

# Scenic Coast Association of Realtors®



## Multiple Listing Service (MLS) Rules and Regulations

Last Updated June 2011



**MULTIPLE LISTING SERVICE – RECENT CHANGES AND ADDITIONS**

**Revision 2/12/2008: 10.1 Reporting of Sales**

**Addition 2/12/2008: 12.20 Website Name and Status Disclosure**

**Addition 2/12/2008: 12.17 Use of the Terms MLS and Multiple Listing Services.**

**Addition 3/11/2008: 12.21 Photo Rule**

**Revision 5/13/2008: 7.10 Contingencies**

**Revision 5/13/08: Los Osos Caravan Time changed to 9:15 am – 10:45 am**

**Addition 5/13/08: 13.13 Temporary Keys**

Revision 9/19/08: 12.20 Caravan

Adoption 2/11/09: 12.19 VOW Policy

Revision 3/10/2009: 4.3.1 Clerical User Definition

Adoption 3/10/2009: 4.3.2 Licensed Assistant

Revisions in numbering the following: 3/10/2009 12.17, 12.18, 12.19, 12.20, 12.21, 12.22

Revision 5/12/2009: 17.1 Nonpayment of MLS Fees; 17.3 Reinstatement; Attachment C – Service Fee Schedule

Revision 7/14/2009: 7.10 Contingencies – addition of (a) REO and (b) Short Sale definitions

Revision 7/14/2009: Attachment A: Any infraction made by a designated broker shall incur each the subscriber fine and the broker fine

Revision 11/10/2009: 12.5 Misuse of Remarks

Revision to CAR Model Rules effective *January 2010* - Alterations of time frames in the following sections: 7.4.1, 7.5, 7.8, 7.19, 8.2, 9.1b, 10.1, 10.2, 12.1, 13.7 and 13.13.

Adoption 5/18/2010: 12.22 Article 11 Competency standard

Adoption 5/18/2010: 4.10 Interim training requirement

Revision 5/18/2010: 9.2 Include "if asked" where disclosure of the existence of offers on the property is authorized.

Adoption 5/18/2010: 4.3 To add additional clerical user requirements which enhance accountability

Adoption 5/18/2010: 4.1.3 and 4.2.3) Redundant Participant Qualifications and Redundant Subscriber Qualifications

Adoption 5/18/2010: 4.9 Denied Application

Revision 5/18/2010: 7.3 Types of Properties, Responsibility of Classification; to prohibit duplicate listings by the same Participant within the same property class

Revision 5/18/2010: 7.5 Mandatory Submission adding "or at the start date, whichever is later."

Revision 5/18/2010: 7.20.2 Violation of MLS Rules; MLS may immediately remove an active listing remaining on the system after suspension or expulsion if Participant fails to comply with the rules.

Adoption 5/18/2010: 7.25 Auction Listings

Adoption 5/18/2010: 7.26 Co-Listings

Adoption 5/18/2010: 7.27 Days on Market/Cumulative Days on Market

Adoption 9/19/2009: Revision 5/18/2010: 12.21 Photo Rule

Adoption 6/15/2010: Amended 12.5 Misuse of Remarks

Revision 7/06/2010: Attachment B Tour Guideline Rules

Addition 8/11/2010: 7.3.5 To be Built

Adoption 11/01/2010: 12.16 Use of Active Listing Information on Internet [Also known as Internet Data Exchange ("IDX")]. 12.16 F, 12.16 H, 12.16 I, 12.16L, 12.16N, 12.16O, 12.16P and 12.16Q

Adoption 6/2011: 13.2.1 Lock Box Type Requirements

*Adoption 7/2011: Attachment C, letter J - Secondary MLS fee Schedule*

**SCENIC COAST ASSOCIATION of REALTORS®**  
**MULTIPLE LISTING SERVICE – RULES AND REGULATIONS**  
**Revised CAR Model – As Amended**

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## 1. AUTHORITY

The Scenic Coast Association of REALTORS® may maintain for the use of licensed real estate brokers and salespersons, and licensed or certified appraisers, a Multiple Listing Service (hereinafter referred to as “MLS” or “service”), which shall be subject to the bylaws of the A.O.R. and such rules and regulations as may be hereinafter adopted by the Board of Directors of the A.O.R. (hereinafter “Board of Directors”)

## 2. PURPOSE

A Multiple Listing is a means by which authorized MLS broker participants establish legal relationships with other participants by making a blanket unilateral contractual offer of compensation and cooperation to other broker participants; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses and other valuations of real property for bonafide clients and customers; by which participants engaging in real estate appraisal contribute to common databases; and a facility for the orderly correlation and dissemination of listing information among the participants so that they may better serve their clients, customers and the public. Entitlement to compensation is determined by the cooperating broker’s performance as a procuring cause of the sale or lease.

## 3. MULTIPLE LISTING SERVICE COMMITTEE

**3.1** The MLS shall be governed by the Multiple Listing Service Committee (hereinafter “MLS” Committee) in accordance with the bylaws of the A.O.R. and such rules and regulations as adopted by the Board of Directors. All actions of the MLS Committee shall be subject to the approval of the Board of Directors

## 4. PARTICIPATION AND AUTHORIZED ACCESS

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

**4.1.1 Broker Participant.** A broker participant is a participant who meets the following requirements.

- a) The individual, or corporation for whom the individual acts as a broker/officer, holds a valid California real estate broker’s license.
- b) The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal; and
- c) The individual or corporation for whom the individual acts, as a broker/officer offers and/or accepts compensation in the capacity of a real estate broker\*;
- d) The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- e) The participant pays all applicable fees; and
- f) The individual has completed any required orientation program of no more than eight (8) classroom hours within thirty (30) days after access has been provided.

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

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website (“VOW”) [See Rule No. 12.19] (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant “actively endeavors during the operation of its real estate business” to “offer and/or accept compensation” only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so.

The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants.

**4.1.2 Appraiser Participant.** An appraiser participant is a participant who meets the following criteria.

- a) The individual holds a valid California appraisers certification or license and

- b) The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal; and
- c) The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- d) The participant pays all applicable fees; and
- e) The individual has completed any required orientation program of no more than eight (8) classroom hours within thirty (30) days after access has been provided.

**4.1.3 Redundant Participant Qualifications.** Participant type (Broker or Appraiser) must be selected during application for participation. A Participant with both a California Real Estate Broker's license and a California Appraiser's certification or license must join as a "Broker Participant" to be a listing broker under Section 4.6 or a cooperating broker or selling broker under Section 4.7.

**4.2 Subscriber.** A subscriber is an individual who applies and is accepted by the MLS, meets and continues to meet all of the following requirements of either an r.e. subscriber or appraiser subscriber as defined below in sections 4.2.1 and 4.2.2:

**4.2.1 R.E. Subscriber.** A r.e. subscriber is a subscriber who meets all of the following requirements:

- a) The individual holds a valid California real estate salesperson's or broker's license;
- b) The individual is employed by or affiliated as an independent contractor with a broker participant;
- c) The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- d) The individual pays all applicable MLS fees; and
- e) The individual has completed any required orientation program of no more than eight (8) classroom hours within thirty (30) days after access has been provided.

**4.2.2 Appraiser Subscriber.** An appraiser subscriber is a subscriber who meets the following requirements:

- a) The individual holds a valid California real estate appraisers certification or license;
- b) The individual is employed by or affiliated as an independent contractor with an Appraiser Participant;
- c) The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- d) The individual pays all applicable MLS fees; and
- e) The individual has completed any required orientation program of no more than eight (8) classroom hours within thirty (30) days after access has been provided.

**4.2.3 Redundant Subscriber Qualifications.** Subscriber type, real estate or appraiser, must correlate to the Participant type. A Subscriber who is both a California Real Estate Licensee and a California certified or licensed appraiser must join as a R.E. Subscriber, unless their employing or affiliated Participant is an Appraiser Participant.

