

CAPITAL AREA ASSOCIATION OF REALTORS®

MULTIPLE **L**isting **S**ERVICE

RULES AND REGULATIONS

Revised and Effective

February 11, 2014

CAPITAL AREA ASSOCIATION OF REALTORS®

MLS RULES & REGULATIONS

SECTION I

NAME AND PURPOSE.

- A. The name of this ~~service organization~~ shall be, "CAPITAL AREA MULTIPLE LISTING SERVICE" and the letters "MLS" hereinafter mentioned shall mean Multiple Listing Service.
- B. Purpose. The Multiple Listing Service shall be, by definition, a service of the Capital Area ~~Association of~~ REALTORS® whereby authorized participants ("participant" referred to herein means designated licensed managing brokers, or licensed or certified appraisers, and licensed or certified appraisers and "users" referred to herein means licensed brokers or licensed or certified appraisers) make blanket unilateral offers of compensation to other participants (acting as buyer agents, or in other agency or non agency capacities defined by law); by which cooperation among Participants is enhanced; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analysis, and other valuations of real property for bonafide clients and customers; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the sale (or lease). Throughout these rules the terms "listing broker" and "cooperating broker" shall refer to "managing broker".
- C. MLS Antitrust Compliance Policy. The Multiple Listing Service of the Capital Area ~~Association of~~ REALTORS® shall conform to the MLS Antitrust Compliance Policy adopted November 15, 1971 by the NATIONAL ASSOCIATION OF REALTORS®, reproduced as Appendix A, as amended November 2004.

SECTION II

PARTICIPATION.

- A. Eligibility for participation in the MLS shall consist of the following requisites:
1. Participation: Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these rules, shall be eligible to participate in the MLS upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.* However, under no circumstances is any individual or firm, regardless of membership status, entitled to MLS "membership" or "participation" unless they hold a current, valid real estate managing broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.** Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any

right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. (Amended 11/08)

Note: Mere possession of a managing broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm 'offers or accepts cooperation and compensation' means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers 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") (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so. The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants. (Adopted 11/08)

2. Submission of a completed application on forms provided by the MLS.
3. Payment of the initial Participation fee and any recurring fees as set forth in Section VII below.
4. Any applicant for MLS Participation and any licensee affiliated with an MLS Participant who has access to and use of MLS generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS. The time-frame within which orientation shall be completed and the specific content and length of the orientation program shall be recommended by the MLS Committee and

approved by the Board of Directors.

5. With respect to amendments to these rules, as outlined in Section XIII (Amendments), there shall be one vote per MLS Participant. There shall only be one MLS Participant per member firm. In situations where the MLS Participant is waived out of the MLS under Section VII (C) that MLS Participant shall forfeit his or her right to vote as long as said waiver is in effect. *(Amended 09/25/08)*

6. Transfer of Participation:

- a. Transfer within a company: MLS participation shall not be transferable or sold except in limited circumstances. The intent is that any transfer of Participation allowed shall be between parties with a pre-existing business relationship within the company.

For example:

- i. In a pre-existing Illinois partnership, the partner named as Participant may effect the transfer of participation to the new or surviving (principal) partner;
 - ii. In a pre-existing Illinois corporation, with an officer named as Participant, the Participant may effect the transfer of the participation to an officer of the same corporation;
 - iii. In a pre-existing Illinois Limited Liability Corporation (LLC), with a registered agent named as the Participant, the Participant may effect the transfer of the MLS participation to another registered agent principal of the same LLC, or to an individual principal of the LLC now acting as a sole proprietor;
 - iv. In a pre-existing Illinois Limited Liability Partnership (LLP), with a registered agent named as the Participant, the Participant may effect the transfer of the MLS participation to another registered agent of the same LLP, or to an individual principal of the LLP now acting as a sole proprietor;
- b. Transfer to a new legal entity. A Participant (principal) may transfer MLS participation to a new legal entity when there is a change in the legal structure of the original company (e.g. sole proprietorship to LLC), or to a new business entity owned by the Participant (principal), provided that the principal remains a principal in the newly-structured company, or new business entity and simultaneously terminates participation for the former company or business entity.
 - c. Transfer between managers. Companies participating in MLS may appoint a manager to act on their behalf as the Participant and may transfer that designation from time to time provided the manager is otherwise qualified. In a participating company where the principal of the original participating company is not qualified to be an MLS Participant as outlined in Section II (A)(1) the principal may transfer MLS participation from manager to manager.

- d. Transfer in Case of Deceased Participants. In a sole proprietorship, LLC or LLP, Corporation, when the person named as Participant deceases, the participation rights in MLS may be transferred to a surviving family member in the company or to a new Participant that a court of competent jurisdiction so declares. Changes of ownership not otherwise covered in this section will be subject to a re-application and fees thereto. If a Participant should become deceased and the company does not have a qualified Broker to whom the Participation can be transferred, the MLS is not obligated to provide services, including continued inclusion of the Participant's listings in the MLS compilation of current listing information. Prior to any removal of Participant's listings from the MLS, the company will be advised in writing of the intended removal so that they may advise his/her clients.
- e. Participants resigning from MLS and applying for reinstatement at a later date must pay the participation application fee in force at the time of application for reinstatement.
- f. In the event any participant sells or closes his business and becomes sponsored by another broker who is a participant, but in a non-owner capacity, his participation shall be forfeited. However, if within 24 months following such change in status such individual once again takes on an ownership (sole ownership) capacity that person may again become a Participant at no additional cost. This option is not available to any company that cancels its MLS participation while continuing in the practice of real estate brokerage. A Participant shall be allowed to exercise this 24 month option once.
- f. For purposes of this section, as it pertains to transfer of participation a principal is defined as an owner, officer, or manager acting on behalf of the owner. Transfer of participation is conditioned on the following:
 - i. Transfer of Participant designation within a company may be made only among qualified principals or managers;
 - ii. The new Participant must be, at the time of acquisition, qualified to become a member of the MLS;
 - iii. At the time of transfer the existing Participant's membership shall be in good standing with the MLS;
 - iv. The new company is a real estate business as defined in Section II (A)(1);
 - v. Any financial obligations to MLS are fulfilled;
 - vi. The new Participant shall sign a new agreement as required under Section II (A)(2).

- B. Participant understands that by providing the MLS with Participant's mailing address(es), email address(es), telephone number(s), and fax number(s), Participant consents to receive communications, advertisements and solicitations sent by or on behalf of the Capital Area ~~Association of REALTORS®~~, its subsidiaries and affiliates, namely the Illinois ~~Association of REALTORS®~~, and the NATIONAL ASSOCIATION OF REALTORS® via U.S. mail, email, telephone, or facsimile at those number(s)/location(s) provided.
- C. Participants and Users in the Commercial Real Estate Network (CREN) of CAAR are entitled to conduct searches of any and all property types contained in the MLS so long as that Participant's company is also a Participant in the MLS. Likewise, MLS Participants and users shall be entitled to conduct searches of property listings in the CREN property type. *(Amended 09/25/08)*
- D. Upon approval of the Board of Directors the MLS shall exercise the authority to, from time to time, enter into reciprocal agreements with neighboring MLS's to allow, on a reciprocal basis, Participants of those neighboring MLS's to list properties in the Capital Area MLS.
- E. Upon approval of the Board of Directors the MLS shall exercise the authority to establish policies which would outline alternate terms and conditions under which the "Participant" of another MLS could access the Capital Area MLS, including the ability to make offers of cooperation and compensation.

