyer brokers in the listing and (c) the accepted contract to purchase ultimately includes the specific dollar amount of the seller concessions. Listings qualifying under this section must be so identified upon entry into the system.

7.15.5 Government Agency (Federal, State and Municipal) As Seller

Property listings wherein the seller is a government agency or government agency controlled program (e.g., HUD, Neighborhood Stabilization (NSP) Inclusionary Housing) must be so identified upon entry into the system.

7.16 Changes to Offer of Compensation by Listing Broker to All Broker Participants

The listing broker may, from time to time, adjust the published compensation offered to all MLS broker participants with respect to any listing by changing the compensation offered on the MLS or providing written notice to the MLS of the change. Any change in compensation will be effective after the change is published in the MLS, either through electronic transmission or printed form, whichever occurs first. The listing broker may revoke or modify the offer of compensation in advance as to any individual broker participant in accordance with general contract principles but in no event shall the listing broker revoke or modify the offer of compensation without the buyer broker's consent later than the time the buyer broker (a) physically delivers or transmits by fax or e-mail to the listing broker a signed offer from a prospective buyer to purchase the property for which the compensation has been offered through the MLS, or (b) notifies the listing broker in person or by telephone, fax or e-mail that the buyer broker is in possession of a signed offer from a prospective buyer to purchase the property for which the compensation has been offered through the MLS and is awaiting instructions from the listing broker as to the manner of presentation or delivery of that offer. Any independent advance revocations, modifications of the offer or agreements between real estate brokers are solely the responsibility of such brokers and shall not be submitted to, published by, or governed in any way by the service.

7.17 Broker Participant or Real Estate Subscriber as Principal

If a listing broker has any interest in property, the listing of which is to be disseminated through the service, that person shall disclose that interest on the MLS.

For violation of this section, see Appendix A, Citable Infractions, 3.1, Submission of Listings That Do Not Satisfy the Requirements of the MLS Rules.

7.18 Multiple Unit Properties

All properties which are to be sold or which may be sold separately must be indicated individually in the MLS and will be published separately. When part of a listed property has been sold, the listing broker shall input the appropriate changes on the MLS.

7.19 Expiration, Extension, and Renewal of Listings

Listings shall be changed to the appropriate off market status on the expiration date specified on the listing unless the listing is extended or renewed by the listing broker. The listing broker shall obtain written authorization from the seller(s) before filing any extension or renewal of a listing. Any renewals or extensions received after the expiration date of the original listing shall be treated as a new listing and will be subject to any fees applicable to new listings. At any time and for any reason, the MLS has the right to request a copy of the seller's written authorization to extend or renew a listing. If

a listing broker is requested to provide a copy of such authorization and does not do so within 1 day of the request, the listing shall be subject to immediate removal from the MLS.

7.19.1 Extension for Protected Buyer

In the event a listing broker's listing has expired but a commission extension right for a protected buyer has been timely activated in the listing agreement and listing broker represents seller in said transaction, listing broker may be considered the "listing broker" for MLS reporting of sale as long as satisfactory documentation is presented to MLS.

For violation of this section, see Appendix A, Citable Infractions, 3.4, Purposely Manipulating the MLS System to Circumvent the Rules.

7.20 Listings of Participants or Subscribers Suspended, Expelled or Resigned.

7.20.1 Failure to Pay MLS Fees; Resignation

When a participant or subscriber is terminated from the service for failure to pay MLS fees or charges, or if the participant or subscriber resigns from the service, the MLS shall cease to provide services to such participant or subscriber, including for broker participants the continued inclusion of listings in the MLS compilation of current listing information. In the event listings are removed from the MLS pursuant to this section, it shall be the sole responsibility of the participant to notify the seller(s) that the property is no longer listed in the MLS.

7.20.2 Violation of MLS Rules

When a participant or subscriber is suspended from the service for a violation of the MLS rules and regulations, the MLS shall cease to provide services to such participant or subscriber except that the listings in the MLS at the time of suspension shall, at the suspended participant's option, be retained in the MLS compilation of current listing information 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. In the event listings are removed from the MLS pursuant to this section, it shall be the responsibility of the participant to notify the seller(s) that the property is no longer listed in the MLS.

When a participant or subscriber is terminated or expelled from the service for a violation of the MLS rules and regulations, the MLS shall cease to provide services to such participant or subscriber. For broker participants, the continued inclusion of listings in the MLS compilation of current listing information will also cease. In the event listings are removed from the MLS pursuant to this section, it shall be the sole responsibility of the participant to notify the seller(s) that the property is no longer listed in the MLS.

7.21 No Control of Commission Rates or Fees Charged by Participants

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

7.22 Dual or Variable Rate Commission Arrangements

The existence of a dual or variable commission arrangement shall be disclosed by the listing broker by a key, code or symbol as required by the MLS. A dual or variable rate commission arrangement is one in which the seller or owner agrees to pay a specified commission if the property is sold by the listing broker without assistance and a different commission if the sale results through the efforts of a buyer broker, or one in which the seller or owner agrees to pay a specified commission if the property is sold by the listing broker either with or without the assistance of a buyer broker and a different commission if the sale results through the efforts of a seller or owner. The listing broker shall, in response to inquiries from potential buyer brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale that results through the efforts of the seller or owner. If the buyer broker is representing a buyer or tenant, the buyer broker must then disclose such information to his or her client before the client makes an offer to purchase or lease.

For violation of this section, see Appendix A, Citable Infractions, 3.4, Purposely Manipulating the MLS System to Circumvent the Rules.

7.23 Co-Listings

Only the listings of Participants and Subscribers will be accepted by the MLS. All brokers and agents co-listed on a property must be MLS Participants or Subscribers. Co-listing agent or co-listing broker information must be published in the designated co-listing fields and may also be published in the private remarks area.

For violation of this section, see Appendix A, Citable Infractions, 3.4, Purposely Manipulating the MLS System to Circumvent the Rules.

8. DOCUMENTATION; PERMISSION; ACCURACY OF INFORMATION

8.1 Listing Agreement and Seller's Permission

Prior to inputting a listing to the service, the listing broker shall obtain the written agreement of the seller expressly granting the listing broker authority to: (1) file the listing with the service for publication and dissemination to those authorized by the MLS; (2) act as an agent for the seller; (3) abide by the rules of the service; (4) provide timely notice of status changes of the listing to the service; (5) provide sales information including selling price to the service upon sale of the property for publication and dissemination to those authorized by the MLS and (6) publish sales information after the final closing of a sales transaction in accordance with these MLS rules (See Section 10.2).

8.1.1 Withholding Sales Price

Upon submission of a written request from either the seller or the buyer, the selling price may be withheld. In such cases, the sale price will be marked as Withheld or the value will be blank, up to the time the sale price is available from the public record. After which the MLS will publish the recorded sale price or the calculated value from the property transfer tax. There may be a fee charged to the agent of the requesting party for withholding the selling price.

8.2 Written Documentation

Listing brokers filing listings with the service shall have a written listing agreement with all necessary signatures in their possession. Only listings that create an agency relationship between the seller and the broker participant are eligible for submission to the service. By inputting a listing to the service, broker participants and real estate subscribers represent that they have in their possession such written agreements establishing agency and the represented type of listing agreement. The service shall have the right to demand a copy of such written listing agreements and verify the listing's existence and adequacy at any time. The service shall also have the right to demand a copy of seller's written authorization required under these rules. If the broker participant or real estate subscriber fails to provide documentation requested by the service within 1 day, the service shall have the right to immediately withdraw any listings from the database in addition to disciplining the broker participant and real estate subscriber for a violation of MLS rules.

For violation of this section, see Appendix A, Citable Infractions, 3.4, Purposely Manipulating the MLS System to Circumvent the Rules.

8.3 Accuracy of Information; Responsibility for Accuracy

By inputting information into the MLS computer database, the listing broker represents that the information input is accurate to the best of the listing broker's knowledge. The listing broker shall use good faith efforts to determine the accuracy of the information and shall not submit or input information which the listing broker knows to be inaccurate. Upon receipt of the first publication or electronic transfer by the MLS of such information the listing broker shall make all necessary corrections. The MLS merely publishes the MLS information and has no affirmative responsibility to verify the accuracy of the MLS information. The MLS, however, reserves the right to require broker participants and real estate subscribers to change their MLS information if the MLS is made aware of alleged inaccuracies in the MLS information and the MLS determines that such inaccuracies do in fact exist. The MLS also reserves the right to remove a listing that contains said inaccurate information from the MLS compilation of current listings should Participant or Subscriber refuse or fail to timely correct. If a broker participant or real estate subscriber fails to make necessary or required corrections to their MLS information, the broker participant and real estate subscriber shall indemnify and hold harmless the service for any claims, costs, damage or losses, including reasonable attorney fees and court costs, incurred by the MLS as a result of such failure. In no event will the MLS be liable to any MLS participant, subscriber or any other party for any indirect, special or consequential damages arising out of any information published in the MLS and all other damages shall be limited to an amount not to exceed the MLS fees paid by the listing broker. Upon review of pertinent documentation (the HUD-1, final closing statement or data from county records), the MLS may correct materially inaccurate listing information with regard to closing date and status change.

For violation of this section, see Appendix A, Citable Infractions, 3.1, Submission of Listings That Do Not Satisfy the Requirements of the MLS Rules and 3.4, Purposely Manipulating the MLS System to Circumvent the Rules.

8.4 Input Defined

All references or uses of the word "input" shall also include information which is submitted to the MLS for input in the MLS data base by the MLS staff, whether such information was provided to the MLS staff on a "property data form" or otherwise.

8.5 Buyer, Seller, Purchase and Sale Defined

All references to the buyer shall also include lessee. All references to the seller shall also include lessor. All references to a purchase shall also include a lease. All references to a sale shall also include a lease.