**4.3.1 Clerical Users.** Clerical users are unlicensed individuals under the direct supervision of an MLS Participant or Subscriber that perform only administrative and clerical tasks that do not require a real estate license or an appraisers certificate or license. Clerical Users may join the MLS through their employing Participant or Subscriber. The Participant shall be responsible for the conduct of the Clerical User. Clerical Users shall be linked in the system to at least one Participant. They may also be linked to a particular Subscriber. Each Participant and Subscriber shall provide the MLS with a list of all Clerical Users employed by or affiliated as independent contractors with the Participant or Subscriber and shall immediately notify the MLS of any changes, additions or deletions from the list. Clerical Users shall also be subject to the following requirements:

- (a) Clerical Users are given a unique passcode;
- (b) Clerical Users must have any fees paid in full;
- (c) Participant or Subscriber linked to the Clerical User may be fined, disciplined or terminated for Clerical User's misconduct;
- (d) Clerical Users shall sign a written agreement to abide by the rules and regulations of the MLS; and
- (e) Clerical Users shall complete any required orientation program of no more than eight (8) classroom hours within thirty (30) days after access has been provided.

**4.3.2 Licensed Assistant.** Licensed assistant users are licensed individuals under the direct supervision of an MLS Participant or Subscriber who can perform any tasks for which a license is required. Each Participant or Subscriber shall provide the MLS with a list of all licensed assistants employed by or affiliated as independent contractors with the Participant or Subscriber, and shall immediately notify the MLS of any changes, additions or deletions from list. NAR mandates an in lieu assessment be charged to the MLS Participant for each licensed assistant employed by or affiliated with the MLS Participant's license.

**4.4 Notification of Licensees.** Each participant shall provide the MLS with a list of all real estate licensees or certified or licensed appraisers employed by or affiliated as independent contractors with such participant or with such participant's firm and shall

immediately notify the MLS of any changes, additions or deletions from the list. This list shall include any licensees under any broker associate affiliated with the participant.

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

**4.6 Listing Broker Defined.** For purposes of these MLS rules, a listing broker is a broker participant who is also a listing agent as defined in Civil Code Sec. 1086 who has obtained a written listing agreement by which the broker has been authorized to act as an agent to sell or lease the property or to find or obtain a buyer or lessee. Whenever these rules refer to the listing broker, the term shall include the r.e. Subscriber or a licensee acting for the listing broker but shall not relieve the listing broker of responsibility for the act or rule specified.

**4.7 Cooperating Broker or Selling Broker Defined.** For purposes of these MLS rules, a cooperating broker or selling broker is a broker participant who is also a selling agent as defined in Civil Code Sec. 1086 who acts in cooperation with a listing broker to accept the offer of compensation and/or sub agency to find or obtain a buyer or lessee. The cooperating broker or selling broker may be the agent of the buyer or, if sub agency is offered and accepted, may be the agent of the seller. Whenever these rules refer to the cooperating broker or selling broker, the term shall include the r.e. Subscriber or licensee acting for the cooperating or selling broker but shall not relieve that broker participant of responsibility for the act or rule specified.

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

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

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

## 5. MLS FEES AND CHARGES

**5.1 Service Fees and Charges.** The MLS Committee, subject to approval of the Board of Directors, shall establish a schedule of MLS fees applicable to the MLS, which may include the following service fees and charges:

**5.1.1 Initial Participation and/or Application Fee:** Applicants for MLS services as a Subscriber or a Participant may be assessed a non-refundable initial participation and/or application fee.

**5.1.2 Recurring Participation Fee:** The recurring participation fee of each broker participant shall be an amount times the total number of (1) the broker participant plus (2) the number of salespersons who have access to and use of the MLS, whether licensed as brokers or salespersons, who are employed by or affiliated as independent contractors with such participant or the participant's firm. If more than one principal broker in the same firm elects to be a participant, the number of salespersons in the firm will only be used once in calculating the recurring participation fees. A broker participant is not obligated to pay recurring participation fees or other MLS fees and charges for real estate licensees affiliated with the participant or the participant's firm if such licensees work out of a branch office of the participant or the participant's firm that does not participate in or otherwise use the MLS.

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

**5.1.3 MLS Services/Computer Access Fees:** The recurring computer access fee for each participant shall be an amount times the total number of subscribers and salespersons licensed or certified as appraisers, brokers or salespersons, who are employed by or affiliated as independent contractors with such participant.

**5.1.4 Certification of Nonuse.** Participants may be relieved from payment under section 5.1.2 and 5.1.5 hereunder by certifying in writing to the MLS that a licensed or certified person in the office is engaged solely in activities that do not require a real estate license or certification (clerical, etc.), or that the real estate licensee or licensed or certified appraiser will not use the MLS or MLS compilation in any way. In the event a real estate licensee or appraiser is found in violation of the nonuse certification, the participant shall be subject to all MLS fees dating back to the date of the certification. The participant and subscriber may also be subject to any other sanction imposed for violation of MLS rules including, but not limited to, a citation and suspension or termination of participation rights and access to the service.

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

**5.1.6. Web Site Consultants.** The Participant or Subscriber shall pay the applicable fee for computer access in an amount established by the MLS Committee and approved by the Board of Directors.

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

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

## **6. REGIONAL AND RECIPROCAL AGREEMENTS.**

The MLS committee may recommend, subject to the approval of the Board of Directors, that the MLS enter into reciprocal or regional agreements with other Associations of REALTORS® or MLS Corporations owned solely by Associations of REALTORS® to allow the other MLS participants and subscribers access to the service in exchange for comparable benefits to the participants and subscribers of this service. In the event of such agreements, the participants and subscribers agree to abide by the respective rules of the other MLSs receiving and publishing a listing pursuant to such agreements and to abide by such rules when accessing the other MLSs' database.

## **7. LISTING PROCEDURES.**

**7.1. Listings Subject to Rules and Regulations of the Service.** Any listing filed with the Service is subject to the Rules and Regulations of the Service.

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

**7.2.1 Scope of Service; Limited Services Listings.** Limited Service listings are listings whereby the listing broker, pursuant to the listing agreement, will not provide one, or more, of the following services:

- (a) provide cooperating brokers with any additional information regarding the property not already displayed in the MLS but instead gives cooperating brokers authority to contact the seller(s) directly for further information;
- (b) accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s);

- (c) advise the seller(s) as to the merits of offers to purchase;
- (d) assist the seller(s) in developing communicating, or presenting counter-offers; or
- (e) participate on the seller(s) behalf in negotiations leading to the sale of the listed property.

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

**7.2.2 Scope of Service; MLS Entry-Only Listings.** MLS Entry-Only listings are listings whereby the listing broker, pursuant to the listing agreement, will not provide any of the following services:

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

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

Said MLS Entry-Only listings will be identified with an appropriate selection under the “Scope of Service” data field in MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing broker’s clients, prior to initiating efforts to show or sell the property.

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

**7.3. Types of Properties; Responsibility for Classification.** The MLS shall accept listings that satisfy the requirements of these rules on the following types of property:

- 7.3.1 Residential
- 7.3.2 Multi- Family
- 7.3.3 Lots and Land
- 7.3.4 Comm / Ind / BusOp - Sale
- 7.3.5 To be Built (Prohibited to be used)

It shall be the responsibility of the broker participant and r.e. subscriber to properly classify the type and related database subtypes of property listed, and if necessary, obtain a legal opinion to determine the correct classification. By classifying the type of property listed, the listing broker certifies that the listing falls under the classification designated. A listing may be placed in only one category. The MLS shall have no affirmative responsibility to verify the property type of any listing filed with the service. However, the MLS shall have the right to have legal counsel make a determination as to the classification of the property type and if the listing broker does not reclassify it accordingly, the A.O.R. shall have the right to reject or remove any such listing that it determines falsely represents the classification of property type of the listing. Submission of duplicate listings by the same Participant within the same property class is prohibited.