SECTION III

OPERATIONS.

- A. The operations and activities of MLS will be in conjunction with the Bylaws of the Capital Area ~~Association of REALTORS®~~ and is open to all REALTOR® members who are principals in their firms, partnerships, or corporations. Any exceptions to the Capital Area ~~Association of REALTORS®~~ Bylaws are herein set forth.
- B. The MLS Committee shall handle all transactions pertaining to contracts for such services that are required or needed now or in the future, subject to final approval by the Board of Directors of the Capital Area ~~Association of REALTORS®~~.
- C. All grievances shall be directed to the Capital Area ~~Association of REALTORS®~~ in accordance with the Bylaws of the Capital Area ~~Association of REALTORS®~~.
- D. The MLS Chairman shall appoint, from time to time, those subcommittees deemed necessary to carry out tasks related to the MLS Committee.

SECTION IV

LISTING PROCEDURES.

- A. Capital Area Multiple Listing Service agrees to maintain, for the benefit of its participants, a listing exchange consisting of all real property listed as an exclusive agency or an exclusive right to sell or lease with individuals who participate in the Multiple Listing Service.
1. The MLS shall accept exclusive right to sell or lease listing contracts and exclusive agency listing contracts, and may accept other forms of agreement that are in compliance with these rules and which make it possible for the listing broker to offer cooperation and compensation to other Participants of the MLS acting as cooperating agents. The MLS shall not accept net listings nor open listings.
 - a. Exclusive right to sell listings. The exclusive right to sell listing is the conventional form of listing submitted to the MLS in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.
 - b. Exclusive agency listings. The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral basis, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis.
 2. Exclusive agency listings and exclusive right to sell or lease listings with named prospects exempted should be clearly distinguished from exclusive right to sell listings with no named prospects exempted. Under the category "listing type" in the MLS and on the property data form the letters "EA" denote exclusive agency listings, the letters "ER" denote exclusive right to sell or lease listings, and the letters "RP" denote an exclusive right to sell or lease listing with named prospects exempted.
- B. If the owner elects not to place the property in MLS which falls under one of the property types set forth in subsection J(1) below, the Participant shall forward to the MLS a dated statement signed by the owner(s) confirming his decision not to place his property in MLS. This shall be known as an "office exclusive" listing. This form shall be filed with the MLS office within the required 48-hour pre-notice period. The 48-hour pre-notice period shall mean within 48-hours after the **listing is signed marketing period becomes effective**, or the sign has been placed in the yard or the property has been advertised, whichever occurs first, with the exception that listings taken on a Friday, with a marketing period that is effective that same day, shall be received by the MLS office by the end of the next business day. Upon filing of the election not to list the property in MLS, the MLS office shall immediately send a form letter to the owner acknowledging the

owner's decision and suggesting that if the owner should later change his mind and wish to place the property in MLS, he should advise his REALTOR® in writing. **For the purposes of this section "listing date" entered into the MLS shall be deemed to be the beginning date of the marketing period, or, in the absence of a marketing period, the date the listing agreement was signed.**

C. Listing Agreements and Property Data Forms.

1. No property listed shall be filed with the MLS unless the participant offering the same shall have a written contract on a form that is in full compliance with these MLS rules granting him or her the exclusive right to sell, or exclusive agency, or otherwise dispose of the said property for a definite period of time and duly executed by the owner.
2. The MLS shall not require a Participant to submit listings on a form other than the form the Participant individually chooses to utilize provided the listing is of a type accepted by the MLS, although a "Property Data Form" may be required as approved by the MLS. However, the MLS through its legal counsel may:
 - a. Reserve the right to refuse to accept a listing form which fails to adequately protect the interests of the public and the Participants.
 - b. Assure that no listing form filed with the MLS establishes, directly or indirectly, any contractual relationship between the MLS and the client (buyer or seller).
3. Approved MLS listing agreements shall meet the following requirements:
 - a. The listing form shall include a provision expressly granting the listing broker authority to file the listing with the MLS and to provide sales information including selling price to the MLS upon sale of the property.
 - b. The full gross listing price or lease amount shall be stated in the listing agreement.
 - c. The listing form shall comply with the Real Estate License Act of 2000 and the rules for its administration.
4. A listing agreement or property data form, when entered into the MLS or filed with the MLS by the listing broker, shall be complete in every detail which is ascertainable as specified on the Property Data Form.
5. Any and all MLS approved forms will be made available to participants at cost. All MLS forms are copyrighted by the Capital Area Association of

REALTORS® and are for the express use of MLS participants and users only.

6. The MLS reserves the right to request a copy of a Participant's listing agreement at any time to ensure compliance with these MLS rules.

D. Auction Listings

1. Auction listings must be taken by Participant as Exclusive Right to Sell or Exclusive Agency and meet all other listing requirements established in Section 1 of these Rules and Regulations. The listing company must indicate on the first line of remarks:
 - a. Auction date
 - b. Whether the sale is Reserved (a minimum price is set that the seller is willing to accept for a property to be sold at auction. Seller or seller's agent reserves the right to accept or decline any and all bids.) or Absolute (property is sold to the highest qualified bidder with no limiting conditions or amount).
 - c. The disclaimer indicating "Property will bring what market bears."
 - d. The requirement that the property be available to show at inception does not extend to auction listings, however, the Participant shall note in the remarks whether the property is available to show and whether the seller will accept pre-auction offers.
 - e. If a buyer's premium is to be charged by the auctioneer then that amount must be disclosed in the remarks.
2. Listing Price Specified. The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings, unless the property is subject to auction. In the case of an auction property, it is understood that the "seller reserves right to reject any bid". The remarks section of the listing must include consideration for a reserve or absolute sale.