9. SELLING PROCEDURES

9.1 Showings and Negotiations

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

- a. the listing broker gives the buyer broker specific authority to show and/or negotiate directly with the seller, or
- b. after reasonable effort and no less than 1 day, the buyer broker cannot contact the listing broker or his representative. However, the listing broker, at his option, may preclude such direct negotiations by the buyer broker by giving notice to all participants through the MLS.

In the event all showings and negotiations will be conducted solely by the seller, the listing broker shall clearly set forth such fact in the listing information published by the service.

For violation of this section, see Appendix A, Citable Infractions, 3.1, Submission of Listings That Do Not Satisfy the Requirements of the MLS Rules.

9.1.1 Showing Access

Upon entry, listings must be available to show within 3 days. Listings that specify “make offer subject to inspection” must be tenant occupied or present a safety or security issue, which shall be noted in the confidential remarks. Listings which the seller does not want to show subsequently must be temporarily withdrawn.

For violation of this section, see Appendix A, Citable Infractions, 5.1, Showings and Access.

9.2 Disclosing the Existence of Offers

Listing brokers, in response to inquiries from buyers or buyer brokers, shall, with the sellers’ 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 buyer broker.

9.3 Availability to Show or Inspect

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

9.4 Presentation of Offers

The listing broker must make arrangements to present the offer as soon as possible, or give the buyer broker a satisfactory reason for not doing so. If a seller(s)/landlord(s) has directed that offers are not to be presented for any length of time, seller's direction authorizing such arrangement shall be in writing, and listing broker shall provide clear and accurate notice of the date/time of presentation of offers as set forth in the written instruction to Participants and Subscribers in the MLS. In the event a listing broker will not be participating in the presentation of offers, the listing broker shall clearly indicate this fact in the listing information published by the service.

9.5 Submission of Offers and Counter-Offers

The listing broker shall submit to the seller/landlord all offers until closing unless precluded by law, governmental rule or expressly instructed in writing by the seller/landlord otherwise. If requested by buyer broker in writing, listing broker shall provide buyer broker with listing broker's written verification that buyer broker's offer was presented (or a written notification that the seller has waived the obligation to have the offer presented), said verification to be provided to buyer broker within 3 days of buyer broker's request. The buyer broker acting for buyer/tenant shall submit to buyer/tenant all offers and counter-offers until acceptance.

For violation of this section, see Appendix A, Citable Infractions, 6. Presentation of Offers.

9.6 Right of Buyer Broker in Presentation of Offer

The buyer broker has the right to participate in the presentation of any offer to purchase he secures. The buyer broker does not have the right to be present at any discussion or evaluation of that offer by the seller and the listing broker. However, if the seller gives written instructions to the listing broker requesting that the buyer broker not be present when an offer the buyer broker secured is presented, the buyer broker shall convey the offer to the listing broker for presentation. In such event, the buyer broker shall have the right to receive a copy of the seller's written instructions from the listing broker. Nothing in this section diminishes or restricts the listing broker's right to control the establishment of appointments for offer presentations.

9.7 Right of Listing Broker and Presentation of Counter Offers

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

9.8 Change of Compensation Offer by Buyer Broker

Buyer broker participants and real estate subscribers shall not use the terms of an offer to purchase to attempt to modify the listing broker's offer of compensation nor make the submission of an executed

offer to purchase contingent on the listing broker's agreement to modify the offer of compensation. However, failure of a buyer broker to comply with this rule shall not relieve a listing broker of the obligation to submit all offers to the seller as required by Section 9.4.

9.9 Buyer Broker as a Purchaser

If a buyer broker wishes to acquire an interest in property listed with a listing broker, such contemplated interest shall be disclosed to the listing broker prior to the time an offer to purchase is submitted to the listing broker.

For violation of this section, see Appendix A, Citable Infractions, 6, Presentation of Offers

9.10 Physical Presence of Participant or Subscriber

A Participant or Subscriber must be physically present on the property at all times when providing access to a listed property unless the Seller has consented otherwise.

For violation of this section, see Appendix A, Citable Infractions, 5.1, Showings and Access.

(NOTE: Nothing in these rules shall preclude the listing broker and buyer broker from entering into a mutual agreement to change cooperative compensation.)

10. REPORTING STATUS CHANGES AND OTHER INFORMATION TO THE MLS

10.1 Statuses

Status	Abbreviation	Definition
Coming Soon	CS	There is a valid listing contract between the seller and the listing broker, but the listing is not ready for market. The listing is in the MLS but not on market.
Active	A	A valid listing contract exists and the seller has not accepted an offer. The listing is on market.
Contingent	AC	An offer has been accepted. The listing is still on market. This status is used to indicate that the seller is looking for additional back-up offers, or that the property is subject to financing, court or other third party approval.
Pending	P	An offer has been accepted and is expected to close. The seller is not accepting additional offers and the property is not on market.

Closed	S	The purchase agreement has been fulfilled or the lease agreement has been executed. These listings show a Close of Escrow date, or lease/rental starting date. The listing is considered sold and is not on market.
Expired	E	The listing contract has expired. The listing is not on market.
Canceled	C	The listing contract has been terminated in writing by broker and seller. The listing is not on market.
Withdrawn	W	A valid listing contract is in effect but the listing is not being marketed. This status can be used to indicate that the seller requested withholding property showings and offers temporarily. This listing is in the MLS but not actively on market.

10.2 Reporting of Sales

Listings with accepted offers shall be reported to the MLS or input into the MLS database by the listing broker as “contingent” or “pending” by the end of next day after the acceptance by the listing broker unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the buyer broker shall notify the listing broker of the “contingent” or “pending” status by the end of next day after acceptance, whereby the listing broker shall then report or input the status change to the MLS by the end of next day after receiving notice from the buyer broker. The listing shall be published on the MLS as “contingent” or “pending” with no price or terms prior to the final closing. Upon final closing, the listing broker shall report or input the listing in the MLS as “sold” and report the selling price by the end of the next day after the final closing date unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the buyer broker shall notify the listing broker of the “sold” status and selling price by the end of the next day after the final closing date, whereby the listing broker shall then report or input the status change and selling price to the MLS by the end of the next day after receiving notice from the buyer broker. Listings that were not input into the MLS as a result of the seller’s instructions may be input into the MLS “sold” data at the listing broker’s option. If a listing is entered for comparable purposes only, then “For Comp Purposes Only” shall appear in the first line of confidential remarks. Additionally, an MLS may accept the reporting of sales information solely for comp purposes about other properties which were not otherwise eligible for input into the MLS but are located in the MLS’s primary geographic service area and “sold” by a MLS participant and/or subscriber who represented the underlying property owner (i.e. broker who represented the seller or broker who represented the buyer), as long as such reporting is authorized by the underlying property owner to the broker who represented it, (documentation of which must be presented to MLS, if requested by the MLS), and the circumstances of the representation are disclosed on the Service by the reporting participant or subscriber. Any discretionary submission of sales information must occur within 30 days after close of escrow.

For violation of this section, see Appendix A, Citable Infractions, 2.3, Status Changes Not Reported by Deadline and 4.3, Misuse of Confidential Remarks.

10.3 Removal of Listings for Refusal/Failure to Timely Report Status Changes

The MLS is authorized to remove any listing from the MLS compilation of current listings where the participant or subscriber has refused or failed to timely report status changes. Prior to the removal of any listing from the MLS, the participant and/or subscriber shall be advised of the intended removal so the participant and/or subscriber can advise his or her client(s).

10.4 Reporting Cancellation of Pending Sale

The listing broker shall report to the service by the end of next day the cancellation of any pending sale and the listing shall be reinstated immediately as long as there is still a valid listing.

For violation of this section, see Appendix A, Citable Infractions, 2.3, Status Changes Not Reported by Deadline.

10.5 Refusal to Sell

If the seller of any listed property filed with the service refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the service and to all participants and subscribers.

11. OWNERSHIP OF MULTIPLE LISTING SERVICE COMPILATIONS AND COPYRIGHTS

11.1 MLS Content and MLS Compilation Defined

11.1.1 “MLS Content” Defined

“MLS Content” or “Content” as promulgated by the National Association of REALTORS (“NAR”) includes, but is not limited to, all printouts of data and content from the MLS computer database and all MLS publications, photographs, images (including maps), graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, statistics and other details or information related to listed property. MLS Content is protected by the applicable Intellectual Property laws.

11.1.2 “MLS Compilation” Defined

MLS Compilation is an aggregate set of MLS Content, collected and disseminated to Authorized Users of MLS Content in any format. MLS Compilation is protected by the applicable Intellectual Property laws.

11.2 Active Listing MLS Compilation Defined

“Active listing MLS compilation” shall mean that portion of the MLS compilation which includes listings currently for sale and all other indexes and other information relating to the current listing information approved for distribution by the MLS.

11.3 Comparable Data MLS Compilation Defined

“Comparable data MLS compilation” shall mean that portion of the MLS compilation that includes the off market data, sold and appraisal information regarding properties that are not currently for sale and all indexes and information relating to the sold information compilation approved for distribution by the MLS.

11.4 Authority to Put Listings in MLS Compilation

By submitting any property listing data form to the MLS or inputting listing information into the MLS compilation, broker participants and real estate subscribers represent and warrant that they have been authorized to grant license and also thereby do grant authority for the MLS to include the property listing data in its copyrighted MLS compilation. By submitting any property listing data form to the MLS, broker participants and real estate subscribers represent and warrant that they have been authorized to report information about the sales, price and terms of a listing, have authority to grant and also thereby do grant authority for the MLS to include the sold information in its copyrighted MLS compilation, except where excluded under section 8.1.1.