**7.4. Compliance with California and Federal Law.** Notwithstanding any other provision of these MLS Rules and Regulations to the contrary, the Service shall accept any listing that it is required to accept under California or Federal Law.

**7.4.1 Time Frame Definitions.** Unless otherwise expressly indicated, where compliance time frames set forth “days,” “days” mean calendar days; “days after” means the specified number of calendar days after the occurrence of the event specified, not

counting the calendar date on which the specified event occurs, and ending at 11:59 p.m. on the final day; and the “days prior” means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date of which the specified event is scheduled to occur.

**7.5. Mandatory Submission.** Participants shall electronically input or deliver to the MLS office Property Data Forms of exclusive right to sell or exclusive agency listings within the service area of the A.O.R. within 2 days after all necessary signatures of seller(s) have been obtained on the listing or at the start date of the listing, whichever is later. Only those listings that are within the service area of the CCRLMS must be input. Open listings or listings of property located outside the CCRMLS’s service area (see Sec. 7.7) are not required by the Service, but may be input at the broker participant’s option.

**7.6. Exempted Listings.** If the seller refuses to permit the listing to be disseminated by the Service, the listing broker shall submit to the Service, within 48 hrs, a certification signed by the seller that the seller does not authorize the listing to be disseminated by the Service within 48 hours.

**7.7. Service Area** The MLS’s service area shall be determined by the MLS Committee, subject to approval by the Board of Directors. If the A.O.R. has entered into regional MLS agreement or a regional MLS corporation with other MLSs and has enlarged the service area as part of the agreement, or corporation submission of the type of listings specified in section 7.5 is mandatory for the area covered by the combined service areas of the Associations signatory to the regional MLS agreement or part of the MLS corporation.

**7.8. Change of Listing Information.** Listing brokers shall input any change in listed information, including the listing price or other change in the original listing information, to the MLS within ~~forty-eight (48) hours~~ 2 days after the authorized change is received by the listing broker. By submitting such changes to the MLS, the listing broker represents that the listing contract has been modified in writing to reflect such change or that the listing broker has obtained other legally sufficient written authorization to make such change.

**7.9. Withdrawal of Listing Prior to Expiration.** Listings of property may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement provided the listing broker has received written permission from the seller to withdraw the listing. The MLS may require the listing broker to provide a copy of such written permission. Sellers do not have the unilateral right to require the MLS to withdraw a listing without the listing broker’s concurrence. However, the MLS reserves the right to remove a listing from the MLS database if the seller can document that his or her listing agreement with the listing broker has been terminated or is invalid. Withdrawn listings must be reported within 48 hours.

**7.10 Contingencies.** Any contingency or condition of any term in a listing shall be specified and noticed to the participants. As prescribed by the MLS, the Active Contingent status may only be used for short sales prior to lenders written consent, sale contingencies coupled with a right to cancel clause or those transactions associated with a court ordered probate or trustee sale. Listings, in the Active Contingent status shall specify the release parameters and time frames in the first line of “Agent Remarks” in the MLS database. Contingent listings must be reported within 48 hours.

- a. Contingent-REO – Mandatory to mark as Contingent-REO at the time the bank/asset manager gives a verbal acceptance. Mark as pending when the listing agent receives a fully executed purchase contract and/or applicable addendums.
- b. Contingent-Short Sale – Mandatory to mark as Contingent-Short Sale at the time the seller signs a purchase contract. Mark as pending when the listing agent receives written short sale lender approval.

**7.11 Detail on Listings Filed with the Service.** All listings input into the MLS shall be complete in every detail as specified on the property data form including full gross listing price, termination date, compensation offered to other broker participants and any other item required to be included as determined by the MLS committee as approved by the Board of Directors. Listings that are incomplete shall be ineligible for publication in the MLS and subject to immediate removal.

**7.12 Unilateral Contractual Offer; Sub agency Optional.** In filing a property with the Association of REALTORS® MLS, the broker participant makes a blanket unilateral contractual offer of compensation to the other MLS broker participants for their services in selling the property. Except as set forth in Rule 7.15 below or pursuant to California Civil Code Section 1087, a broker participant must specify some compensation to be paid to either a buyer's agent or a subagent and the offer of compensation must be stated in one, or a combination of, the following forms (1) a percentage of the gross selling price; or (2) a definite dollar amount. The amount of compensation offered through the MLS may not contain any provision that varies the amount of compensation offered based on conditions precedent or subsequent or on any performance, activity or event. Furthermore, the MLS reserves the right to remove a listing from the MLS database that does not conform to the requirements of this section. At the broker participant's option, a broker participant may limit his or her offer of compensation to buyer's agents only, to subagents only, or make the offer of compensation to both. Any limitations must be specified on the property data form and in the MLS. The amount of compensation offered to buyers' agents or subagents may be the same or different but must be clearly specified in the MLS Database. Broker participants wishing to offer sub agency to the other MLS broker participants must so specify in the MLS database, otherwise, the offer of compensation does not constitute an offer of subagency.

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

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

**7.15 Estate Sale, Probate, Bankruptcy and Lender Approval Listings.**

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

**7.15.2 Lender Approval Listings.** Compensation offered through the MLS to cooperating brokers on listings which require lender approval (commonly referred to as "short sale" listings) is for the amount published therein unless the listing broker indicates on the MLS the following: (a) the fact that the sale and gross commission are subject to lender approval; and (b) the amount or method by which the compensation offered through the MLS will be reduced if the lender reduces the gross commission.

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

**7.17 Broker Participant or R. E. Subscriber as Principal.** If a listing broker has any interest in property, the listing of which is to be disseminated through the service, that person shall disclose that interest on the MLS.

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

**7.19 Expiration, Extension, and Renewal of Listings.** Listings shall be removed from the MLS database on the expiration date specified on the listing unless the listing is extended or renewed by the listing broker. The listing broker shall obtain written authorization from the seller(s) before filing any extension or renewal of a listing. Any renewals or extensions received after the expiration date of the original listing shall be treated as a new listing and will be subject to any fees applicable to new listings. At any time and for any reason, the MLS has the right to request a copy of the seller's written authorization to extend or renew a listing. If a listing broker is requested to provide a copy of such authorization and does not do so within 1 day after the request, the listing shall be subject to immediate removal from the MLS.

## **7.20 Listings of Participants or Subscribers Suspended or Expelled.**

**7.20.1 Failure to Pay MLS Fees; Resignation.** When a participant or subscriber of the MLS is suspended or expelled from the service for failure to pay appropriate dues, fees or charges, or resigns from the service, the MLS shall cease to provide services, including continued inclusion of listings in the MLS compilation of current listing information. In the event listings are removed from the MLS pursuant to this section, it shall be the sole responsibility of the participant to notify the seller(s) that the property is no longer listed in the MLS.

**7.20.2 Violation of MLS Rules.** When a participant or subscriber is suspended or expelled for a violation of the Association MLS rules and regulations, the MLS shall cease to provide services except that the listings in the MLS at the time of suspension or expulsion shall, at the suspended or expelled participant's option, be retained in the MLS compilation of current listing information until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. It shall be the responsibility of the listing broker to notify any principal that the listings are no longer in the Multiple Listing Service. If a suspended or expelled Participant opts to keep listings in the MLS until sold, withdrawn or expired under this Section 7.20.2, the Participant must comply with all applicable MLS rules and regulations during such time or the MLS may immediately remove the listings from further display.

**7.21 No Control of Commission Rates or Fees Charged by Participants.** The Multiple Listing Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating participants and non-participants.