- E. MLS is not responsible for accuracy of information. The information published and disseminated by the MLS is communicated verbatim, without change, by the Service, as filed with the MLS or as entered directly into the MLS database by the Participant. The MLS does not verify such information provided and disclaims any responsibility for its accuracy. Each participant agrees to hold the MLS harmless against any and all claims, demands, damages, losses or costs that the MLS or CAR the Association incur arising from any inaccuracy or inadequacy of the information such participant provides. Any Participant that relies on the MLS for entering information into the MLS database shall bear the responsibility for ensuring that the information is entered correctly, and the MLS and CAR the Association shall have no liability for any error or omission of the MLS in entering such information into the MLS database. Each Participant waives any and all claim of liability that said Participant may have against the MLS and CAR the Association arising out of errors made by the MLS in entering data on behalf of the Participant, and Participant shall hold the MLS and

harmless from and against any claims, demands, damages or costs incurred by the MLS or the Association arising out ~~CAR the Association~~ of such errors or omissions. (Amended 01/18/06)

F. Listing Reporting Requirements.

1. All information required on the property data form pertaining to any property listed by any participant in MLS shall be entered into the MLS within the 48-hour pre-notice period. The 48-hour pre-notice period shall mean within 48-hours after the marketing period becomes effective, or the sign has been placed in the yard or the property has been advertised, whichever occurs first, with the exception that listings taken on a Friday, with a marketing period that is effective that same day, shall be received by the MLS office by the end of the next business day. However, no participant may be denied the opportunity to cooperate on such listing during this 48-hour period. **For the purposes of this section the "listing date" entered into the MLS shall be deemed to be the beginning date of the marketing period, or, in the absence of a marketing period, the date the listing agreement was signed.** The MLS reserves the right to request a copy of any Participant's listing agreement or property data form at any time in regard to a particular property listing. Failure of a Participant to comply with this request within 24 hours may result in the suspension of MLS services or expulsion from MLS upon a hearing by the Professional Standards Committee in accordance with Section XII below.
2. If the listing broker has not entered said listing into the MLS within the 48-hour pre-notice period set forth in Subsection (F)(1) above or delivered the "office exclusive" listing to the MLS office within the 48-hour pre-notice period set forth in Subsection (B) above, the penalty for such failure shall be a late charge of \$50.00. There will be a \$75.00 charge for the second offense, and \$100.00 charge for the third offense for similar violations by the same listing agent within any twelve (12) month period. All fines will be published in ~~CAR the Association's~~ newsletter. Upon discovery of the fourth late listing by the same listing agent during any twelve (12) month period, the Executive Officer shall notify the Chairman of the Grievance Committee of the Capital Area ~~Association of REALTORS®~~ for investigation, and if warranted, referral to the Professional Standards Committee for possible discipline in accordance with Section XII below. (Amended 09/25/08)
3. Except where sellers expressly direct that photographs of their property not appear in MLS compilations, property photos shall be included with all residential, income and commercial property listings no later than five (5) calendar days after the date of the listing entry. Commercial property without buildings is exempt from this requirement. The "to-be-built" residential subcategory shall also be exempt from this requirement,

however, changing from this subcategory to another (i.e., under construction, new construction, etc.) shall trigger this requirement. A \$25.00 fine will be assessed for those applicable property listings that fail to include a photo within the required time-frame.

4. Public remarks (e.g., marketing remarks, directions, etc.) and photo captions must only describe the physical traits of the property. Office, agent, and personal promotion information is prohibited from being included anywhere on the property photo. Public remarks may only describe incentives provided by the seller to the buyer, specifically related to the property with specific purpose and must be in compliance with HUD regulations and guidelines. Incentives may not include a third party or third party reference. Remarks of a promotional nature are strictly prohibited in the public remarks. Except as allowed for in subsection (5) below no URLs are allowed anywhere in the listing. *(Amended 04/10/2008)*
5. Virtual tours.
 - a. Unbranded virtual tours. Only Universal Resource Locaters (URLs) to virtual tours may appear in the “unbranded virtual tour” field if the web site only describes the physical traits of the property for sale and its vicinity; does not link out to another web site or page; and, the name of the listing office appears in text not to exceed 10 point font.
 - b. Branded virtual tours. Those restrictions outlined in subsection a above shall not apply to URLs to virtual tours that appear in the “branded virtual tour” field.
(Effective May 1, 2008)
6. All foreclosed properties shall be identified as such at the time of submission to the MLS.

G. Property Listing Status Changes.

1. The following statuses, and associated abbreviation, shall apply to all MLS property types:
 - a. Active - A
 - b. Withdrawn - W
 - c. Expired - X
 - d. Closed - C
 - e. Pending No Showings - P
 - f. Pending Continue to Show - G
 - g. Temporarily Off Market - K
 - h. Leased - L
2. Final closing of sales (including sale price information) or lease information shall be reported to the Multiple Listing Service by the listing broker within three (3) calendar days after they have occurred. If negotiations were carried on under Section V (Selling Procedures) Subsection C or D hereof, the cooperating broker

shall report accepted offers to the listing broker within three (3) calendar days after occurrence and the listing broker shall report them to the MLS within four (4) calendar days after receiving notice from the cooperating broker. This requirement shall not apply to commercial property leases *in instances where the Participant has entered into a written confidentiality agreement with the client precluding the Participant from sharing lease terms with the MLS.* The penalty for failure to report sale or lease information shall be a fine of \$50.00 for each occurrence. A broker who is notified in writing of a delinquency under this section shall have seven (7) days to enter said information after which a \$25.00 per day charge will be assessed. All fines will be published in CAR's ~~the~~ Association newsletter. (Amended 09/25/08)

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

In states where the actual sale prices of completed transactions are not publicly accessible, failure to report sale prices can result in disciplinary action only if the MLS:

1. *categorizes sale price information as confidential and*
2. *limits use of sale price information to participants and subscribers in providing real estate services, including appraisals and other valuations, to customers and clients; and to governmental bodies and third-party entities only as provided below.*

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

3. a. Listings filed with the MLS will automatically be removed from the compilation of current listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed. If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and filed with the service. Listings filed with the service shall be a definite and final termination date, as negotiated between the listing broker and the seller.

- b. No listing will be cancelled from the MLS until after the initial period has elapsed, unless the listing broker has received written notice from the property owner of such cancellation. The listing broker shall immediately notify the MLS by submitting a properly executed change form signed by the participant or other individual(s) so designated by the participant.
4. A listing in the MLS may be cancelled by the listing broker before the end of the initial period, if in the opinion of the broker it would be in the best interests of all parties concerned that the listing be cancelled. Such listing may be cancelled only upon receipt of written request from the party signing the listing for such cancellation. Upon receipt of such written request, the listing broker may grant the request.
5. The listing broker shall have three business days after a valid binding contract is entered into on a listing to report a change in the status of such listing from active and available ("A") to sale pending ("P or G"). As an exception to the above requirement, valid binding contracts that are contingent on the sale of another property may remain as active and available ("A"), however, a listing broker must still report this "home sale contingency" within three business days after contract execution. The penalty for not doing so shall be a late charge of \$50.00 per offense. *(Revised July 16, 2009)*
6. The listing broker shall report to the MLS within 48 hours the cancellation of any pending sale and the listing shall be reinstated immediately. The penalty for not doing so will be \$25.00 for each occurrence. The consensus of opinion is that a sale has fallen through when earnest money is returned and contract cancelled when financing is not arranged.
7. Whenever an owner lowers the price of a property filed with MLS, it shall be the responsibility of the listing broker to obtain written authorization from the owner(s) and to give written notice to MLS of the new price within 48 hours or be charged \$25.00 for each occurrence.
8. Reporting Resolutions of Contingencies: The listing broker shall report to the Multiple Listing Service within 24 hours that a contingency on file with the Multiple Listing Service has been fulfilled or renewed, or the agreement cancelled.
9. Status Change Procedures.
 - a. A Participant or individual with "administrator" level access may perform certain status change functions or modify certain data fields as, from time to time, determined appropriate by the MLS Committee and the Board of Directors. *(Amended 01/18/06)*
 - b. Certain status change functions or changes to certain data fields shall be performed only by the MLS office as, from time to time, determined appropriate by the MLS Committee and the Board of Directors. While the MLS strives for complete accuracy, it is ultimately the Participant's responsibility and obligation to ensure that any change request submitted to the MLS is entered correctly into the database as requested. The MLS

and ~~CAR the Association~~ shall not be liable for any claims arising from errors or omissions made by the MLS in the course of processing change requests on behalf of the MLS Participant, and the Participant waives any and all liability claims against the MLS and ~~CAR the Association~~ for any such errors or omissions and shall hold the MLS and ~~CAR the Association~~ harmless from and against any claims, demands, damages, losses or costs incurred by the MLS or ~~CAR the Association~~ arising out of such errors or omissions. *(Amended 01/18/06)*