11.5 Photographs on the MLS

By submitting photographs to the MLS, the participant and/or subscriber represents and warrants that he/she either owns the right to reproduce and display the photographs or has procured such rights from the appropriate party, and has the authority to grant and hereby grants the MLS and the other participants and subscribers the right to reproduce and display the photographs in accordance with these rules and regulations. Use of photographs by a subsequent listing agent requires prior written authorization from the originating listing agent or appropriate party. Except by the MLS for purposes of protecting its rights under Section 11.6, branding of photographs, virtual tours or any other photographic representation with any information or additional images, including but not limited to photos displaying “for sale” signs posted on the property, is prohibited.

For violation of this section, see Appendix A, Citable Infractions, 3.1, Submission of Listings That Do Not Satisfy the Requirements of the MLS Rules.

11.6 Copyright Ownership

All right, title, and interest in each copy of every MLS compilation created and copyrighted by the MLS, and in the copyrights therein, shall at all times remain vested in the MLS. The MLS shall have the right to license such compilations or portions thereof to any entity pursuant to terms agreed upon by the Board of Directors.

11.7 Access to MLS Compilations

Each participant and subscriber shall have the right and license to access the Active Listing and Comparable Data MLS Compilations in accordance and subject to all restrictions contained in these rules. Participants and subscribers shall acquire by such license only the right to individually use the MLS compilations and only for purposes permitted by these rules. Clerical users may have access to the information solely under the direction and supervision of the participant or subscriber. Clerical

users may not provide any MLS compilation or information to persons other than the participant or the subscriber under whom the clerical user is registered.

11.8 Database Preservation

No data may be removed from the MLS compilation other than by the service. Although a listing may be removed from display in the MLS compilation of current listing information, all data submitted to the MLS will remain in the database for historical and other purposes approved by the service. In addition, no Broker Participant or Real Estate Subscriber may change or remove listing information that pertains to the description of the condition of the property, including property photos, upon a status change of any kind unless it is to (1) supplement or correct the remarks to give additional information pertaining to that status change, (2) delete owner or occupant names and telephone numbers, security codes, lockbox codes, or email addresses, or (3) correct inaccurate information to the extent required to comply with Section 8.3.

11.9 Removal of and Responsibility for Content

The MLS has the right, but not the obligation, to reject, pull down, restrict publication of, access to or availability of content the MLS in good faith considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, unlawful or as the MLS determines, otherwise objectionable. Participants and Subscribers remain solely responsible and liable for the content they provide. In no case will any monitoring or removal of Participants' or Subscribers' content by the MLS make it responsible or liable for such content.

For violation of this section, see Appendix A, Citable Infractions, 3.1.11, Removal of Photos and/or Remarks

11.10 Indemnification; Limitation of Liability.

Participant and Subscriber shall defend, indemnify and hold harmless the service and every other Participant and Subscriber from and against any claims, costs, damage or losses, including reasonable attorney fees and court costs, resulting from or arising out of any content Participant and/or Subscriber submit to or in any way wrongfully reproduce from the Service. In no event will the MLS be liable to any MLS Participant, Subscriber or any other party for any indirect, special or consequential damages arising out of any information published in the MLS and all other damages shall be limited to an amount not to exceed the MLS fees paid by the listing broker.

11.11 Pursuing Complaints of Unauthorized Use of Listing Content.

MLS Participants and Subscribers may not take legal action against another Participant or Subscriber for alleged rules violation(s) unless the complaining Participant or Subscriber has first exhausted the remedies provided in these rules:

- (a) Notice. Any Participant or Subscriber who believes another Participant or Subscriber has engaged in the unauthorized use or display of listing content, including photographs, images, audio or video recordings, and virtual tours, shall send notice of such alleged unauthorized use to the MLS. Such notice shall be in writing, specifically identify the allegedly unauthorized content, and be delivered to the MLS not more than sixty (60) days after the alleged misuse

was first identified. No Participant or Subscriber may pursue action over the alleged unauthorized use and display of listing content in a court of law without first completing the notice and response procedures outlined in this section of the MLS rules.

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

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

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

12. PROHIBITIONS AND REQUIREMENTS

12.1 Notification of California Bureau of Real Estate (BRE) or California Bureau of Real Estate Appraisers (BREA) Action

Participants and subscribers are required to notify the MLS within 1 day of any final action taken by the BRE or the BREA against the participant, subscriber or any licensee affiliated with the participant or subscriber including, but not limited to any final decisions restricting, suspending or revoking a real estate license or appraiser's certification or license of a participant, the participant's firm or corporation under which the participant or subscriber acts, or any licensee affiliated with the participant or the participant's firm or licensee or appraiser who was affiliated with the participant or participant's firm at the time of the underlying act.

12.2 Violations of the Law

If a participant, subscriber, appraiser or a licensee affiliated with a participant or subscriber commits a felony or a crime involving moral turpitude or violates the Real Estate Law or the laws relating to appraisers, the participant or subscriber shall be in violation of this section. However, a participant or subscriber shall not be found to have violated this section unless the participant, subscriber, appraiser or salesperson licensed to the participant has been convicted, adjudged, or otherwise recorded as guilty by a final judgment of any court of competent jurisdiction of (1) a felony, or (2) a crime involving moral turpitude, or (3) on a determination by any court of competent jurisdiction, or official of the State of California authorized to make the determination, that the participant or subscriber violated a

provision of the California Real Estate Law or a Regulation of the Real Estate Commissioner or law relating to appraisers.

12.3 Supervision of Licensees and Appraisers

In addition to the notification requirements of paragraph 12.1, a participant may not allow any licensee, under the participant's license, whose license has been revoked, suspended or restricted by the DRE to use the MLS in any manner while the DRE discipline is in effect except that the licensee may use the MLS under a restricted license providing such use is consistent with and does not violate such license restrictions.

12.4 Solicitation of Listing Filed With the MLS

Broker Participants and real estate subscribers shall not solicit a listing filed with the service unless such solicitation is consistent with Article 16 of the N.A.R. Code of Ethics, its Standards of Practice and its Case Interpretations. The purpose of this section is to encourage sellers to permit their properties to be filed with the service by protecting them from being solicited through unwanted phone calls, visits and communications, prior to expiration of the listing, by brokers and salespersons seeking the listing upon its expiration. This section is also intended to encourage all licensed real estate brokers to participate in the service by assuring them that other broker participants and real estate subscribers will not attempt to persuade the seller to breach the listing agreement or to interfere with the listing broker's attempts to market the property. This section does not preclude solicitation of listings under circumstances otherwise permitted under Article 16 of the N.A.R. Code of Ethics, its Standards of Practice and its Case Interpretations.

12.5 Use of Remarks

Participants and subscribers may not use the remarks in a property data profile sheet or listing submitted to the MLS or inputted directly into the MLS database for purposes of disparaging other real estate agents or conveying information about other offices or for conveying any other information that does not directly relate to the marketing of the listing.

By submitting remarks to the MLS, Participant and/or Subscriber represents and warrants he or she has the authority to grant, and hereby grants the MLS and the other Participants and Subscribers the right to reproduce and display the remarks in accordance with these rules. Copying of remarks by a subsequent listing agent for use in his or her own listing requires prior written authorization from the originating listing agent or other appropriate party with the legal right to reproduce and display such remarks.

12.5.1 Public Remarks Restrictions and Requirements

- a. Information in the public remarks shall only relate to the property's attributes*, description and condition of the property.
- b. No contact information is permitted, including names, phone or fax numbers, email addresses or website addresses (including virtual tours and transaction tracking URLs) or calling instructions.

- c. No showing instructions are permitted, including references to lockbox, alarm, gate or other security codes, or the vacancy of the property. However, a statement that the property shall be delivered vacant is not a violation.
 - d. No information directed toward real estate agents or brokers, including compensation or bonuses offered to buyer brokers may be shown in public remarks.
- * qualities, features or characteristics of the property

For violation of this section, see Appendix A, Citable Infractions, 4.2, Misuse of Public Remarks.

12.5.2 Confidential Remarks Restrictions and Requirements

- a. “For Comp Purposes Only” must appear in the first line of confidential remarks when a listing is entered for that purpose.
- b. References to burglar alarm, security system or gate codes may be placed in confidential remarks only with seller’s written permission.
- c. Caution: Title or escrow information may be entered in confidential remarks; however, participants/subscribers should note that any verbiage which implies a requirement to use a specific title company or escrow service may be a violation of RESPA. You are advised to seek legal counsel for specific advice when using such verbiage.
- d. Except for reciprocal listings, no reference may be made to licensees who are not participants or subscribers.

For violation of this section, see Appendix A, Citable Infractions, 4.3, Misuse of Confidential Remarks.

12.6 “For Sale” Signs

Only the “For Sale” signs of the listing broker may be placed on the property.

12.7 “Sold” Signs and Use of the Term “Sold”

Only broker participants or real estate subscribers who participated in the transaction as the listing broker or buyer broker may claim to have “sold” the property. Prior to closing, a buyer broker may post a “sold” sign on a property only with the consent of the listing broker. This section does not, however, prohibit any broker from advertising the addresses, sales prices of and limited public information about the properties that have sold in a neighborhood after the information regarding the properties has been published as long as the advertisement does not imply the agent was involved in the transaction unless such is the case and as long as the advertisement otherwise presents a “true picture” as is meant under Article 12 of the N.A.R. Code of Ethics, its Standards of Practice and its Case Interpretations. The MLS may apply additional restrictions to the electronic display of information regarding sold listings.

12.8 Advertising of Listing Filed With the MLS

A listing shall not be advertised by any participant or subscriber, other than the listing broker, without the prior consent of the listing broker except as provided in Sections 12.16 and 12.20 relating to display of listings on the internet.

For violation of this section, see Appendix A, Citable Infractions, 5.2, Violation of IDX Rules and 5.3, Advertising of Listing Filed with the MLS (Outside scope of IDX).

12.8.1 Advertising Defined

Advertising is defined as an activity that is intended to attract potential customers to your business or to increase brand awareness, and includes such items as websites (including “blogs”), neighborhood updates, just-listed and just-sold cards/flyers, and other unsolicited “farming” activities.