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

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

**7.24 Rules Outside Jurisdictional Boundaries.** When listing property outside of the Scenic Coast Association jurisdictional boundaries, but within the CCRMLS (which includes Santa Maria, Pismo Coast, San Luis Obispo, Pismo Coast, Atascadero and Paso Robles Association's MLSs'), boundaries, brokers are required to abide by the Association's MLS Rules where the listed property is located and Other Information to the Service, and Tour guidelines.

**7.25 Auction Listings.** Auction listings entered into the MLS system shall have listing contracts as required under these rules and be clearly labeled as auction listings. Auction listings shall further specify the following:

- (a) The seller's minimum acceptable bid price;
- (b) Whether the auction is being conducted with or without the seller's right of reservation;
- (c) The date, time and place of the auction;
- (d) All required procedures for Participants/Subscribers to register their representation of a potential bidder;
- (e) The compensation to be paid to the Participant representing the successful bidder;
- (f) The time or manner in which potential bidders may inspect the listed property;
- (g) Whether or not the seller will accept a purchase offer prior to the scheduled auction and if so, the compensation to be paid to the cooperating Participant in the event of such a pre-auction sale as well as any other necessary pre-auction details; and
- (h) Any other material rules or procedures for the auction.

**7.26 Co-Listings.** Only the listings of Participants and Subscribers will be accepted by the MLS. Inclusion of non-member Participants and Subscribers as the co-listing broker or agent is prohibited.

**7.27 Days on Market/Cumulative Days on Market Calculation.** The calculation of Days on Market (DOM) is based on the listing number assigned to the property by the MLS and is tied to the brokerage firm holding the listing. The calculation of Cumulative Days on Market (CDOM) is based on the Assessor's Parcel Number ("APN") until the earlier of a change of ownership or the property is not available for sale and no listing agreement is in effect for a period of ~~90~~ 60 days or more.

## **8. DOCUMENTATION; PERMISSION; ACCURACY OF INFORMATION.**

**8.1 Listing Agreement and Seller's Permission.** Prior to inputting a listing to the service, the listing broker shall obtain the written agreement of the seller expressly granting the listing broker authority to: (1) file the listing with the service for publication and dissemination to those authorized by the MLS; (2) act as an agent for the seller; (3) abide by the rules of the service; (4) provide timely notice of status changes of the listing to the service; (5) provide sales information including selling price to the service upon sale of the property for publication and dissemination to those authorized by the MLS and (6) publish sales information after the final closing of a sales transaction in accordance with these MLS rules (See Section 10. 1).

**8.2 Written Documentation.** Listing brokers filing listings with the service shall have a written listing agreement with all necessary signatures in their possession. Only listings that create an agency relationship between the seller and the broker participant are eligible for submission to the service. By submitting a listing to the service, broker participants and r.e. Subscribers represent that they have in their possession such written agreements establishing agency and the represented type of listing agreement. The service shall have the right to demand a copy of such written listing agreements and verify the listing's existence and adequacy at any time. The service shall also have the right to demand a copy of seller's written authorization required under these rules. If the broker participant or r.e. Subscriber fails to provide documentation requested by the service within ~~24 hours~~, 1 day after the service's request, the service shall have the right to immediately withdraw any listings from the database in addition to disciplining the participant and subscriber for a violation of MLS rules.

**8.3 Accuracy of Information; Responsibility for Accuracy.** By inputting information into the MLS computer, the listing broker or appraiser certifies all of the information on the form or data base is accurate to the best of the listing broker's or appraiser's knowledge. The listing broker or appraiser shall, immediately upon receipt of the first publication or electronic transfer by the MLS of such listing or appraisal information, verify the correctness and advise the MLS of any errors, omissions or corrections. Once notified of the error, the service's sole responsibility shall be to correct such error and notify participants through the next MLS publication. If the participant or subscriber does not advise the MLS of errors or omissions, the participant and subscriber shall indemnify and hold harmless the service for any damage or loss the MLS is required to pay due to the error. In no event will the MLS be liable to any MLS participant, subscriber or any other party for any indirect, special or consequential damages arising out of any information published in the MLS and any other damages shall be limited to the return of the listing fee to the listing broker.

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

**8.5 Buyer, Seller, Purchaser and Sale Defined.** All references to the buyer shall also include lessee. All references to the seller shall also include lessor. All references to the purchase shall also include lease. All references to a sale shall also include lease.

## **9. SELLING PROCEDURES.**

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

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

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

**9.2 Disclosing the Existence of Offers.** Listing brokers, in response to inquiries from buyers or cooperating brokers, shall, with the sellers' approval, disclose the existence of offers on the property. Where disclosure is authorized, the listing broker shall also disclose *if asked* whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating broker.

**9.3 Availability to Show or Inspect.** Listing brokers shall not misrepresent the availability of access to show or inspect a listed property.

**9.4 Presentation of Offers.** The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so. In the event a listing broker will not be participating in the presentation of offers, the listing broker shall clearly indicate this fact in the listing information published by the service.

**9.5 Submission of Offers.** The listing broker shall submit to the seller/**landlord** all offers until closing unless precluded by law, governmental rule or expressly instructed by the seller/landlord otherwise. The cooperating broker acting for buyer/tenant shall submit to buyer/tenant all offers and counter-offers until acceptance.

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

**9.7 Change of Compensation Offer by Cooperating Broker.** The cooperating broker shall not use the terms of an offer to purchase to attempt to modify the listing broker's offer of compensation nor make the submission of an executed offer to purchase contingent on the listing broker's agreement to modify the offer of compensation. However, failure of a cooperating broker to comply with this rule shall not relieve a listing broker of the obligation to submit all offers to the seller as required by Section 9.3.

**9.8 Cooperating Broker as a Purchaser.** If a cooperating broker wishes to acquire an interest in property listed with a listing broker, such contemplated interest shall be disclosed to the listing broker prior to the time an offer to purchase is submitted to the listing broker.

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

## **10. REPORTING SALES AND OTHER INFORMATION TO THE SERVICE.**

**10.1 Reporting of Sales.** Listings with accepted offers shall be reported to the MLS or input into the MLS database as "pending" within 2 days after the acceptance by the listing broker unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the cooperating broker shall report to the MLS or input in the listing in the MLS as "pending" and send a copy of the listing's changed status to the listing broker within forty eight (48) hours after acceptance. The listing shall be published on the MLS as pending with no price or terms prior to the final closing. Upon final closing, the listing broker shall report or input the listing in the MLS as "sold" within forty-eight (48) hours of the final closing date. Listings which were not input into the MLS as a result of the seller's instructions may be input into the MLS "sold" data at the listing broker's option.

**10.2 Reporting Cancellation of Pending Sale.** The listing broker shall report the cancellation of any pending sale to the service within 2 days after cancellation occurs, and the listing shall be reinstated immediately as long as there is still a valid listing.

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

## **11. OWNERSHIP OF MULTIPLE LISTING SERVICE COMPILATIONS AND COPYRIGHTS.**

**11.1 MLS Compilation Defined.** The term "MLS compilation" includes, but is not limited to, the MLS computer database, all printouts of data from the MLS computer database, and all MLS publications.

**11.2 Active Listing MLS Compilation Defined.** "Active listing MLS compilation" shall mean that section of the MLS compilation, which includes listings currently for sale and all other indexes and other information relating to the current listing information.

**11.3 Comparable Data MLS Compilation Defined.** "Comparable data MLS compilation" shall mean that portion of the MLS compilation that includes the off market data, sold and appraisal information regarding properties that are not currently for sale and all indexes and information relating to the sold information compilation.

**11.4 Authority to Put Listings in MLS Compilation.** By submitting any property listing data form to the Association MLS or inputting listings information into the MLS compilation, the participant and subscriber represent that they have been authorized to grant and also thereby does grant authority for the A.O.R. to include the property listing data in its copyrighted MLS compilation. By submitting any property listing data form to the Association MLS, the participant and subscriber represent that he has been authorized to report information

about the sales, price and terms of a listing, have authority to grant and also thereby does grant authority for the A.O.R. to include the sold information in its copyrighted MLS compilation.