- c. The MLS office shall not process any status changes without receipt of a properly executed change form signed by the Participant or such individual designated by the Participant. It shall be the responsibility of the Participant to obtain from the owner(s) the necessary written authorization for any status changes.
10. **Withdrawn and Re-listed Properties.** It shall be a violation of these rules to withdraw and re-list a property prior to its expiration date simply for the purpose of generating a more current listing number. For the purposes of this section, unless evidence is provided to the contrary, it will be assumed that any listing withdrawn and re-listed by the same brokerage firm within thirty (30) days of the withdrawn date will be in violation of this policy. *(Added 04/10/2008)*
 11. **Reporting Auction Sales to the Service.** Sales of auction properties shall be reported to the MLS by the Participant as a closed sale within the time-frame outlined in Section IV (Listing Properties), paragraph F(1). When reporting an auction sale to the MLS, the auction property is to have the same list price and sale price and the days on market (DOM) should be calculated as one (1). The MLS will make DOM adjustments to the listing based on receipt of the MLS change form.
- H. **Advertising of Listing filed with the Service:** Any listing filed with the service shall not be made available to any broker or firm not a member of the MLS without the prior consent of the listing broker.
 - I. Only the for sale sign of the listing broker may be placed on a property. Prior to closing, only the 'sold' signs of the listing broker may be placed on a property unless the listing broker authorizes the cooperating (selling) broker to post such a sign.
 - J. **Required, Permitted, and Excluded Properties.**
 1. The following designated types of real property are required to be submitted to the MLS:
 - a. Single family homes (including condominiums) for sale or exchange;
 - b. Vacant lots and acreage for sale or exchange; and
 - c. Two-family, three-family, and four-family residential buildings for sale or exchange.
 2. The following are some types of properties that may be listed through the MLS, including types described in the preceding paragraph that are required to be filed with the MLS and other types that may be filed with the MLS at the Participant's

option provided, however, that any listing submitted is entered into within the scope of the Participant's competency and licensure as a real estate broker:

- a. Residential
- b. Residential Income
- c. Subdivided Vacant Lot
- d. Land and Ranch
- e. Motel-Hotel
- f. Commercial Income
- g. Industrial
- h. Manufactured Homes (includes Mobile Homes) (*Amended 08/03/10*)

3. Business opportunities. Business opportunities are specifically excluded from the MLS unless there is real estate being sold or leased.

K. Jurisdiction: Only listings of the designated types of property located within the jurisdiction of ~~CAR the Association of REALTORS®~~ are required to be submitted to the Service. Listings of property located outside of ~~CAR's the Association~~ jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service. For the purpose of these rules the jurisdiction of ~~CAR's the Capital Area Association of REALTORS®~~ Multiple Listing Service shall mean Cass, Christian, Knox, Henderson, Logan, Macoupin, Menard, Montgomery, Morgan, Sangamon, and Scott and Warren counties in Illinois.

L. For purposes of these rules a residential listing shall be considered as "new" only if the property is newly constructed residential real property that has not been occupied. Only residential property meeting this definition of new may be listed as new.

M. When entering property listings in the MLS brokers shall refer to and utilize the list of abbreviations as published from time to time by the MLS Committee.

N. Listings of Suspended and Expelled Participants.

1. Listings of Suspended or expelled Participants: When a participant of the Service is suspended or expelled from the MLS for failure to abide by a membership duty (i.e., violation of the Code of Ethics, ~~Association CAR~~ Bylaws, MLS Rules and Regulations, or other ~~CAR Association~~ membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS by the suspended or expelled participant shall, at the participant's option, be retained in the MLS until sold, leased, 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 or expulsion became effective. If a participant has been suspended or expelled from ~~CAR the Association~~ (except where MLS participation without ~~CAR's Association~~ membership is permitted by law) or MLS(or both) for failure to pay appropriate dues, fees or charges, ~~CAR the Association~~ is not obligated to provide MLS services, including continued inclusion of the suspended or expelled participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended or expelled participant's listings from the MLS, the suspended or expelled participant should be advised in writing of the intended removal so the expelled participant may advise his clients.

2. Listings of Resigned Participants: When a participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned participant's listings from the MLS, the resigned participant should be advised in writing of the intended removal so the resigned participant may advise his clients.
- O. Fines and Failure to Comply with Section IV: The MLS Committee, at its discretion, shall have the ability to assess a fine of up to \$100.00 per occurrence for the failure to follow any reporting requirement under this Section of the MLS Rules provided said fine is not in conflict with other fines specifically set forth in this Section.

SECTION V

SELLING PROCEDURES.

- A. Listing brokers, in response to inquiries from buyers or cooperating brokers shall, with the seller's approval, disclose the existence of offers on the property. Where disclosure is authorized, the listing broker shall also disclose, if asked, whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating broker.
- B. Listing brokers shall not misrepresent the availability of or access to show or inspect listed property.
- C. Negotiations with the seller for the showing and/or the purchase or lease of listed property filed with the MLS shall be conducted through the listing broker except when the listing broker gives the cooperating broker specific authority to negotiate directly, or after reasonable effort the cooperating broker cannot contact the listing broker or his representative. However, the listing broker, at his/her option, may preclude such direct negotiations by the cooperating broker.
- D. Upon receipt of a signed contract to purchase, the cooperating broker shall first present written notice of the offer, giving date and hour of the offer, to the listing broker. The listing broker shall then promptly submit the offer to the owner, or:
1. The cooperating broker may submit the offer to the owner, with the permission of the listing broker, or
 2. The cooperating broker may have the right to submit the offer to the owner if accompanied by the listing broker, or
 3. The cooperating broker may submit the offer direct to the owner if the listing broker refuses, delays, or procrastinates in joining or accompanying the cooperating broker at reasonable hours in submitting the offer, or is out of the city. However, the listing broker, at his option, may preclude such direct negotiations by the cooperating broker.
- E. For Auction Listings, the Participant must comply with the auction company's terms and procedures of the individual auction.

- F. Submission of Written Offers: The listing broker shall submit to the seller or lessor all written offers until closing, unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller or lessor and the listing broker. Unless the subsequent offer is contingent upon determination of an existing contract, the listing broker shall recommend that the seller or lessor obtain the advice of legal counsel prior to acceptance of the subsequent offer.