12.9 Limitations on Use of MLS Information in Advertising

Except as provided in Sections 12.7, 12.8, 12.11 and 12.15, truthful use of information from the MLS compilation of current listing information, from the MLS’s “statistical report” or from any “sold” or “comparable” report of the MLS for public mass media advertising by an MLS participant or subscriber or in other public representations for purposes of demonstrating market share is not prohibited. However, any print or non-print forms of advertising or other forms of public representations must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, in a manner readily visible to consumers but not less than 7 pt type,

Based on information from the MLS Listings MLS as of _____ (date the MLS data was obtained). All data, including all measurements and calculations of area, is obtained from various sources and has not been, and will not be, verified by broker or MLS. All information should be independently reviewed and verified for accuracy. Properties may or may not be listed by the office/agent presenting the information.

For violation of this section, see Appendix A, Citable Infractions, 5.4, Failure to Provide Adequate Informational Notice on Print or Non-Print Forms of Advertising or Other Forms of Public Representations.

12.10 False or Misleading Advertising and Representations; True Picture Standard of Conduct.

Participants and subscribers may not engage in false or misleading advertising, including, but not limited to, advertisements or representations regarding the participant’s or subscriber’s relationship to the service, about the service itself, or about any property listed with the service. MLS participants and subscribers shall present a true picture in their advertising and representations to the public, including Internet content, images and the URLs and domain names they use, and participants and subscribers may not:

- a. engage in deceptive or unauthorized framing of real estate brokerage websites
- b. manipulate (e.g., presenting content developed by others) listing and other content in any way that produces a deceptive or misleading result;

- c. deceptively use metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic:.
- d. present content developed by others without either attribution or without permission; or
- e. otherwise mislead consumers, including use of misleading images.

For violation of this section, see Appendix A, Citable Infractions, 1.2, Misuse of MLS Information.

12.11 Use of MLS Information

In recognition that the purpose of the MLS is to market properties and offer compensation to other broker participants and real estate subscribers for the sole purpose of selling the property, and that sellers of properties filed with the service have not given permission to disseminate the information for any other purpose, participants and subscribers are expressly prohibited from using MLS information for any purpose other than to market property to bona fide prospective purchasers or to support market evaluations or appraisals as specifically allowed by Sections 12.14, 12.15, 12.16 and 12.20. Any use of MLS information inconsistent with these Sections is expressly prohibited. Nothing in this Section, however, shall limit the MLS from entering into licensing agreements with MLS participants and subscribers, member Associations of REALTORS® or third parties for use of the MLS information.

For violation of this section, see Appendix A, Citable Infractions, 1.2, Misuse of MLS Information.

12.12 Confidentiality of MLS Information

Any information provided by the service to participants, subscribers and licensees shall be considered and treated as confidential and shall be for the exclusive use of participants, subscribers and licensees for purposes described in Sections 2, 12.7, 12.11, 12.14, 12.15, 12.16, 12.20 and this section. Participants, subscribers and licensees shall at all times maintain control over and responsibility for each copy of any MLS compilation and shall not distribute any such copies to persons other than participants and subscribers. Participants and subscribers are responsible for the security of their passcodes and shall not give or allow use of or make available their passcodes to any person. Participants, subscribers and licensees may reproduce or display the information as provided in these rules.

For violation of this section, see Appendix A, Citable Infractions, 1.1, Use of MLS System by Unauthorized Party.

12.12.1 Clerical Users

Clerical users may have access to MLS information solely under the direction and supervision of a participant or subscriber. Clerical users may not provide any MLS information to persons other than the participant or subscriber under whom they are registered. Access by clerical users to the database is solely for clerical and administrative functions for the participant or subscriber under whom the clerical user is registered.

12.13 Access to the Compilations

Unless subject to an executed license agreement with the MLS, only Participants and Subscribers are entitled to the right and license to access the Active Listing MLS Compilation and the Comparable Data MLS Compilation. This does not limit the right of participants to produce or provide statistical, analytical and/or market trending information for dissemination to clients or potential clients, nor of the MLS to license third parties to provide or produce statistical, analytical and/or market trending information for use by participants or subscribers or their clients.

12.14 Display

Subject to Sections 12.15, 12.16 and 12.20, broker participants and real estate subscribers shall be permitted to display the MLS compilation in electronic, faxed, printed, broadcast (e.g., television, podcasts, radio, etc.) format or provided through any other delivery method to specifically identified and bona fide 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. Broker participants and real estate subscribers shall be permitted to display the MLS compilation in either electronic or printed format to specifically-identified and bona fide sellers or prospective sellers only in conjunction with their ordinary business activities in listing properties. Appraiser participants and appraiser subscribers shall be permitted to display the MLS compilation to the person requesting the appraisal only in conjunction with their ordinary business activities of producing a written appraisal. Such displays under this section shall be only in the immediate presence or under the direct control of the MLS participant or subscriber.

12.14.1 Information Provided to Clients

When providing listing information to customers or clients using MLS-provided email, reports or flyers, or using similar tools provided by authorized third parties, Listing Agent and Listing Office must be clearly identified for active/pending listings.

12.14.2 Confidential Information

Display of confidential information is never permitted.

12.14.3 Appraisers

Appraisal offices are not authorized to operate IDX websites or to provide listing information to the public in any form.

12.14.4 Clerical Users

Clerical users are expressly prohibited from displaying or distributing MLS information to anyone other than the participant or subscribers under whom the clerical user is registered.

12.15 Reproduction

“Reproduction” shall include, but not be limited to, making photocopies, computer printouts, electronic transfers (including email), or downloading of MLS data or compilations. Participants and subscribers or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof except as provided in Section 12.16, 12.20 and in the following limited circumstances:

12.15.1 Copies to Prospective Purchasers

Broker participants and real estate subscribers may reproduce from the MLS compilation, and distribute to prospective real estate purchasers, copies of those portions of the MLS compilation consisting only of a description of the property, including the address, features, financing and price.

Such “client copies” shall also comply with the following:

- a. Permissible MLS data may be augmented with additional data not otherwise prohibited from display, provided the source of any additional data is clearly identified.
- b. All listings provided shall 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.
- c. No more than 500 current listings and 500 sold listings may be provided in response to any inquiry.
- d. A disclaimer statement shall be made, in a manner readily visible to consumers but not less than 7 pt type, that contains the following, or substantially similar, notice:

Based on information from the MLSListings MLS as of _____ (date the MLS data was obtained). All data, including all measurements and calculations of area, is obtained from various sources and has not been, and will not be, verified by broker or MLS. All information should be independently reviewed and verified for accuracy. Properties may or may not be listed by the office/agent presenting the information.

For violation of this section, see Appendix A, Citable Infractions, 1.2, Misuse of MLS Information.

12.15.2 Information Reproduced

Unless the participant or subscriber obtains prior written consent from the listing broker, the information reproduced pursuant to this section shall not include the following:

- a. Property owner’s name, phone number, and address (if different than the listed property);
- b. Instructions or remarks intended for buyer brokers, including but not limited to showing instructions or security references (ex: lock box, burglar alarm or security system, vacancies) regarding the listed property;
- c. Type of listing;
- d. Compensation or bonuses offered to buyer brokers.
- e. Other information that goes beyond a description of the property.

- f. Expired or withdrawn listings.

For violation of this section, see Appendix A, Citable Infractions, 1.2, Misuse of MLS Information.

12.15.3 Copies for Appraisals

Participants and subscribers may reproduce from the MLS compilation, and attach to an appraisal as supporting documentation copies of those portions of the MLS compilation consisting only of such information on properties necessary to support a written appraisal or estimate of value on a particular property.

12.15.4 Compilation Downloading

Download of MLS information is subject to the following:

- a. Participants and subscribers may download MLS information, from the MLS user interface(s) or MLS provided applications, into a computer or computer system as long as:
 - 1) Access to the computer or computer system receiving the information is strictly limited to authorized participants, subscribers and clerical users as defined in these rules; and
 - 2) The information is only retransmitted to the participants, subscribers and clerical users authorized to access the computer or computer system by these rules; and
 - 3) The information is not reformatted or used to create another product except as may be used by the participant or subscriber who downloaded the data and such use strictly complies with sections 12.7, 12.11, 12.15, 12.16 and 12.20.
- b. Broker Participants may download the compilation by alternate means, as made available by the service, subject to an executed license agreement and payment of any associated fees.
- c. Downloading listing data from MLS applications is not permitted for purposes of creating websites, automated evaluations, statistics, or other products or services. These activities require a data license and access to bulk MLS Content ONLY through specified channels.

For violation of this section, see Appendix A, Citable Infractions, 1.2, Misuse of MLS Information.

12.15.5 Sold Information

Individuals legitimately in possession of current listing information, “sold” information, “comparables” or statistical information may utilize 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 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 current listing information, “sold” information, “comparables” or statistical information is unauthorized and prohibited by these rules and regulations.

12.16 Use of Listing Information on Internet.

[Also known as Internet Data Exchange (“IDX”).]

“Internet Data Exchange” (“IDX”) is a means by which listing brokers permit limited electronic display and delivery of their active, pending and sold listing data, in accordance with the IDX rules set forth herein, by other participating Broker Participants and Real Estate Subscribers via the following authorized mediums under said Broker Participants and Real Estate Subscribers control: websites, mobile apps and audio devices. As used throughout this policy, “display” includes “delivery” of such listings.

- a. **Authorization.** Subject to paragraphs (b) through (s) below, and notwithstanding anything in these rules and regulations to the contrary, Broker Participants and Real Estate Subscribers may electronically display aggregated MLS active, pending and sold listing information through either downloading or by framing such information on the MLS or association public access website (if such a site is available). The MLS’s download will include of publicly accessible sold listing data starting from January 1, 2012. “Publicly accessible” sold information as used in the IDX policy and rules means data that is available electronically or in hard copy to the public from city, county, state and other government records.