**11.5 Photographs on the MLS.** By submitting photographs to the MLS which were taken by the participant and/or subscriber, the submitting participant and/or subscriber grants the MLS and the other participants and subscribers the right to reproduce and display the photographs in accordance with these rules and regulations. All aggregate listings, photos and documents attached in the MLS database are the property of the association. Photos or virtual tours submitted into the MLS system cannot be reused by a different listing agent for a new listing submission without permission from the original listing agent.

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

**11.7 Leasing of MLS Compilations.** Each participant shall be entitled to lease from the A.O.R. the number of copies of each MLS compilation of active listing information sufficient to provide the participant and subscriber with one copy of such MLS compilation. Participants and Subscribers shall acquire by such lease only the right to use the MLS compilations in accordance with these rules. Clerical users may have access to MLS Listing information solely under the direction and supervision of the Participant or Subscriber. Clerical users may not directly provide any MLS compilation or information to persons other than that Participant or Subscriber under whom the clerical user is registered.

## **12. PROHIBITIONS AND REQUIREMENTS.**

**12.1 Notification of DRE or OREA Action.** Participants and subscribers are required to notify the MLS within 1 day after any final action taken by the California Department of Real Estate or the Office of Real Estate Appraisers (OREA) against the participant, subscriber or any licensee affiliated with the participant or subscriber including, but not limited to any final decisions restricting, suspending or revoking a real estate license or appraisers certification or license of a participant, the participant's firm or corporation under which the participant or subscriber acts, or any licensee affiliated with the participant or the participant's firm or licensee or appraiser who was affiliated with the participant or participant's firm at the time of the underlying act.

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

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

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

**12.5 Misuse of Remarks.** Information in the public remarks shall only relate to the marketing, description and condition of the property. No contact information is permitted, including names, phone or fax numbers, email addresses or website addresses (including virtual tours and transaction tracking URLs). No showing instructions are permitted, including references to lockbox, alarm, gate or other security codes, or the occupancy of the property (a statement that the property shall be delivered vacant is not a violation of this section). No information directed toward real estate agents or brokers, including compensation or bonuses offered to cooperating brokers may be shown in public remarks. No information other than the marketing, description and condition of the property is permitted. Participants and subscribers may not use the remarks in a property data profile sheet or listing submitted to the MLS or inputted directly into the MLS database for purposes of disparaging other real estate agents or conveying information about other offices or for conveying any other information that does not directly relate to the marketing of the listing. *The following personal contact information may not be placed into the "Public/Marketing Internet" remarks section of the MLS form/system, nor in the MLS Photo section, nor any publicly visible display, nor on a MLS virtual tour or MLS virtual media: agent and/or office name, address, phone, email address or web address, logo or details pertaining to the contract or*

*submission of the offers. URLs may be used in the "Public/Marketing Internet" section and the "Virtual Tour" section only if the URL and link destinations include no personal and/or office identification information.*

**12.5.1. Internet Links.** Participants and subscribers may not provide internet links to any medium that includes personal contact ability.

**12.6 "For Sale" Signs.** Only the "For Sale" signs of the listing broker may be placed on the property.

**12.7 "Sold" Signs and Use of the Term "Sold."** Only real estate brokers or r.e. salespersons who participated in the transaction as the listing broker or cooperating broker may claim to have "sold" the property. Prior to closing, a cooperating broker may post a "sold" sign on a property only with the consent of the listing broker. This section does not, however, prohibit any broker from advertising the addresses and prices of the properties that have sold in a neighborhood after the information regarding the Properties has been published as long as the advertisement does not imply the agent was involved in the transaction unless such is the case and as long as the advertisement otherwise presents a "true picture" as is meant under Article 12 of the N.A.R. Code of Ethics, its Standard of Practice and its Case Interpretations.

**12.8 Advertising of Listing Filed with the MLS.** A listing shall not be advertised by any Participant or Subscriber other than the listing broker, without the prior consent of the listing broker, except as provided in Section 12.16 and 12.19 relating to display of listings on the Internet.

**12.9 Limitations on Use of Association or MLS Information in Advertising.** Except as provided in Sections 12.7, 12.8, 12.11 and 12.15, 12.19 truthful use of information from the MLS compilation of current listing information, from the A.O.R.'s "statistical report," or from any "sold" or "comparable" report of the A.O.R. or MLS for public mass media advertising by an MLS participant or subscriber or in other public representations for purposes of demonstrating market share is not prohibited. However, any print or non-print forms of advertising or other forms of public representations must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

Based on information from the \_\_\_\_\_/Association of Realtors® (alternatively, from the \_\_\_\_\_MLS) for the period (date) through (date). Display of MLS data is deemed reliable but is not guaranteed accurate by the MLS.

**12.10 False or Misleading Advertising and Representations.** Participants and subscriber may not engage in false or misleading advertising, including, but not limited to, advertisements or representations regarding the participant's or subscriber's relationship to the service, about the service itself, or about any property listed with the service.

**12.11 Use of MLS Information.** In recognition that the purpose of the MLS is to market properties and offer compensation to other broker participants and r.e. Subscribers for the sole purpose of selling the property, and that sellers of properties filed with the service have not given permission to disseminate the information for any other purpose, participants and subscribers are expressly prohibited from using MLS information for any purpose other than to market property to a bonafide prospective purchaser or to support market evaluations or appraisals as specifically allowed by Sections 12.14, 12.15, 12.16 and 12.19. Any uses of the MLS information inconsistent with the Section is expressly prohibited. Nothing in this section however shall limit the A.O.R. from entering into licensing agreements with MLS participants and subscribers or other third parties for use of the MLS information.

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

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

**12.13 Access to Comparable and Statistical Information.** A.O.R. members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the service, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including 'comparable' information, 'sold' information, and statistical reports. This information is provided for the exclusive use of A.O.R. members and individuals affiliated with A.O.R. members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in these rules and regulations.

**12.14 Display.** Subject to sections 12.15, 12.16 and 12.19 broker participants and r.e. subscribers shall be permitted to display the MLS in either electronic or printed format to specifically identified and bonafide prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing and able buyers for the properties described in said MLS compilation. Broker Participant and Subscribers shall be permitted to display the MLS compilation in either electronic or printed format to specifically identified and bonafide sellers or prospective sellers only in conjunction with their ordinary business activities in listing properties. Appraiser Participants and Appraiser Subscribers shall be permitted to display the MLS compilation to the person requesting the appraisal only in conjunction with their ordinary business activities of producing a written appraisal. Such displays under this section shall be only in the immediate presence of the MLS Participant or Subscriber. Non-Subscriber Users are expressly prohibited from displaying MLS information to anyone other than the Participant or Subscribers under whom they are registered.

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

**12.15 Reproduction.** "Reproduction" shall include but not be limited to, making photocopies, computer printouts, electronic transfers (including e-mail), or downloading of MLS data or compilations. Participants and subscribers or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof except as provided in Section 12.16, 12.19 and in the following limited circumstances:

**12.15.1 Copies to Prospective Purchasers.** Broker participants and r.e. subscribers may reproduce from the MLS compilation, and distribute to prospective real estate purchasers, copies of those portions of the MLS compilation consisting only of a description of the property, including; address, features, financing and price. Such client copies shall also comply with the following:

- a. Permissible MLS data may be augmented with additional data not otherwise prohibited from display, provided the source of any additional data is clearly identified.
- b. All listings provided shall identify the name of the listing firm and the listing broker or agent in a readily visible color, in a reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.
- c. No more than 100 current listings and 100 sold listing may be provided in response to any inquiry.
- d. A disclaimer statement shall be made indicating that the MLS data is deemed reliable but is not guaranteed accurate by the MLS.