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

- G. Right of Cooperating Broker in Presentation of Offer: The cooperating broker or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.
- H. Right of Listing Broker in Presentation of Counter-Offers: The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee. However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.
- I. Brokers shall notify MLS at termination, sale pending, lease, or sold and closed, of their office exclusive listings if same are not to be renewed within 48 hours of their exclusive listing or be charged a fee of \$25.00. All sold and lease information shall be entered into comparable data unless otherwise requested in writing .
- J. Solicitation of Listing Filed With the Multiple Listing Service: Participants shall not solicit a listing on property filed with the MLS unless such solicitation is consistent with Article 16 of the REALTORS® Code of Ethics, its Standards of Practice, and its Case Interpretations.
- K. The MLS may establish a policy allowing comparable sales information for transactions outside of MLS to be submitted to the MLS after closing.

SECTION VI

DIVISION OF COMMISSIONS.

- A. Under the long established policy of ~~CAR this Association~~, the Illinois ~~Association of~~ REALTORS®, and the National Association of REALTORS®:

1. The managing broker's compensation for services rendered in respect to any listing is solely a matter of negotiation between the managing broker and his or her client, and is not fixed, controlled, recommended, or maintained by any persons other than the managing broker.
 2. The compensation paid by a listing broker to a cooperating broker in respect to any listing is established by the listing broker in his offer of cooperation and compensation, and is not fixed, controlled, recommended, or maintained by any persons other than the listing broker.
- B. The listing broker shall specify, on each listing filed with the MLS, the compensation offered to other MLS Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that , through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

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

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

1. by showing a percentage of the gross selling price
2. by showing a definite dollar amount (Amended 05/10)

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

This shall not preclude the listing broker from offering any MLS participant compensation other than the compensation indicated on any listing published by the MLS, provided the listing broker informs the other broker, in writing, in advance of submitting an offer to purchase, and provided that the modification in the specified compensation is not the result of any agreement among all or any other participants in the service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount. (Amended 5/10)

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

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

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

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

- C. Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing participants. Further, listing participants shall disclose to cooperating participants in writing the total reduction in the gross commission and the amount by which the compensation payable to the cooperating broker will be reduced within three (3) business days of receipt of notification from the lender. *(Added 07/14/08, Amended November 19, 2010, Amended March 15, 2011)*
- D. The existence of a dual or variable rate commission arrangement (i.e., one in which the seller 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 cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale results through the efforts of a seller/landlord) shall be disclosed by the listing broker by the following keys:

"2" denotes that the seller/landlord agrees to pay a specified commission if the property is sold by the listing broker without assistance and a different commission if the sale results through the efforts of a cooperating broker; and

"3" denotes that the seller/landlord agrees to pay a specified commission if the property is sold by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale results through the efforts of a seller/landlord. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale that results through the efforts of the seller/landlord.

"1" denotes that there is no dual or variable rate commission arrangement.

If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

- F. Participant as Principal: If a Participant or any licensee (or licensed or certified appraiser) affiliated with a participant has any interest in property, the listing of which is to be disseminated through the Multiple Listing Service, that person shall disclose that interest when the listing is filed with the Multiple Listing Service and such information shall be disseminated to all Multiple Listing Service Participants.
- G. Participant as Purchaser: If a Participant or any licensee (including licensed and certified appraisers) affiliated with a participant wishes to acquire an interest in property listed with another participant, such contemplated interest shall be disclosed in writing to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

SECTION VII

SERVICE CHARGES.

- A. The Participation application fee shall be determined by the MLS Committee and approved by the Board of Directors. There is no refund or rebate of the participant application fee to a Participant.
- B. Recurring MLS subscription fees, as determined by the Board of Directors, shall be based upon the total number of users/licensees affiliated with or employed by an MLS Participant for the operation of the computerized MLS system. The Board of Directors may adopt a policy establishing procedures providing for the direct billing of users for MLS related fees and fines. Such procedures shall set forth the frequency of billing, method of payment, the amount owed and any associated late fees. Should the MLS be unsuccessful in collecting any fees or fines under this section the participant shall ultimately be responsible for payment.
- C. Upon written request from the MLS Participant, on forms prescribed by the MLS, the MLS may grant MLS access to an "assistant" (e.g., secretary, unlicensed

personal assistant, office manager, etc.) who is lawfully employed by: (A) the MLS Participant, or; (B) a REALTOR whose license is sponsored by the MLS Participant. These individuals shall be subject to the same terms and conditions as subscribers and participants and the MLS Participant shall bear responsibility for oversight and training in the use of the MLS by these individuals and shall be ultimately responsible for payment of any fees associated with their access.

D. Waiver of MLS Fees.

1. CREN Members. A Participant of the service shall be exempt from payment of MLS dues for any licensee employed or affiliated with the Participant who does not have access to and use of the service and who, through his Participant, has elected to join the Capital Area ~~Association of~~ REALTORS® internet based Commercial Real Estate Network (CREN). Such exemption shall be effective only upon submission of a properly completed "MLS Subscription Waiver Form" and until such time as the individual ceases to belong to the CREN. An individual who is exempt from MLS subscription fees shall not use the MLS in any way at any time. This exemption shall be automatically revoked upon the individual's utilization of the service. If such individual should utilize the MLS at any time, then that individual shall be obligated to pay the required subscription fee. Any MLS Participant who is waived out of the MLS under this section shall have his or her MLS voting privileges suspended as long as said waiver is in effect.
2. Medical Related. Requests for wavier of MLS fees due to inability to work for medical reasons may be considered by the Finance Committee under the following conditions: a. The request shall be submitted in writing and signed by the individual and their managing or sponsoring broker or MLS Participant. The request shall include a description of the hardship created and the reason as to why the waiver is being sought. The request shall also outline the time-period for which the request is made. A request for waiver of MLS and lockbox fees may be granted at the discretion of the Finance Committee for up to a three-month period of time. Should the illness continue subsequent waiver requests may be made in increments of three-months. During said time of waiver the individual's services will be suspended. The above criteria shall be considered in the granting of a waiver of fees, however, there is no guarantee that a waiver or continuation of a waiver will be granted. The discretion to authorize said waiver under this section shall rest solely with the Finance Committee and/or Board of Directors.
3. Emeritus Status. The Board of Directors, in its sole discretion, may but is in no way obligated to, provide for a waiver of MLS fees for members attaining CAR's ~~the association's~~ Emeritus status as recognized by CAR ~~the association.~~

- D. In the event the participant becomes delinquent in payment of user fees, said participant shall be denied all services of MLS until his account can be brought to a current status. For purposes of the above, a participant shall be considered delinquent if he fails to pay his charges for such user fees within thirty (30) days of the date of the billing for the same. A participant's account will be considered current if no amount is owing thereon. Any participant suspended twice in any 24-month period for a past due account shall not be allowed credit with MLS until determined otherwise by the MLS Committee. When credit is not allowed, a participant will be required to carry a credit balance in an amount to be determined by MLS; normally, such amount will be twice the average monthly bill, based on the last six months billing. After one hundred twenty (120) days of suspension of services to a participant, the MLS Committee shall rule on said participant's automatic expulsion period.
- E. Each Participant shall be entitled to lease from the Capital Area ~~Association of~~ REALTORS® a number of copies of each MLS Compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such Compilation. The Participant shall pay, for each such copy, the rental fee set by CAR ~~the Association~~. Participants shall acquire by such lease only the right to use the MLS Compilations in accordance with these Rules.