- b. **Consent.** The listing brokers’ consent for such internet display is presumed, in satisfaction of Rule 12.8, unless a listing broker affirmatively notifies the MLS that the listing broker refuses to permit display on either on a blanket or on a listing-by-listing basis. Listing brokers that refuse to permit other Broker Participants and Real Estate Subscribers to display their listing information on a blanket basis may not display MLS active listing information of other brokers’ listings. Even where listing brokers have given blanket authority for other Broker Participants and Real Estate Subscribers to partake in IDX display of their listings, such consent may be withdrawn on a listing-by-listing basis where the seller has affirmatively directed that their listing or their property address not appear on the Internet or other electronic forms of display or distribution.

- c. **Control.** Broker Participants and Real Estate Subscribers may only partake in IDX display on websites, applications for mobile devices and audio devices which they control. Under IDX policy, “control” means that Broker Participants and Real Estate Subscribers must have the ability to add, delete, modify and update information as required by the IDX policy. All displays of IDX listings must also be under the actual and apparent control of the Broker Participant and/or Real Estate Subscriber and must be presented to the public as being that Broker Participant’s and/or Real Estate Subscriber’s display. Actual control requires that Broker Participants and Real Estate Subscribers have developed the display or caused the display to be developed for themselves pursuant to an agreement giving the Broker Participant and/or Real Estate Subscriber authority to determine what listings will be displayed, and how those listings will be displayed. Apparent control requires that a reasonable consumer receiving the Broker Participant’s and/or Real Estate Subscriber’s display will understand the display is the Broker

Participant's and/or Real Estate Subscriber's, and that the display is controlled by the Broker Participant and/or Real Estate Subscriber.

- d. **Display Content.** Broker Participants and Real Estate Subscribers shall not display confidential information fields, as determined by the MLS in the MLS's sole discretion, such as that information intended for buyer brokers rather than consumers.
- e. **Listing Attribution.** Listings with the status of active, contingent, pending or sold may be displayed and the statuses must be clearly identified to the viewer. All IDX listing displays shall identify the name of the listing firm and the name of the listing agent in a manner designed to easily identify such listing firm or agent. Such identification shall be in a reasonably prominent location and provide clear, conspicuous written or verbal identification of the name of the listing firm and listing agent. Displays of minimum information (e.g. a one-line or thumbnail search result, 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. Audio delivery of listing content is exempt from this disclosure requirement only when all required disclosures are subsequently delivered electronically to the registered consumer performing the property search or linked to through the device's application.
- f. **Modifications and Augmentations.** Broker Participants and R.E. Subscribers shall not modify or manipulate information relating to other participants listings. Broker Participants and R.E. Subscribers 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 from 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.
- g. **Source and Update.** Information displayed shall indicate the MLS as the source of the information being displayed, the MLS copyright information, the responsibility disclaimer and the most recent date updated, along with any other descriptive or identifying elements required by the MLS. Displays of minimum information (e.g. a one-line or thumbnail search result, 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. Broker participants and real estate subscribers shall update all downloads and refresh all MLS downloads and IDX displays automatically fed by those downloads at least once every 12 hours.
- h. **Usage Limitations.** Broker Participants and Real Estate Subscribers shall indicate on their displays that the information being provided is for consumers' personal, non-commercial use and may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing. Displays of minimum information (e.g. a one-line or thumbnail search result, 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. Audio delivery of listing content is exempt from this disclosure requirement only when all required disclosures are subsequently delivered electronically to the registered consumer performing the property search or linked to through the device's application.
- i. **Display Purpose.** Broker Participants and Real Estate Subscribers may not use IDX-provided listings for any purpose other than display as provided in these rules. This does not require

Broker Participants and Real Estate Subscribers to prevent indexing of IDX listings by recognized search engines.

- j. **Restricted Display.** Listings, including property addresses, can be included in IDX display except where sellers have directed their listing brokers to withhold their listings or the listings' property address from all display on the Internet (including, but not limited to, publicly-accessible websites or VOWs). Restricted sales prices may not be shown or disclosed to the public.
- k. **Selective Listing Display.** Not all listings from the MLS must be displayed as long as any exclusions from display on Broker Participants' and Real Estate Subscribers' IDX sites are based on objective criteria, e.g. type of property, listed price, listing status or geographical location. Selection of listings displayed on any IDX site must be independently made by each participant.
- l. **Restricted Access and Distribution.** Sharing of the MLS compilation with any third party not authorized by the MLS is prohibited. 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.
- m. **Brokerage Identification.** Any IDX display controlled by a Broker Participant or Real Estate Subscriber must provide clear conspicuous written or verbal identification of the name of the brokerage firm under which they operate. i
- n. **Co-Mingling.** A Broker Participant or Real Estate Subscriber may co-mingle listings through IDX from this MLS with listings from other MLS sources on its IDX display, provided all such displays are consistent with these IDX rules and the MLS Participant (or MLS subscriber) holds participatory rights in those MLSs. Co-mingling is the ability for a visitor to the website to execute a single property search of multiple IDX 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. Listings obtained from other MLSs must display the source from which each such listing was obtained. Displays of minimum information (e.g. a one-line or thumbnail search result, 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. Audio delivery of listing content is exempt from this disclosure requirement only when all required disclosures are subsequently delivered electronically to the registered consumer performing the property search or linked to through the device's application.
- o. **Third Party Comments and Automated Value Estimates.** Any IDX display controlled by a Broker Participant or Real Estate 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, shall disable or discontinue either or both of those features as to the seller's listing 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 Broker Participants and Real Estate Subscribers. Except for the foregoing and subject to section (p) below, a Broker Participant's or Real Estate Subscriber's IDX display may

communicate the Broker Participant's or Real Estate Subscriber's professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying its viewers that a particular feature has been disabled at the request of the seller.

- p. **Making Corrections.** Broker Participants and Real Estate Subscribers 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 Broker Participants and Real Estate Subscribers beyond that supplied by the MLS and that relates to a specific property. Broker Participants and Real Estate Subscribers 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 that property explaining why the data or information is false. However, the Participants and Subscribers shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.
- q. **Search Result Limitation.** Broker Participants and Real Estate Subscribers shall limit the number of listings that a viewer may view, retrieve, or download to not more than 500 in response to any inquiry.
- r. **Advertising.** Deceptive or misleading advertising (including co-branding) on pages displaying IDX-provided listings is prohibited. For purposes of these rules, co-branding will be presumed not to be deceptive or misleading if the Broker Participant's and/or Real Estate Subscriber's logo and contact information is larger than that of any third party.
- s. **Disclaimer.** Broker Participants and Real Estate Subscribers shall indicate on their displays, in a manner readily visible to consumers but not less than 7 pt type, the following, or substantially similar, notice:

Based on information from the MLSListings MLS as of _____ (date the MLS data was obtained). All data, including all measurements and calculations of area, is obtained from various sources and has not been, and will not be, verified by broker or MLS. All information should be independently reviewed and verified for accuracy. Properties may or may not be listed by the office/agent presenting the information.

Displays of minimum information (e.g. a one-line or thumbnail search result, 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 the required disclosure. Audio delivery of listing content is exempt from this disclosure requirement only when all required disclosures are subsequently delivered electronically to the registered consumer performing the property search or linked to through the device's application.

For violation of this section, see Appendix A, Citable Infractions, 5.2, Violation of IDX Rules.

12.16.1 Notification by Authorized Broker Participants and Real Estate Subscribers

Broker Participants and Real Estate Subscribers partaking in the display of IDX information of other brokers' listings pursuant to Section 12.16 must notify the MLS before displaying said IDX

information and must give the MLS direct access as well as allow access for other MLS participants for purposes of monitoring/ensuring compliance with applicable rules and policies.

For violation of this section, see Appendix A, Citable Infractions, 5.2, Violation of IDX Rules.

12.16.2 Right to Charge for Download

The MLS has the right to charge the costs of adding or enhancing its downloading capacity to Broker Participants and Real Estate Subscribers who request downloading of listing information pursuant to Section 12.16.

12.16.3 Applicability of Rules to MLS

Nothing in these rules shall limit the right of the MLS to enter into licensing agreements with third parties for use of the MLS compilations or any portion thereof in accordance with terms approved by the Board of Directors.

12.17 Listing Broker's Right to Opt Out of Internet Advertising of MLS Information

If the MLS advertises MLS information on the Internet or licenses MLS information for advertising on the Internet, the listing broker also shall have the right to opt out of such advertising in accordance with the MLS's procedures for opting out. The listing broker shall have the right to refuse to have listings displayed on a blanket basis or on a listing-by-listing basis in accordance with Section 12.16 by affirmatively notifying the MLS in accordance with the MLS procedures for opting out. Notwithstanding anything in these rules and regulations to the contrary, the MLS reserves the right to determine whether to provide Internet advertising services and whether such services are to be made available to non-MLS members.

12.18 Website Name and Status Disclosure.

MLS participants' firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner. Websites of subscribers affiliated with a participant's firm shall disclose the firm's name and the subscriber's state(s) of licensure in a reasonable and readily apparent manner.

For violation of this section, see Appendix A, Citable Infractions, 5.4, Failure to Provide Adequate Informational Notice on Print or Non-Print Forms of Advertising or Other Forms of Public Representations.

12.20 Virtual Office Websites (VOWs)

For violation of section 12.20 and its subsections, see Appendix A, Citable Infractions, 5.3, Violation of VOW Rules and, where applicable, Appendix A, Citable Infractions, 1.1 Use of MLS System by Unauthorized Party

12.20.1 VOW Definitions

- 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 (i.e. Subscriber) may, with his or her Participant’s consent, operate a VOW. Any VOW of a Subscriber is subject to the Participant’s oversight, supervision, and accountability.