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

- a. Property owner's name, phone number, and address (if different than the listed property);
- b. Instructions or remarks intended for cooperating brokers, including but not limited to showing instructions or security references (ex. Lock box, burglar alarm or security system, vacancies) regarding the listed property.
- c. Type of listing;
- d. Compensation or bonuses offered to cooperating brokers.
- e. Expired, withdrawn or pending ("under contract") listings;
- f. Other information that goes beyond a description of the property.

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

**12.15.4 Downloading into Computers.** Participants may download MLS information into a computer as long as:

- a. Access to the computer receiving the information is strictly limited to authorized participants, their subscribers and their clerical users as defined in these rules; and
- b. The information is only retransmitted to the participants, subscribers and clerical users authorized to access the system by these rules; and
- c. The information is not reformatted or used to create another product except as may be used by the Participant or Subscriber who downloaded the data and such use strictly complies with Sections 12.7, 12.11, 12.15, 12.16 and 12.19.

**12.15.5 Sold Information.** Individuals legitimately in possession of current listing information, "sold" information, "comparables" or statistical information may utilize such information to support an estimate of value on a particular property for a particular client. However, only such information that the MLS has deemed to be non-confidential *and* necessary to support the estimate of value may

be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations.

#### **12.16 Use of Active Listing Information on Internet. [(Also known as Internet Data Exchange (“IDX”)]**

- (a) Subject to paragraphs (b) through (g) below, and notwithstanding anything in these rules and regulations to the contrary, Participants and Subscribers may display on their public websites aggregated MLS active listing information through either downloading and placing the data on the Participant or Subscriber’s public access websites or by framing such information on the MLS or association public access website (if such a site is available), based on written execution of an agreement.
- (b) The listing brokers’ consent for such internet display is presumed, in satisfaction of Rule 12.8, unless a listing broker affirmatively notifies the MLS that the listing broker refuses to permit display on either a blanket or on a listing-by-listing basis. Listing brokers that refuse to permit other MLS Participants or Subscribers to display their listing information on a blanket basis may not display MLS active listing information of other brokers’ listings.
- (c) Participants and Subscribers shall not display confidential information fields, as determined by the MLS in the MLS’s sole discretion, such as that information intended for cooperating brokers rather than consumers.
- (d) All listings on a participant or subscriber’s site displayed by framing or other electronic means, shall identify the name of the listing firm and name of the listing agent in a manner designed to easily identify such listing firm or agent.
- (e) Participants and Subscribers shall not modify the information displayed pursuant to these MLS rules. However, permissible MLS data may be augmented with additional data not otherwise prohibited from display, provided the source of any additional data is clearly identified.
- (f) Information displayed shall indicate the source of the information being displayed and the most recent date updated. Broker Participants and R.E. Subscribers shall update all downloads and refresh all data at least once every three [3] days
- (g) Sharing of MLS compilation with any third party not authorized by the MLS is prohibited. Participants and Subscribers shall indicate on their IDX websites that the information being provided is for consumer’s personal, non-commercial use and may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing. See current IDX Access Agreement for additional required disclaimers and disclosures. Use of MLS compilations by Participants, Subscribers or Non-subscriber Users to directly derive personal gain from 3<sup>rd</sup> parties is expressly prohibited.
- (h) Broker Participants and R.E. Subscribers may not use IDX-provided listings for any purpose other than display on their websites. This does not require Broker Participants and R.E. Subscribers to prevent indexing of IDX listings by recognized search engines.
- (i) Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or their property address from display on the Internet (including, but not limited to, publicly-accessible websites or VOWs) shall not be accessible via IDX sites..
- (j) Not all listings from the MLS must be displayed as long as any exclusion from display on participants’ and subscribers’ IDX sites are based on objective criteria, e.g. type of property, listed price or geographical location.
- (k) No portion of the MLS database shall be distributed, provided to or made accessible to any person except as provided for in these rules and/or in the National Association of REALTORS IDX policy.
- (l) When displaying listing content, a Broker Participant’s or R.E. Subscriber’s website must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.
- (m) A Broker Participant or R.E. Subscriber may co-mingle the listings of other Participants with listings from other MLS sources on its website, provided all such displays are consistent with these rules. Co-mingling is (a) the ability for a visitor to the website to execute a single search that searches any portion of the IDX database at the same time it searches listing data from any other source(s); or (b) the display on a single web page of any portion of the IDX database and listing data from any other source.
- (n) Any IDX Site that (a)allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (b) displays an automated

estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, shall disable or discontinue either or both of those features as to the seller's listing at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Broker Participants' and R.E. Subscribers' websites. Except for the foregoing and subject to section (o) below, a Broker Participant's or R.E. Subscriber's IDX site may communicate the Broker Participant's or R.E. Subscriber's professional judgment concerning any listing. Nothing shall prevent an IDX site from notifying its viewers that a particular feature has been disabled at the request of the seller. Sub-Section 12.16

- (o) **Making Corrections.** Broker Participants and R.E. Subscribers shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of Broker Participants and R.E. Subscribers beyond that supplied by the MLS and that relates to a specific property displayed on the IDX site. Broker Participants and R.E. Subscribers shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for that property explaining why the data or information is false. However, the Broker Participants and R.E. Subscribers shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.
- (p) **Broker Participants and R.E. Subscribers shall limit the number of listings that a viewer may view, retrieve, or download to not more than 50 in response to any inquiry.**
- (q) **Deceptive or misleading advertising (including co-branding) on pages displaying IDX-provided listings is prohibited.** For purposes of these rules, cobranding will be presumed not to be deceptive or misleading if the Broker Participant's and/or R.E. Subscriber's logo and contact information is larger than that of any third party.

**12.16.1 Notification by Authorized Participants and Subscribers.** Participants and Subscribers partaking in the display of MLS active listing information of other brokers' listings pursuant to Section 12.16 must notify the MLS before displaying said MLS active listing information and must make their website directly accessible to the MLS and other MLS participants for purposes of monitoring/ensuring competence with application rules and policies.

**12.16.2 Right to Charge for Download.** The MLS has the right to charge the costs of adding or enhancing its downloading capacity to participants and subscribers who request downloading of listing information to Section 12.16

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

**12.17 Use of the Terms MLS and Multiple Listing Services.** No MLS participant or subscriber 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 and subscribers shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

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

### ***12.19 Virtual Office Websites ("VOW")***

#### **Section 12.19.1**

- (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 (i.e. Subscriber) may, with his

- or her Participant's consent, operate a VOW. Any VOW of a Subscriber is subject to the Participant's oversight, supervision, and accountability.
- (b) As used in Section 12.19 of these Rules, the term "Participant" includes a Participant's affiliated non-principal brokers and sales licensees (i.e. Subscribers) – except when the term is used in the phrases "Participant's consent" and "Participant's oversight, supervision, and accountability". References to "VOW" and "VOWs" include all VOWs, whether operated by a Participant, by a Subscriber, or by an Affiliated VOW Partner ("AVP") on behalf of a Participant.
  - (c) "Affiliated VOW Partner" ("AVP") refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to the Participant's supervision, accountability and compliance with the VOW Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to MLS Listing Information is derivative of the rights of the Participant on whose behalf the AVP operates a VOW.
  - (d) As used in Section 12.19 of these Rules, the term "MLS Listing Information" refers to active listing information and sold data provided by participants to the MLS and aggregated and distributed by the MLS to Participants.

#### Section 12.19.2

- (a): The right of a Participant's VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.
- (b) Subject to the provisions of the VOW Policy and these Rules, a participant's VOW, including any VOW operated on behalf of a Participant by an AVP, may provide other features, information, or functions, e.g. Internet Data Exchange ("IDX") as set forth in Rule 12.16.
- (c) Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate permission from other MLS Participants whose listings will be displayed on the Participant's VOW.