SECTION VIII

COPYRIGHT AND USE OF MLS INFORMATION.

- A. By the act of submission of any property listing content to the MLS, the Participant represents that he has been authorized to license grant and also thereby does license grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on "comparables." Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.
- B. The listing broker owns the listing agreement. Prior to submitting a listing to the MLS, the listing broker should own, or have the authority to cause all listing content (e.g., photographs, images, graphics, video recordings, virtual tours, floor plans, drawings, descriptions, narratives, pricing information, other details, etc.) to be published in the MLS compilation of listing information. It shall be a violation of these rules for a listing broker to use photographs, marketing remarks, images, graphics, video recordings, virtual tours, drawings or floor plans taken from any listing in the MLS without the consent of the listing broker. The penalty for this violation shall be a fine of \$50.00 for the first offense and \$100.00 for each subsequent offense. *(Amended 04/10/2008)*
- C. Use of listings and listing information by the MLS for purposes other than the defined purposes of MLS requires Participant's consent. Such consent cannot be required as a condition of obtaining or maintaining MLS participatory rights. The MLS may presume such consent provided that listing brokers are given adequate prior notice of any intended use unrelated to the defined purpose of the MLS, and given the opportunity to affirmatively withhold consent for that use.

- D The MLS is not required to transmit Participant's listings to third-party aggregators or to operate a public website displaying listing information. However, if the MLS does transmit Participant's listings to third-party aggregators and/or operates a public website displaying listing information, all exclusive listings, regardless of type, will be included in the data feed (unless a Participant withholds consent for such transmission), except that the MLS shall exclude from such data feed any listing where both of the following conditions are present:
1. the listed property's street address or a graphic display of the property's specific location will be displayed to the public; and
 2. the seller displays a "For Sale By Owner" or other sign or notice on the property indicating that the seller is soliciting direct contact from buyers.

When both conditions outlined in "1" and "2" above are present the Participant shall so indicate when entering the listing into the MLS database. Non-compliance with the reporting requirements of this section shall be grounds for a fine of up to \$500.00 per occurrence.

- E. Participants shall at all times maintain control over and responsibility for each copy of any MLS compilation received from the MLS and shall not distribute any such copies to persons other than subscribers who are affiliated with such participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed or published by the MLS is strictly limited to the activities authorized under a participant's licensure or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" for any right of access to information developed by or published by the MLS where access to such information is prohibited by law.
- F. Participants and those persons affiliated as licensees with such participants shall be permitted to display the MLS compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation.
1. Participants or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof, except in the following limited circumstances:
 - a. Participants or their affiliated licensees may reproduce from the MLS compilation and distribute to prospective purchasers a reasonable* number of single copies of property listing data contained in the MLS compilation which relate to any properties in which the prospective purchasers are or may, in the judgment of the participant or their affiliated licensees, be interested.
 - b. Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data of properties other than that in which the prospective purchaser has expressed interest, or in which the participant or the affiliated licensees are seeking to promote interest, does not appear on such reproduction.
 - c. Nothing contained herein shall be construed to preclude any

participant from utilizing, displaying, distributing, or reproducing property listing sheets or other compilations of data pertaining exclusively to properties currently listed for sale with the participant.

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

e. None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparables, or statistical information from utilizing such information to support ~~an estimate of value~~ valuations on a particular ~~property~~ properties for ~~a particular~~ 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. The MLS will either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. The MLS may require execution of a third-party license agreement where deemed appropriate by the MLS. The MLS 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. However, only such information that an association or association-owned multiple listing service has deemed to be nonconfidential and necessary to support the estimate of value may not be reproduced and attached to the report used as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations. (MANDATORY)

- G. Nothing contained herein shall be construed to preclude any participant from utilizing, displaying, distributing, or reproducing property listing sheets or other compilations of data, electronic or otherwise, pertaining exclusively to properties currently listed for sale with the participant. Electronic dissemination of such information shall comply with those requirements set forth in Section IX (Broker Reciprocity), and Section X (Virtual Office Websites) as well as any other requirements set forth in these rules.
- H. All right, title, and interest in each copy of every MLS image created and copyrighted by the MLS shall at all times remain vested in the MLS and the Capital Area Association of REALTORS®. Participant acknowledges that any copyright and ownership interest in property images taken by MLS photographers shall belong to the MLS. Copyright and ownership interests in images submitted by Participants, shall remain with the Participant, however, Participant licenses the MLS to reproduce, distribute and transform the image and place an MLS copyright legend on the image. Participant shall not alter or remove the MLS's copyright legend from any image except that Participant may remove said legend from Participant's own images for use in print media in which the Participant has control.
- I. Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the participant and those licensees affiliated with the participant, who are authorized

to have access to such information. Such information may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm with the exception of those instances outlined in Section IX (Broker Reciprocity) and Section X (Virtual Office Websites).

1. A fine of up to \$1,000 shall be imposed on any MLS user or Participant who is found guilty of having provided his MLS computer passwords to another individual for the purpose of accessing the MLS system.
 2. Any Participant may apply for a computer password for an "assistant" (e.g., secretary, unlicensed personal assistant, office manager, etc.) to access the computerized MLS. Such assistant shall be granted a password upon application to ~~CAR the Association~~ and completion of the appropriate user agreement. Upon the assistant's termination of employment the Participant shall, within three (3) calendar days, provide written notice to ~~CAR the Association~~ of such termination. Upon approval by the Board of Directors the MLS may charge for this service.
- J. Use of terms MLS and Multiple Listing Service. No MLS participant, subscriber or licensee affiliated with any participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest or imply that the individual or firm is an MLS, or that they operate an MLS. Participants, subscribers and licensees affiliated with participants shall not represent, suggest or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS or MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise. *(Effective May 1, 2008)*
- K. Use of information from MLS compilation of current listing information, from the ~~CAR Association's~~ "Statistical Report," or from any "sold" or "comparable" report of the Association or MLS for public mass-media advertising by an MLS Participant or in other public representations may not be prohibited.
- However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by ~~CAR the Association~~ or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:
- "Based on information from the Multiple Listing Service of the Capital Area ~~Association~~ of REALTORS® for the period (date) through (date)."
- L. Any information provided by the multiple listing service to the participants shall be considered official information of the service. Such information shall be considered confidential and exclusively for the use of participants and real estate licensees affiliated with such participants and those participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such participants.
- M. Unless otherwise stated, a violation of this section is punishable by a fine of up to \$5,000, suspension of MLS privileges and/or termination of MLS privileges.