- b. As used in Section 12.20 of these Rules, the term “Participant” includes a Participant’s affiliated non-principal brokers and sales licensees (i.e. Subscribers) – except when the term is used in the phrases “Participant’s consent” and “Participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all VOWs, whether operated by a Participant, by a Subscriber, 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 12.20 of these Rules, the term “MLS Listing Information” refers to active listing information and non-confidential pending and sold data provided by Participants to the MLS and aggregated and distributed by the MLS to Participants.

12.20.2 VOW Operating Parameters

- 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”) as set forth in Rule 12.16.
- 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.

12.20.3 VOW Registrant Access Requirements

- 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:
 - 1) 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.

- 2) The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.
 - 3) The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.
- b. The Participant must assure that each Registrant’s password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant’s password.
 - c. If the MLS has reason to believe that a Participant’s VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.
 - d. The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a “Terms of Use” provision that provides at least the following:
 - 1) That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
 - 2) That all information obtained by the Registrant from the VOW is intended only for the Registrant’s personal, non-commercial use;
 - 3) 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;
 - 4) 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;
 - 5) That the Registrant acknowledges the MLS’s ownership of, and the validity of the MLS’s copyright in, the MLS database.
 - e. The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement

entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.

- f. The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the VOW. The Agreement may also include such other provisions as may be agreed to between the Participant and the Registrant.

12.20.4 VOW Contact Requirements

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 Subscriber 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.

12.20.5 VOW Data Security

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

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.

12.20.6 VOW Listing Display Restrictions

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

Seller Opt-Out Form

1. Please check either Option a or Option b

- a. I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.

OR

- b. I have advised my broker or sales agent that I do not want the address of the listed property to be displayed on the Internet.

2. I understand and acknowledge that, if I have selected option a, consumers who conduct searches for listings on the Internet will not see information about the listed property in response to their search.

Signature of seller

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

12.20.7 Posting Consumer Comments and Automated Value Estimate

- a. Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.
- b. Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 12.20.8, 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."

12.20.8 Correction of VOW Listing Information

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

12.20.9 VOW Mandatory Listing Refresh

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

12.20.10 VOW MLS Listing Distribution Limitations

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

12.20.11 VOW Privacy Policy

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.

12.20.12 VOW Selective Listing Display

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®.

12.20.13 Notification to MLS of Intent to Operate a VOW

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.

12.20.14 Operation of Multiple VOWs

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.

12.20.15 VOW Data Display Limitations

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

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

12.20.16 Changes to Listing Content

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.

12.20.17 Listing Accuracy Disclaimer

A Participant shall cause to be placed on his or her VOW in a manner readily visible to consumers but not less than 7 pt type, the following, or substantially similar notice:

Based on information from the MLSListings MLS as of _____ (date the MLS data was obtained). All data, including all measurements and calculations of area, is obtained from various sources and has not been, and will not be, verified by broker or MLS. All information should be independently reviewed and verified for accuracy. Properties may or may not be listed by the office/agent presenting the information.

A Participant's VOW may include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

12.20.18 Listing Broker or Agent Identification

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.

12.20.19 Listing Search Result Limitation

A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 500 current listings and not more than 500 sold listings in response to any inquiry. (Note: The number of listings that may be viewed, retrieved, or downloaded should be specified by the MLS in the context of this rule but may not be fewer than 100 listings or 5% of the listings in the MLS, whichever is less.)

12.20.20 Mandatory Registrant Password Change

A Participant shall require that Registrants' passwords be reconfirmed or changed every 120 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 90 days. Participants may, at their option, require Registrants to reconfirm or change passwords more frequently.)

12.20.21 VOW Co-Branding and Advertising

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.

12.20.22 Identifying Listing Source

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

12.20.23 Searching Other Listings

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.

12.20.24 MLS Licensing Agreement for VOW

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

12.20.25 Seller’s Direction to Withhold from Internet

Where a seller affirmatively directs their listing broker to withhold either the seller’s listing or the address of the seller’s listing from display on the Internet, a copy of the seller’s affirmative direction shall be provided to the MLS within 1 day after it is requested.

For violation of this section 12.20.24, see Appendix A, Citable Infractions, 5.3, Violation of VOW Rules and 3.4.3, Failure to provide written documentation within 1 day after request from staff.

13. LOCKBOXES

For violation of Lockbox sections, see Appendix A, Citable Infractions, 5.1., Showings and Access

13.1 Eligibility for Lockbox Privileges

MLSListings MLS participants and subscribers are eligible for lockbox privileges, including lockbox keys (defined as a physical or electronic key, programmer or other device by which a lockbox can be opened).

Clerical users are not eligible for lockbox privileges. Lockbox privileges may be issued only by Authorized Providers, and are subject to the following additional requirements:

- a. The key holder signs a lease agreement with the Authorized Provider. This agreement shall include and bind the participant or subscriber to all of the provisions of this Section 13.
- b. The participant to which the key holder is licensed cosigns the lease agreement with the Authorized Provider.
- c. The key holder continues to comply with all MLS rules relating to lockbox keys.
- d. The key holder and participant to whom the key holder is licensed remain eligible for MLS services.
- e. The Authorized Provider appears in Appendix B which may be amended from time to time.

13.2 Use of Lockbox Contents

- a. No participant or subscriber may enter a property with or without a lockbox without the listing broker's permission. The listing broker may grant such permission by specifying permission to use the lockbox through the MLS. Appraiser participants are expressly prohibited from using lockbox keys to enter a property without either the owner's or listing broker's permission.
- b. Participants and subscribers shall at all times follow the showing instructions published in the MLS.
- c. Participants and subscribers shall not remove contents of the lockbox for purposes other than showing the home and shall promptly return the contents to the lockbox upon exiting the property.
- d. Participants and subscribers shall keep lockbox contents in their possession at all times after removal from the lockbox. The lockbox and/or contents shall not be removed from the property site without prior consent from the listing agent.

13.3 Key Use and Service

Keys may not be used under any circumstances by anyone other than the key holder, including, but not limited to, lending, borrowing or sharing keys with others. The Authorized Provider is not obligated to provide service on keys or lock boxes to an individual who is not the registered lessee or owner of the component. Keys may only be used for the purpose of facilitating the sale or lease of a listed property.

13.4 Accountability

Key holders must account for keys at the time of any inventory conducted by the Authorized Provider or at any time requested by the Authorized Provider. Key holders who cease to participate or subscribe to the MLS shall return all key(s) in their possession to the Authorized Provider. Failure to return a key(s) will subject the key holder and/or the key holder's participant to fines and penalties and to

being responsible for all costs incurred by the Authorized Provider to secure the lock box key system as a result of the failure to return the key(s). Further, key lease agreements may contain a liquidated damages provision to offset some or all of the costs in reestablishing the security of the system if it is determined that the security has been compromised through the negligence or fault of the keyholder.

13.5 Deemed Unaccountable

Keys shall be deemed unaccounted for if a key holder refuses or is unable to demonstrate that the key is within the key holder's physical control.

13.6 Written Authority

Participants and subscribers shall not place a lockbox on a property without written authority from the seller and occupant if other than the seller. Inclusions in MLS compilations cannot be required as a condition of placing lockboxes on listed property.

13.7 Removal of Lockbox

Within 3 business days after close of escrow, cancellation or expiration of a listing, the lockbox must be removed.

13.8 Reporting Missing or Unaccountable Keys

Key holders and participants cosigning with a key holder shall immediately report lost, stolen or otherwise unaccountable keys to the Authorized Provider.

13.9 Responsible Keyholder and Temporary Keys.

If the Authorized Provider uses electronic lockbox programmers or keypads, a Participant may purchase or lease additional programmers or keypads (the "Responsible Keyholder") to be issued on a temporary basis to other keyholders in the Participant's firm in the event their programmer or keypad becomes non-functional outside normal business hours or under circumstances where a replacement programmer or keypad is not reasonably available from the Authorized Provider. Whenever the Responsible Keyholder issues a temporary key, the Responsible Keyholder shall advise the Authorized Provider in writing within 3 days after said issuance that the programmer or keypad has been issued, to whom, and the date and time of issuance. The Responsible Keyholder shall also advise the Authorized Provider in writing within 3 business days after possession of the previously issued programmer or keypad has been reassumed.

13.10 Rules Violations

Failure to abide by rules relating to lockboxes as set forth in this section or failure to abide by the key lease agreement may result in discipline as provided in sections 14 and 15 of these rules, in addition to loss of or restriction on all lockbox and key privileges.

13.11 Right to Limit Access

The Authorized Provider reserves the right to refuse to issue activate or reactivate a key or terminate an existing key agreement or otherwise limit access to lockboxes if, in its sole discretion, it determines the security of the system would be compromised by issuing such keys or granting access to lockboxes.

13.12 Lockbox Accessibility

If any lockbox or other device giving access to listed property for real estate professionals and/or service providers is authorized by the seller and occupant and is placed on or present on property listed through the Service, such lockbox or device must be one that is approved by the MLS. The authorized lockboxes sold by, leased by or otherwise offered through one of the Authorized Providers listed in Appendix B have been approved by the MLS. Unless expressly indicated otherwise by the MLS, for any other lockbox or device to be considered “MLS approved,” use of it must provide reasonable, timely access to listed property such that (1) it allows all participants and subscribers timely access to listed property by reliance solely on data submitted to and residing on the MLS; (2) complete, accurate and stand-alone instructions are provided for accessing the listed property in the appropriate agent section on the Service; and (3) it ensures that the lockbox or device will provide reasonable access to listed property with any information, code or key needed to access the contents of the lockbox or device to be made available or access to the property otherwise scheduled within four [4] hours of initial contact in the event the lockbox or device requires the participating member to obtain additional information to enable access (ex: “call listing agent for entry code”) with said 4 hour response obligation in effect every day from 8am to 6pm. The MLS reserves the right to require that the device be submitted in advance for approval. The MLS also may revoke the approval and/or subject the participant to discipline if the device is used in a manner that fails to continue to satisfy this requirement. Failure to provide reasonable and timely access as required by this section will subject the listing agent to discipline and potential fines. More than one lockbox or access device may be used on a property as long as one of them is MLS-approved where the listing is submitted.