#### Section 12.19.3

- (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 12.19.4:** 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 (i.e. subscriber), must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

**Section 12.19.5:** 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 12.19.6**

- (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 agent that I do not want the address of the listed property to be displayed on the Internet.

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

\_\_\_\_\_  
initials of seller

- (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 12.19.7:**

- (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 12.19.8, 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 12.19.8:** A Participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 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 12.19.9:** A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

**Section 12.19.10:** Except as provided in these rules, the VOW Policy set forth in Exhibit A hereto 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 12.19.11:** 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 12.19.12:** 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 12.19.13:** 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 set forth in Exhibit A hereto and any other applicable MLS rules or policies.

**Section 12.19.14:** 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 12.19.15:** A Participant's VOW may not make available for search by, or display to, Registrants any of the following information:

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

**Section 12.19.16:** 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. 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 12.19.17:** 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 12.19.18:** 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 12.19.19:** A Participant shall require that Registrants' passwords be reconfirmed or changed every 90 days.

**Section 12.19.20:** 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 12.19.21:** 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 12.19.22:** A Participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to be searched separately from listings in the MLS.

**Section 12.19.23:** Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

**12.20 Caravan.** If a broker places a home on the Caravan list but fails to hold it open during designated Caravan times, a \$50 penalty will be issued. To deviate from caravan times listed on attachment B, the altered times must be noted in the "Caravan Reports Comments" section before 4:30 pm the day prior to the Caravan. To avoid the penalty for canceling a Caravan home, the Caravan cancellation must be verbally announced at the MLS meeting, and a cancellation sign, which is visible from the street, must be posted on the property for the duration of the caravan.

**12.21 Photo Rule:** A minimum of one photograph, or other graphic representation that accurately depicts the listed property shall be placed in all listings at the time of the listings submission to the MLS except where the seller expressly directs in writing that photographs not appear in MLS compilations. The sellers' written directions must be signed at the same time as the listing agreement and submitted to the Association office prior to the listings submission to the MLS. This includes properties listed in all categories. Use of the Association photographer does not allow for exclusion of the photograph submission requirement. Requirement that at least one picture be placed in all listings at the time of the listings submission into the MLS.

**12.22 Participant and Subscriber Standards of Conduct.** The services that Participants and Subscribers provide to their clients and customers shall conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which they engage; specifically, residential real estate brokerage, real property management, commercial and industrial real estate brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.

Participants and Subscribers shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any persons engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth.

### 13. LOCKBOXES.

**13.1 Eligibility for Lockboxes.** MLS participants and subscribers are eligible for lockbox privileges if they otherwise qualify under this section. Clerical users are not eligible for lockbox privileges. MLS participants and subscribers shall be eligible to hold a lockbox key provided:

- a) The key holder signs a lease agreement with the MLS.
- b) The participant to whom the key holder is licensed cosigns the lease agreement with the MLS.
- c) The key holder continues to comply with all MLS rules relating to lockbox keys.
- d) The Key holder and participant to whom the key holder is licensed remain eligible for MLS services.

**13.2 Key Use and Service.** Keys may not be used under any circumstances by anyone other than the key holder, including but not limited to, lending, borrowing or sharing keys and others. The MLS is not obligated to provide service on keys or lock boxes to individuals who are not the registered lessee or owner of the component.

**13.2.1 Lockbox Type Requirements.** Participants and Subscribers who utilize lockboxes or other access devices shall use the designated or authorized lockbox required by the MLS where the listing is submitted. More than one lockbox or access device may be used on a property as long as one of them is the lockbox designated or authorized by the MLS where the listing is submitted

**13.3 Accountability.** Key holders must account for keys at the time of any inventory conducted by the MLS or at any time requested by the Association. Key holders who cease to participate or subscribe to the MLS shall have key system access terminated. Failure to return a key(s) will subject the key holder and/or key holders participant to fines and penalties and to being responsible for all costs incurred by the MLS to secure the lock box key system as a result of the failure to return the key(s).

**13.4 Deemed Unaccountable.** Keys shall be deemed unaccounted for if a key holder refuses or is unable to demonstrate that the key is within the keyholder's physical control. Inclusion in MLS compilations cannot be required as a condition of placing lockboxes on listed property.

**13.5 Written Authority.** Participants and subscribers shall not place a lockbox on a property without written authority from the seller and occupant if other than the seller.

**13.6 Listing Broker's Permission.** No MLS participant or subscriber may enter a property with or without a lockbox without the listing broker's permission. Such permission may be granted by the listing broker specifying permission to use the lockbox through the MLS. Appraiser participants are expressly prohibited from using lockbox keys to enter a property without either the owner's or listing broker's permission.

**13.7 Unaccountable Keys.** Key holders and participants cosigning with a key holder shall immediately upon discovery report lost, stolen or otherwise unaccountable keys to the A.O.R.

**13.8 Rules Violations.** Key holders acknowledge that it is necessary to maintain security of the card to prevent its use by unauthorized persons and agrees: not to allow the key holder's personal identification number (PIN) to be attached to the key, nor to disclose it to any third party.

**13.9 Disclaimer.** Key holder indemnifies against, and holds the association and its fees harmless from all actions, suits, costs, expenses, damages and liabilities, including attorney's fees, arising out of, connected with, or resulting from the use of the card, including without limitation, the delivery, possession, use of loss by anyone other than this Association or its MLS or costs incurred in the recovery of the key.

**13.10 Reimbursement.** Key holder agrees to reimburse this Association and its MLS for any and all expenses incurred in attempting to enforce any or all terms and conditions herein against the key holder as a result of the key holder's failure to act in accordance with this agreement. In the event this Association or its MLS commences legal proceedings against the key holder to enforce or interpret any of the provisions of these rules, key holder agrees to pay all costs incurred together with reasonable attorney's fees as determined by the court, both at trial and on any appeal.

**13.11 Warranty and Refunds.** This Association and its MLS do not offer any warranty regarding the use or operation of a key or any key box. There are no refunds for key or key box product from this Association or its MLS.

**13.12 Right to Limit Access.** The MLS reserves the right to refuse to issue a key or limit key access to lockboxes if, in its sole discretion, determines the security of the system would be compromised by issuing such keys or granting access to lockboxes.

**13.13 Temporary Keys.** If the MLS uses electronic lockbox programmers or keypads, a participant may purchase or lease additional programmers or keypads (the "Responsible Keyholder") to be issued on a temporary basis to other keyholders in the participant's firm in the event their programmer or keypad becomes non-functional outside normal business hours or under circumstances where a replacement programmer or keypad is not reasonably available from the MLS. Whenever the Responsible Keyholder issues a temporary key, the Responsible Keyholder shall advise the MLS in writing within 2 days after said issuance that the programmer or keypad has been issued, to whom, and the date and time of issuance. The Responsible Keyholder shall also advise the MLS in writing within 2 days after possession of the previously issued programmer or keypad has been reassumed.

## **14. VIOLATIONS OF RULES AND REGULATIONS.**

**14.1 Grounds for Disciplinary Action and Sanctions.** After a hearing by a hearing panel as provided in the *California Code of Ethics and Arbitration Manual*, the board of directors may take disciplinary action and impose sanctions against any MLS participant and subscriber:

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

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

**14.3 Citations.** The MLS Committee, subject to the approval of the Board of Directors, may implement a schedule of Fines for certain MLS rules violations and for failure to adhere to the terms of the IDX Access Agreement. The MLS Committee may direct staff to issue citations for the specified MLS and IDX Access Agreement violations and implement a procedure whereby the Participant and Subscriber receiving the citation may either pay the amount specified on the citation or request a hearing in accordance with the procedures set forth in the *California Code of Ethics and Arbitration Manual*.