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

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

To qualify for this safe harbor, the OSP must:

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

Full compliance with these DMCA safe harbor criteria will mitigate an OSP's copyright infringement liability. For more information see [17 U.S.C. §512](#).

(MANDATORY)

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

SECTION IX

BROKER RECIPROCITY™ (also known as INTERNET DATA EXCHANGE)

- A. The term “Broker Reciprocity™ Subscriber” (BRS) shall mean an individual

Participant in the MLS who has given their consent to authorize limited electronic display of their listings by other Participants. Consent for such display shall be presumed unless a listing broker affirmatively notifies the MLS that the listing broker refuses to permit display on (either a blanket or a listing by listing basis). If a Participant refuses on a blanket basis to permit the display of that Participant's listings, that Participant may not download, ~~or~~ frame or display the aggregated MLS data of other Participants. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display. Access to the MLS databases, or any part of such databases, may not be provided to any person or entity not expressly authorized such access under the MLS rules.

- B. Participation in IDX is available to all MLS Participants who are REALTORS® who are engaged in real estate brokerage and who consent to display of their listings by other Participants. A Broker Reciprocity™ Subscriber may republish all or a portion of the Broker Reciprocity™ Database on the Internet in accordance with the following provisions and in keeping with all policies that the MLS may adopt from time to time. Unless expressly contravened by the provisions of this section, all other rules and regulations remain in full force and effect.
1. Participants must notify the MLS of their intention to display IDX information and give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies.
 2. MLS Participants may not use IDX-provided listings for any purpose other than display as provided for in these rules. This does not require Participants to prevent indexing of IDX listings by recognized search engines.
 3. Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing broker to withhold their listing or the listing's property address from all display on the Internet (including, but not limited to, publicly-accessible Web sites or VOWs).
 4. Participants may select the listings they choose to display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography, or location ("uptown", "downtown", etc.), list price, type of property; (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right to sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed on any IDX site must be independently made by each Participant.
 5. Participants must refresh all MLS downloads and IDX displays automatically fed by these downloads at least once every ~~three (3) days~~ 12 hours.
(MANDATORY)
 6. Except as provided in the IDX policy and these rules, an IDX site or a participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity.

7. Any IDX display controlled by a Participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the IDX policy and these rules, "control means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules.

8. Any IDX display controlled by a participant or subscriber that

- a. allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
- b. displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.

either or both of those features shall be disabled or discontinued for-the seller's 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 participants². Except for the foregoing and subject to paragraph 9, a participant's IDX display may communicate the Participant's professional judgment concerning any listing. Nothing shall prevent an IDX site from notifying its customers that a particular feature has been disabled at the request of the seller.

9. Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property. Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice or professional judgment.

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

1. An Internet republication of another BRS's listing shall contain only those fields of data designated by the MLS for this purpose. Display of all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS Participants and users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed.

2. The type of listing agreement (e.g., exclusive right to sell, exclusive agency, etc.) may not be displayed.

3. Participants shall not modify or manipulate information relating to other participants listings. MLS Participants may augment their IDX display of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated by the data supplied by the MLS. The source(s) of the information must be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized fields. ~~A BRS may not modify or manipulate the data relating to another BRS's listing. (This is not a limitation on the design of the site but refers to the actual data.) MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields.~~ **(MANDATORY)**

4. All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

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

6. All listings displayed pursuant to IDX shall show the MLS as the source of the information.

7. Participants (and their affiliated licensees, if applicable) shall indicate on their Web sites that IDX information is provided exclusively for consumers' personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect Participants and/or the MLS from liability. Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

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

9. An MLS Participant or Subscriber may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant or MLS Subscriber holds participatory rights in those MLSs. As used in this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or

display. **(MANDATORY)**

109. Listings obtained through IDX feeds from REALTOR Association MLSs where the MLS Participant holds participatory rights must be displayed separately from listings obtained from other sources, ~~including information provided by other MLSs.~~ Listings obtained from other sources (e.g., from other MLS's, from non-participating brokers, etc.) must display the source from which each such listing was obtained. Displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. **(MANDATORY)**

~~1140.~~ Display of active, expired, or withdrawn, ~~pending (no showings) or sold listings is prohibited.~~ Pending (continue to show) listings are permitted as is information relative to price changes is permitted. **(MANDATORY)**

~~1244.~~ Display of seller's(s') and/or occupant's(s') name(s), phone number(s), and email address(es) is prohibited.

1342. The MLS-approved icon and an explanation that those properties marked with the icon are provided courtesy of the Capital Area Multiple Listing Service, Broker Reciprocity™ Database must appear on the first page where any listing data is displayed.

~~1443.~~ Advertising (including co-branding) shall be permitted on pages displaying IDX-provided listings as long as it is not deceptive or misleading. For the purposes of this provision, co-branding will be presumed not to be deceptive or misleading if the Participant's logo and contact information is larger than that of any third party.

1544. The Board of Directors may, from time to time, establish policies and procedures to carry out this Section.

SECTION X

VIRTUAL OFFICE WEBSITES (VOWs)

Section 19.1

(a) A Virtual Office Website ("VOW") is a Participant's Internet website, or a feature of a Participant's website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant's oversight, supervision, and accountability. A non-principal broker ~~or sales licensee~~ affiliated with a Participant may, with his or her Participant's consent, operate a VOW. Any VOW of a non-principal broker ~~or sales licensee~~ is subject to the Participant's oversight, supervision, and accountability.

(b) As used in Section X of these Rules, the term "Participant" includes a Participant's affiliated non-principal brokers ~~and sales licensees~~ – except when the term is used in the phrases "Participant's consent" and "Participant's oversight, supervision, and accountability". References to "VOW" and "VOWs" include all VOWs, whether operated

by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner (“AVP”) on behalf of a Participant.

(c) “Affiliated VOW Partner” (“AVP”) refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to the Participant’s supervision, accountability and compliance with the VOW Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to MLS Listing Information is derivative of the rights of the Participant on whose behalf the AVP operates a VOW.

(d) As used in this Section, the term “MLS Listing Information” refers to active listing information and sold data provided by by Participants to the MLS and aggregated and distributed by the MLS to Participants.

Section 19.2

(a) The right of a Participant’s VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLS’s may operate a master website with links to the VOWs of the other offices.

(b) Subject to the provisions of the VOW Policy and these Rules, a Participant’s VOW, including any VOW operated on behalf of a Participant by an AVP, may provide other features, information, or functions, e.g. Internet Data Exchange (“IDX”).

(c) Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate permission from other MLS Participants whose listings will be displayed on the Participant’s VOW.

Section 19.3

(a) Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:

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

and password. The Participant must also assure that any email address is associated with only one user name and password.

(b) The Participant must assure that each Registrant's password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant's password

(c) If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.

(d) The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a "Terms of Use" provision that provides at least the following:

i. That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;

ii. That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;

iii. That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;

iv. That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;

v. That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.