14. VIOLATIONS OF RULES AND REGULATIONS

14.1 Grounds for Disciplinary Action and Sanctions

After a hearing by a hearing panel as provided in the *California Code of Ethics and Arbitration Manual*, the Board of Directors may take disciplinary action and impose sanctions against any participant and subscriber:

- a. For violation of any MLS rule;

- b. On the participant's or subscriber's being convicted, adjudged, or otherwise recorded as guilty by a final judgment of any court of competent jurisdiction of (1) a felony, or (2) a crime involving moral turpitude, or (3) on a determination by any court of competent jurisdiction, or official of the State of California authorized to make the determination, that the participant or subscriber violated a provision of the California Real Estate Law or a Regulation of the Real Estate Commissioner or the laws relating to appraisers or a regulation of the OREA.
- c. For any violation of subsection (a) by any person, including but not limited to a clerical user or a salesperson, who is not a participant or subscriber but is employed by or affiliated with such participant or subscriber and was providing real estate related services within the scope of the participant's or subscriber's license. Lack of knowledge by the participant or subscriber of such salesperson's conduct shall only go to mitigation of discipline imposed.
- d. For any violation of the N.A.R. Code of Ethics while a member of any Association of REALTORS®.

14.2 Sanctions

Sanctions or disciplinary action for violation of an MLS Rule may consist of one or more of those specified in the *California Code of Ethics and Arbitration Manual*.

14.3 Citations

The MLS, subject to approval of the Board of Directors, may implement a schedule of fines for certain MLS rules violations and direct staff to issue citations for the specified MLS rules violations and implement a procedure whereby the participant and subscriber receiving the citation may either pay the amount specified on the citation or request a full hearing in accordance with the procedures set forth in the *California Code of Ethics and Arbitration Manual*.

15. PROCEDURES FOR MLS RULES HEARINGS

All MLS rules hearings shall be processed in accordance with the *California Code of Ethics and Arbitration Manual* as from time to time amended which is hereby incorporated by reference. Failure to abide by the procedures of the *California Code of Ethics and Arbitration Manual* shall be a violation of these MLS rules.

16. ARBITRATION

16.1 Mandatory Arbitration

By becoming and remaining a participant or subscriber in the MLS, each participant and subscriber agrees to submit disputes arising out of the real estate business which also arises out of, or is in conjunction with, any listing filed with the MLS or any appraisal, to binding arbitration with any other participant or subscriber of this MLS, or participants or subscribers of any other MLS who are authorized to have access to this MLS under Section 6 of these rules. Such arbitrations shall be governed by the *California Code of Ethics and Arbitration Manual* as from time to time amended which is hereby incorporated by reference. This shall be deemed an arbitration agreement within the

meaning of Part 3, Title 9 of the California Code of Civil Procedure. Failure to submit to arbitration and abide by the arbitration award, including but not limited to timely payment of the arbitration award as provided herein shall be a violation of these MLS rules and subjects Participants and Subscribers to possible suspension from the MLS and/or other penalties.

16.2 Other Arbitration Agreements

Notwithstanding any other provision of these rules, if any participant or subscriber enters into an agreement (either before or after a dispute arises) with another participant or subscriber to arbitrate a dispute utilizing non-REALTOR® Association facilities, such persons are not bound to arbitrate the dispute covered by such agreement under these rules utilizing REALTOR® association facilities.

16.3 Arbitration Between REALTOR® Association Members

Notwithstanding any other provision of these rules,

- a. If all disputants are members of the same Association of REALTORS®, they shall arbitrate at that Association of REALTORS® in accordance with its rules.
- b. If the disputants are members of different Associations of REALTORS®, they shall arbitrate in accordance with any applicable regional or shared professional standards agreement. In the absence of such an agreement, the disputants remain obligated to arbitrate at the California Association of REALTORS® (“C.A.R.”) in accordance with the C.A.R. Interboard Arbitration Rules.

16.4 Arbitration Involving Non-REALTOR® Association MLS Subscribers

Notwithstanding any other provision of these rules, if one or more disputants are non-REALTOR® association members but both disputants are subscribers to the MLS, the MLS will arbitrate in accordance with the *California Code of Ethics and Arbitration Manual*.

16.5 Same Firm

Arbitration between persons from the same firm shall not be available and is not mandated by these rules unless covered by arbitration rules relating to the obligations of REALTOR® association members to arbitrate.

16.6 Timing

For purposes of this Section 16, the duty to arbitrate shall be determined when facts giving rise to the dispute occurred. Therefore, a participant or subscriber shall have a duty to arbitrate if the person was an MLS participant or subscriber when facts giving rise to the dispute occurred. Termination of MLS participation or subscription or resignation or termination of membership of a REALTOR® association shall not relieve the arbitration duty under this section for disputes that arose when the person was an MLS participant or subscriber or member of a REALTOR® association. Requests for arbitration must be filed within one hundred and eighty (180) days after the closing of the transaction, if any, or after the facts constituting the matter could have been known in the exercise of reasonable diligence, whichever is later.

17. NONPAYMENT OF MLS FEES

17.1 Nonpayment of MLS Fees

If MLS fees, fines, charges or other amounts owed the MLS are not paid within fifteen (15) days after the due date, the nonpaying participant's, subscriber's and/or clerical user's MLS services shall be subject to suspension until such outstanding amounts are paid in full. The MLS may suspend MLS services under this section provided the MLS gives the participant and/or subscriber at least ten (10) calendar days' prior notice of the proposed suspension date. Such notice may be included with the original billing statement for MLS fees, fines or charges or any time thereafter. In the event the amounts owed remain unpaid for twenty-eight (28) days after the due date, the nonpaying participant and/or subscriber's MLS services shall automatically terminate regardless if notice of such termination is given.

17.2 Disputed Amounts

If a participant and/or subscriber disputes the accuracy of amount owed, the participant and/or subscriber may request a hearing before the Board of Directors. In order to request such a hearing, the participant and/or subscriber must first pay the disputed amount in whole, which may be refunded in whole or part in accordance with the Board of Directors' determination. Hearings under this section shall be conducted in accordance with the *California Code of Ethics and Arbitration Manual*. In the event the Board of Directors confirms the accuracy of the amount owed, the participant and/or subscriber shall also be subject to paying interest at the rate of ten (10%) per annum on such past due amounts.

17.3 Reinstatement

Any participant and/or subscriber whose MLS services have been terminated for nonpayment of MLS fees may reapply for participation in the MLS. However, prior to being granted access, such participant and/or subscriber must pay all fees applicable to new applicants and all past due amounts owed, including paying interest at the rate of ten (10%) per annum on such past due amounts.

The following provision has not been formally adopted by the C.A.R. Board of Directors, but if Article XVII, Section 1 of the C.A.R. Model Bylaws is not adopted, include the following Section:

18. CHANGES IN RULES AND REGULATIONS

The rules and regulations of the MLS may be amended by a recommendation from the MLS Rules Committee, subject to approval by the Board of Directors. Any changes to these rules and regulations which are mandated by the National Association of REALTORS® shall automatically be incorporated into these rules and regulations and do not require MLS Rules Committee or Board of Directors approval.

Appendix A – Citable Infractions and Associated Penalties
With Reference to Applicable Rules

	Penalty
1 <u>Unauthorized Access to MLS</u>	
1.1 Use of MLS System by Unauthorized Party (Sec 4, 12.1, 12.2, 12.3, 12.11, 12.12.1, 12.14, 12.14.1, 12.14.4)	\$250-\$2,500
1.1.1 Filing of False Participation Waiver, Violation of Participation Waiver (Sec. 5.1.6)	\$250-\$1,000 plus retroactive dues (not more than 12 months)
1.1.2 Failure of Participant to Notify the MLS within 10 days of Termination, Transfer, or Addition of an Associate Under Participant’s License (Sec. 4.4)	\$50 – 1 st violation \$100 – 2 nd violation \$200 – 3 rd violation
1.1.3 Failure of Participant to Notify the MLS within 10 days of Termination, Transfer, or Addition of a Clerical User Under Participant’s License (Sec. 4.3)	\$50 – 1 st violation \$100 – 2 nd violation \$200 – 3 rd violation
1.1.4 Co-Listing with an MLSListings Nonsubscriber (Sec. 7.23)	\$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation
1.2 Misuse of MLS Information	
1.2.1 Reproducing and Distributing Unauthorized Portions of the MLS Database (Sec. 12.15.1, 12.15.2)	\$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation
1.2.2 Unauthorized Computer Download or Transmission of Data (Sec. 12.15.4)	\$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation
1.2.3 Use of MLS data for other than the intended/permitted purposes (2, 11.7, 12.10,12.11,12.14, 12.14.4, 12.15.4, 12.15.5)	\$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation
2 <u>Loading Listings and Reporting Status Changes by Deadline</u>	
2.1 Listing Not Loaded Within 3 Days of Start Date of Listing (Sec. 7.5)	\$500 – 1 st violation \$1,000 – 2 nd violation \$2,000 – 3 rd violation Doubling to NAR limit
2.2 Listing Exclusion Not Submitted to MLS Within 3 Days After Start Date of Listing (Sec. 7.6)	\$500 – 1 st violation \$1,000 – 2 nd violation \$2,000 – 3 rd violation Doubling to NAR limit
2.3 Status Changes Not Reported By Deadline	
2.3.1 Sale Not Reported by the End of the Next Day After Close of Escrow (Sec. 10.2)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
2.3.2 Pending Sale Not Reported by the End of the Next Day After Seller’s Acceptance of Offer (Sec. 10.2)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
2.3.3 Contingent Sale or Lease Not Reported By the End of the Next Day After Seller’s Acceptance of Offer (Sec. 10.2)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation