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

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

Section 19.4

A Participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a

consumer can contact the Participant to ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principal broker ~~or sales licensee~~ licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

Section 19.5

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

Section 19.6

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

(b) A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision:

Seller Opt-Out Form

1. Please check either Option a or Option b

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

OR

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

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

initials of seller

(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.

Section 19.7

(a) Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated

estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.

(b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 19.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

Section 19.8

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

Section 19.9

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

Section 19.10

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

Section 19.11

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

Section 19.12

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

Section 19.13

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

Section 19.14

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

of a Participant by an AVP is subject to the supervision and accountability of the Participant.

Section 19.15:

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

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

Section 19.16

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

Section 19.17

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

Section 19.18:

~~(Omitted)~~

Section 19.19

A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 100 current listings and not more than 100 sold listings in response to any inquiry.

Section 19.20

A Participant shall require that Registrants' passwords be reconfirmed or changed every 90 days.

Section 19.21

A Participant may display advertising and the identification of other entities ("co-branding") on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant's logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on

behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

Section 19.22

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

Section 19.23

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

Section 19.24

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

Section 19.25:

(Omitted)

(Added 01/13/2009)

SECTION XI

ELECTRONIC ENTRY CARD AND KEYBOX SYSTEM

The rules and regulations for the operation of the electronic entry card and keybox system as recommended by the MLS Committee and approved by the Board of Directors on May 14, 1996, and as amended from time to time, are incorporated by reference. All MLS Participants, MLS users, and affiliate members shall adhere to these rules or risk losing their privileges under the system.

SECTION XII

**ENFORCEMENT OF RULES OR DISPUTES COMPLIANCE WITH RULES -
AUTHORITY TO IMPOSE DISCIPLINE**

A By becoming and remaining a participant or subscriber in this MLS, each participant and subscriber agrees to be subject to the rules and regulations of and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

1. letter of warning
2. letter of reprimand
3. attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration

4. appropriate, reasonable fine not to exceed \$15,000
- ~~5. probation for a stated period of time not less than thirty (30) days nor more than one (1) year. **(MANDATORY)**~~
56. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
67. termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years

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

- B. Non-principal brokers, ~~sales licensees~~, appraisers, and others authorized to have access to information published by the MLS are subject to these rules and regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the rules and regulations. Further, failure of any user or subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the participant to the same or other discipline. This provision does not eliminate the participant's ultimate responsibility and accountability for all users or subscribers affiliated with the participant. *(Added 09/25/08)*
- C. The Committee shall give consideration to all written complaints from Participants having to do with violations of the Rules and Regulations. All other complaints of unethical conduct shall be referred by the board of directors of the service to CAR ~~the association of REALTORS~~ for appropriate action in accordance with the professional standards procedures established in the association's bylaws.
- D. If the alleged offense is a violation of the Rules and Regulations of the MLS and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the MLS Committee, and if a violation is determined, the Committee may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of CAR ~~the Association~~ in accordance with the Bylaws and Rules and Regulations of the Capital Area ~~Association of~~ REALTORS® within twenty (20) days following receipt of the Committee's decision. If the MLS Committee has a procedure established to conduct hearings, the decision of the MLS tribunal may be appealed to the Board of Directors within twenty (20) days of the tribunal's decision being rendered.

SECTION XIII

AMENDMENTS

~~Any and all of these Rules and Regulations are subject to change upon a majority vote of the board of directors. Due consideration shall be given to any and all rule changes recommended by the MLS Committee., or any section hereof, are subject to change upon a vote of a majority of the participants present at a meeting called by giving at least ten (10) days written notice of such meeting and setting forth the proposed amendment or by presenting in writing such amendment at some previous regular meeting; and the MLS Committee has, by a majority, recommended to make such amendment, subject to review and final approval by the Board of Directors of the Capital Area Association of REALTORS®, and providing further that at least one full week's notice shall be given each participant. However, the Board of Directors may at any regular or special meeting, at which a quorum is present, approve amendments to the MLS rules which are "mandated" by NAR policy.~~

APPENDIX A

MLS Antitrust Compliance Policy

The purpose of multiple listing is the orderly correlation and dissemination of listing information to participants so they may better serve the buying and selling public. Boards and associations of Realtors and their multiple listing services shall not enact or enforce any rule which restricts, limits, or interferes with participants in their relations with each other, in their broker/client relationships, or in the conduct of their business in the following areas.

Boards and associations of Realtors and their MLSs shall not:

1. Fix, control, recommend, or suggest the commissions or fees charged for real estate brokerage services (Interpretation 14).
2. Fix, control, recommend, or suggest the cooperative compensation offered by listing brokers to potential cooperating brokers.
3. Base dues, fees, or charges on commissions, listed prices, or sales prices. Initial participation fees and charges should directly relate to the costs incurred in bringing services to new participants.
4. Modify or attempt to modify, the terms of any listing agreement; this does not prohibit administrative corrections of property information necessary to ensure accuracy or consistency in MLS compilations.
5. Refuse to include any listing in an MLS compilation solely on the basis of the listed price.
6. Prohibit or discourage participants from taking exclusive agency listings or refusing to include any listing in an MLS compilation solely on the basis that the property is listed on an exclusive agency basis.

7. Prohibit or discourage participants from taking "office exclusive" listings; certification may be required from the seller or listing broker that the listing is being withheld from the MLS at the direction of the seller.
8. Give participants or subscribers blanket authority to deal with or negotiate with buyers or sellers exclusively represented by other participants (Interpretation 10).
9. Establish or permit establishment of, any representational or contractual relationship between an MLS and sellers, buyers, landlords, or tenants.
10. Prohibit or discourage cooperation between participants and brokers that do not participate in the MLS.
11. Prohibit or discourage participants or subscribers from participating in political activities (Interpretation 15).
12. Interfere in or restrict participants in their relationships with their affiliated licensees (Interpretations 16 and 17).

As used in this policy, "rule" includes all rules, regulations, bylaws, policies, procedures, practices, guidelines, or other governance provisions, whether mandatory or not. "Multiple listing service" and "MLS" means multiple listing service committees of boards and associations of Realtors and separately-incorporated multiple listing services owned by one or more boards or associations of REALTORS .

These policy prohibitions are subject to and limited by applicable statutes, ordinances, and governmental regulations, to agreements entered into by an MLS or board or association of Realtors and an agency of government, and to final decrees of courts or administrative agencies.

This policy does not prohibit boards or associations of Realtors or their MLSs from adopting rules or policies establishing the legitimate uses of MLS information, from prohibiting unauthorized uses of MLS information, or from establishing rules or policies necessary to prevent illegal collective action, including price-fixing and boycotts.

It is the duty and responsibility of all boards and associations of REALTORS and MLSs owned by or controlled by boards or associations of Realtors to ensure that all bylaws, rules, regulations, and other governance provisions comply with all mandatory multiple listing policies of the National Association of REALTORS . Boards and associations of REALTORS failing to conform with these policies will be required to show cause why their charters should not be revoked.

The numbered references refer to the official interpretations of Article I, Section 2 of the bylaws of the National Association of REALTORS.

Revised and effective _____ ~~February 11, 2014~~