		Penalty
2.3.4	Cancellation of Pending Sale Not Reported By the End of the Next Day After Written Cancellation (Sec. 10.4)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
2.3.5	Withdrawal or Cancellation of Listing Not Reported By the End of the Next Day After Written Instructions (Sec. 7.8)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
2.3.6	Resolution of Contingencies Not Reported By the End of the Next Day After Resolution (Sec. 10.2)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
2.3.7	“Comps Only” Sale Not Reported Within 30 Days (When Such Sale is Submitted at Discretion of Broker) (Sec. 10.2)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
3 Reporting and Accuracy of Information		
3.1 Submission of Listings That Do Not Satisfy the Requirements of the MLS Rules		
3.1.1	Failure to Properly Specify Listing Type or Class (Sec. 7.2, 7.3)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
3.1.2	Entry of Inaccurate Information Anywhere in a Listing (Sec. 8.3)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
3.1.3	Listing Information Incomplete or Not Kept Current (Sec. 7.8, 7.11, 7.17)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
3.1.4	Failure to Enter Accurate Information in a Required Data Field (Sec. 7.2, 7.11, 8.3)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
3.1.5	Failure to Disclose Short Sale Status	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
3.1.6	Using a Data Field for a Purpose Other Than its Intended Use (Sec. 8.3)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
3.1.7	Failure to Correct Incomplete or Inaccurate Information Within 1 Day After Notification by Staff (Sec. 8.3)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
3.1.8	Including Agent Contact Information, such as Email Addresses, Website Addresses, or other Non-Property Descriptive Text, on Photos (Sec. 11.5)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
3.1.9	Use of Photographs on a Listing Without Proper Authorization (Sec. 11.5)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
3.1.10	Failure to Meet Photograph Requirements on a Listing (Sec. 7.11.2)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
3.1.11	Removal of Photos and/or Remarks Upon Status Change (Sec. 11.8)	\$500 – 1 st violation \$1,000 – 2 nd violation \$2,000 – 3 rd violation Doubling to NAR limit

	Penalty
5 <u>Miscellaneous</u>	
5.1 Showings and Access	
5.1.1 Listing Not Ready for Showing Within 3 Days After Submission of Listing (Sec. 9.1.1)	\$100 – 1 st violation \$200 – 2 nd violation \$400 – 3 rd violation
5.1.2 Without Seller Consent, Participant or Subscriber Not Present When Providing Access (Sec 9.10)	\$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation
5.1.3 Violations of Lockbox and Key regulations (Sec. 13)	\$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation
5.2 Violation of IDX rules (Sec. 12.16)	Subject to suspension of Datafeed and \$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation
5.3 Violation of VOW rules (Sec. 12.20)	Subject to suspension of Datafeed and \$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation
5.4 Advertising of Listing Filed with the MLS (Outside scope of IDX) (Sec. 12.8)	\$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation
5.5 Failure to Provide Adequate Informational Notice on Print or Non-Print Forms of Advertising or Other Forms of Public Representations (Sec. 12.9, 12.19)	\$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation
5.6 Non-Completion of Any Required Orientation Program within 60 Days (Sec. 4.1.1f, 4.1.2e, 4.2.1e, 4.2.2e)	\$50 – 1 st violation \$100 – 2 nd violation \$200 – 3 rd violation
5.7 Failure to Pay Any MLS Fees (Sec. 17.1)	Subject to suspension of MLS service
6. Presentation of Offers	
6.1 Failure to Provide Seller’s Written Direction to Alter Time of Submission of Offers (Sec. 9.4)	\$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation
6.2 Failure to Provide Written Verification that Offer Was Presented (or that Seller Waived the Obligation to Have Offer Presented) (Sec 9.5)	\$200 – 1 st violation \$400 – 2 nd violation \$800 – 3 rd violation

Rules Enforcement

- Staff issues a citation for a specified MLS Rules violation, per incident.
- Uncured violations will result in an escalating fine, doubling until the NAR limit is reached. Such amounts are cumulative, with each escalation adding to the total amount due.
- The Participant/Subscriber has 25 days to pay the fine or 15 days to file a challenge.

- If the fine is not paid within the 25-day period, staff will issue a 10-day notice informing the Participant/ Subscriber that nonpayment by the end of those 10 days will result in suspension of MLS service.
- For each 3rd violation a \$200 administrative fee will be charged.
- A Participant/Subscriber who wishes to challenge a citation may appeal to the MLS Rules Committee. If the citation is upheld by the MLS Rules Committee, the Participant/Subscriber may request a Professional Standards hearing
- If a hearing panel finds that there was a violation of the MLS Rules, in addition to any fines or disciplinary action, a \$250 administrative fee will be charged.
- Violations will be assessed over a six-month cycle.
- Fines may not exceed the NAR limit for a single incident.
- Ethics violations will be referred to the appropriate Association.

Appendix B – Authorized Providers

Monterey County Association of REALTORS®

San Benito County Association of REALTORS®

San Mateo County Association of REALTORS®

Santa Clara County Association of REALTORS®

Santa Cruz County Association of REALTORS®

Silicon Valley Association of REALTORS®

Appendix C –Property Classes & Property Types

Class	Type	Definition
Residential	Single Family Home	A single family residence on real property.
Residential	Townhouse	A dwelling unit, generally having two or more floors and attached to other similar units via party walls.
Residential	Condominium	A unit within a structure where ownership is on a unit by unit basis.
Residential	Farm/Ranch	A place where agricultural and similar activities take place, especially the growing of crops or the raising of livestock.
Residential	Manufactured Home	A factory built house which meets FHA, HUD or local state construction standards that is transported to the lot. Usually supported by a full foundation attached to private land.
Residential	Floating Home	A dwelling unit floating on water without a means of self-propulsion and has been assigned parcel ownership. Usually connected to public sewer and water systems.
Rental	House for Rent	A single family residence for rent, generally detached from other houses and has its own yard.
Rental	Townhouse for Rent	A rental unit, generally having two or more floors and attached to other similar units via party walls.
Rental	Apartment/ Condo for Rent	A unit for rent, within a structure where ownership of units is on a unit by unit basis.
Rental	Other Rental Property	A structure or unit for rent that may be a farm, ranch, floating home or other specialized property.
Mobile Home	Single Wide Mobile Home	A factory built house that is transported to the lot and was built prior to June 15, 1976. The independent living unit is likely equipped with axles and wheels and could be moved. Typically licensed as a vehicle, and rents space on land not owned by the unit owner; but may also include real property in some cases. Must have a DOH number prior to listing on the MLS.
Mobile Home	Double Wide Mobile Home	A factory built house that is transported to the lot and was built prior to June 15, 1976. The independent living unit is likely equipped with axles and wheels and could be moved. Typically licensed as a vehicle, and rents space on land not owned by the unit owner; but may also include real property in some cases. Must have a DOH number prior to listing on the MLS.
Mobile Home	Triple Wide Mobile Home	A factory built house that is transported to the lot and was built prior to June 15, 1976. The independent living unit is likely equipped with axles and wheels and could be moved. Typically licensed as a vehicle, and rents space on land not owned by the unit owner; but may also include real property in some cases. Must have a DOH number prior to listing on the MLS.
Mobile Home	Quad Wide Mobile Home	A factory built house that is transported to the lot and was built prior to June 15, 1976. The independent living unit is likely equipped with axles and wheels and could be moved. Typically licensed as a vehicle, and rents space on land not owned by the unit owner; but may also include real property in some cases. Must have a DOH number prior to listing on the MLS.

Mobile Home	Mobile Floating Home	A factory built house that is floating in water. The independent living unit could be moved if needed. Typically licensed as a vehicle, and rents space in water not owned by the unit owner; but may also include water rights in some cases.
Residential Lot	Residential Lot	A lot zoned for single family residence.
Residential Lot	Residential Development Land	Land zoned for residential development.
Residential Lot	Agriculture/Ranch Land	Land suitable/ zoned for single family residence as well as for agriculture.
Residential Lot	Other Residential Land	Land suitable/ zoned for residence.
Income/Multi-Unit 2-4	Duplex	A legally permitted multi-family structure with two independent units with a shared wall or ceiling/floor, on a single or adjacent lots being marketed as a single listing.
Income/Multi-Unit 2-4	Triplex	A legally permitted multi-family structure with three independent units with shared walls or ceilings/floors, on a single or adjacent lots being marketed as a single listing.
Income/Multi-Unit 2-4	Fourplex	A legally permitted multi-family structure with four independent units with shared walls or ceilings/floors, on a single or adjacent lots being marketed as a single listing.
Income/Multi-Unit 2-4	Other Multi-Unit	A multi-family structure with independent units with shared walls or ceilings/floors, on a single or adjacent lots being marketed as a single listing.
Income/Multi-Unit 5+	Five or More Units	A legally permitted multi-family structure with five or more independent units with shared walls or ceilings/floors, on a single or adjacent lots being marketed as a single listing.
Commercial for Sale	Commercial Property	Property that is used solely for business purposes. Examples of commercial properties include restaurants, offices or office complexes, gas stations, convenience stores, or retail centers.
Commercial Land	Commercial Agricultural Land	Land suitable for agricultural production, such as crops or livestock.
Commercial Land	Industrial Land	Land zoned for industrial use.
Commercial Land	Other Commercial Land	Land suitable or zoned for commercial use.
Commercial Lease	Commercial Lease	Property for lease to be used solely for business purposes. Examples of commercial lease include properties that can be used for restaurants, office space, or retail space.
Business	Business for Sale	An entity providing goods or services to consumers or other businesses. Examples of businesses for sale include restaurants, gas stations, convenience stores, or retailer. The business for sale may or may not include underlying real estate property.