## **15. PROCEDURES FOR MLS RULES HEARINGS.**

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

## **16. ARBITRATION**

**16.1 Mandatory Arbitration.** By becoming and remaining a participant or subscriber in the MLS each participant and subscriber agrees to submit disputes arising out of the real estate business which also arises out of, or is in conjunction with, any listing filed with the MLS or any appraisal, to binding arbitration with any other participant or subscriber of this MLS, or participants or subscribers of any other MLS who are authorized to have access to this MLS under Section 6 of these rules. Such arbitrations shall be governed by the *California Code of Ethics and Arbitration Manual* as from time to time amended which is hereby incorporated by reference. This shall be deemed an arbitration agreement within the meaning of Part 3 Title 9 of the California Code of Civil Procedure. Failure to submit to arbitration as provided herein shall be a violation of these MLS rules.

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

**16.3 Arbitration between Association Members.** Notwithstanding any other provision of these rules,

- a. If all disputants are members of the same Association of REALTORS®, they shall arbitrate under that Association of REALTORS® in accordance with its rules.
- b. If the disputants are members of different Associations of REALTORS®, they remain obligated to arbitrate in accordance with the C.A.R. Interboard Arbitration rules or under a regional or shared professional standards agreement.

**16.4 Arbitration Involving Non-Association Members.** Notwithstanding any other provision of these rules:

- a. If all disputants are non-association members and they receive MLS services through the same A.O.R., they shall arbitrate at the A.O.R. unless the A.O.R. participates in a regional MLS, in which case, they shall arbitrate in accordance with any applicable regional agreements between the A.O.R. and the regional MLS.
- b. If one or more of the disputants are non-association members and all disputants receive MLS services through the same A.O.R., they shall arbitrate at the A.O.R. unless the A.O.R. participates in a regional MLS, in which case, they shall arbitrate in accordance with any applicable regional agreements between the A.O.R. and the regional MLS.
- c. If one or more of the disputants are non-association members and the disputants receive MLS services through different A.O.R.s and the A.O.R.s participate in a regional MLS, they shall arbitrate in accordance with any applicable regional agreements between the A.O.R.s and the regional MLS.
- d. In the absence of a regional agreement regarding the location of the arbitration, any dispute under subsection (a)-(c) may be conducted at any A.O.R. where the respondent(s) holds association membership or receives MLS services.

**16.5 Same Firm.** Arbitration between persons from the same firm shall not be available and is not mandated by these rules unless covered by arbitration rules relating to the obligations of Association members to arbitrate.

**16.6 Timing.** For purposes of this Section 16, the duty to arbitrate shall be determined when facts giving rise to the dispute occurred. Therefore, a participant or subscriber shall have a duty to arbitrate if the person was an MLS participant or subscriber when facts giving rise to the dispute occurred. Termination of MLS participation or subscription shall not relieve the arbitration duty under this section for disputes that arose when the person was an MLS participant or subscriber. Requests for arbitration must be filed within one hundred and

eighty (180) days after the closing of the transaction, if any, or after the facts constituting the matter could have been known in the exercise of reasonable diligence, whichever is later.

## **17. NONPAYMENT OF MLS FEES**

**17.1 Nonpayment of MLS Fees.** *If MLS fees, fines, charges or other amounts owed the MLS are not paid by the due date indicated on the invoice, the nonpaying participant and/or subscriber's MLS services shall be subject to suspension until such outstanding amounts are paid in full. The MLS may suspend MLS services under this section provided the MLS gives the participant and/or subscriber at least twenty (20) calendar days prior notice of the proposed suspension date. Such notice may be included with the original billing statement for MLS fees, fines or charges or any time thereafter. In the event the amounts owed remain unpaid for three months after the due date, the nonpaying participant and/or subscriber's MLS services shall automatically terminate regardless if notice of such termination is given.*

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

**17.3 Reinstatement.** *Any participant and/or subscriber whose MLS services have been terminated for nonpayment of MLS fees may be reinstated for a fee, as indicated in Attachment A. However, prior to being granted access, such participant and/or subscriber may be required to pay all fees applicable to new applicants and all past due amounts owed, including paying interest at the rate of ten (10%) per annum on such past due amounts.*

## **18. CHANGES IN RULES AND REGULATIONS.**

The rules and regulations of the MLS may be amended by a TWO-THIRDS VOTE of the members the Multiple Listing Service committee, subject to approval by the Board of Directors. Any changes to these rules and regulations which are mandated by the National Association of REALTORS® shall automatically be incorporated into these rules and regulations and do not require MLS Committee or Board of Directors approval.

### **Exhibit A**

#### **NATIONAL ASSOCIATION OF REALTORS® VOW Policy ("VOW Policy")**

**Policy governing use of MLS data in connection with Internet brokerage services offered by MLS Participants ("Virtual Office Websites")**

#### **I. Definitions and Scope of Policy.**

1. For purposes of this Policy, the term Virtual Office Website ("VOW") refers to a Participant's Internet website, or a feature of a Participant's Internet 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 data, subject to the Participant's oversight, supervision, and accountability.
  - a. A Participant may designate an Affiliated VOW Partner ("AVP") to operate a VOW on behalf of the Participant, subject to the Participant's supervision and accountability and the terms of this Policy.
  - b. A non-principal broker or sales licensee, affiliated with a Participant, may, with the Participant's consent, operate a VOW or have a VOW operated on its behalf by an AVP. Such a VOW is subject to the Participant's supervision and accountability and the terms of this Policy.
  - c. Each use of the term "Participant" in this Policy shall also include a Participant's non-principal brokers and sales licensees (with the exception of references in this section to the "Participant's consent" and the "Participant's supervision and accountability," and in section III.10.a, below, to the "Participant acknowledges"). Each reference to "VOW" or "VOWs" herein refers to all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an AVP.
2. The right to display listings in response to consumer searches is limited to display of MLS data supplied by the MLS(s) in which the Participant has participatory rights. This does not preclude a firm with offices participating in different MLSs from operating a master website with links to such offices' VOWs.

3. Participants' Internet websites, including those operated for Participants by AVPs, may also provide other features, information, or services in addition to VOWs (including the Internet Data Exchange ("IDX") function).
4. The display of listing information on a VOW does not require separate permission from the Participant whose listings will be available on the VOW.
5. Except as permitted in Sections III and IV, MLSs may not adopt rules or regulations that conflict with this Policy or that otherwise restrict the operation of VOWs by Participants.

## II. Policies Applicable to Participants' VOWs.

1. A Participant may provide brokerage services via a VOW that include making MLS active listing data available, but only to consumers with whom the Participant has first established a lawful consumer-broker relationship, 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 agreement(s).
2. A Participant's VOW must obtain the identity of each Registrant and obtain each Registrant's agreement to Terms of Use of the VOW, as follows:
  - a. A Registrant must provide his or her name and a valid email address. 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 c below). The Registrant may be permitted to access the VOW only after the Participant has verified that the email address provided is valid and that Registrant received the Terms of Use confirmation.
  - b. The Registrant must supply a user name and a password, the combination of which must be different from those of all other Registrants on the VOW, before being permitted to search and retrieve information from the MLS database via the VOW. The user name and password may be established by the Registrant or may be supplied by the Participant, at the option of the Participant. An email address may be associated with only one user name and password. The Registrant's password and access must expire on a date certain but may be renewed. The Participant must at all times maintain a record of the name and email address supplied by the Registrant, and the username and current password of each Registrant. Such records must be kept for not less than 180 days after the expiration of the validity of the Registrant's password. If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by one or more Registrants, the Participant shall, upon request, provide to the MLS a copy of the record of the name, email address, user name, current password, and audit trail, if required, of any Registrant identified by the MLS to be suspected of involvement in the violation.
  - c. The Registrant must be required affirmatively to express agreement to a "Terms of Use" provision that requires the Registrant to open and review an agreement that provides at least the following:
    - i. That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
    - ii. That all data obtained 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 data or 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.

After the Registrant has opened for viewing the Terms of Use agreement, a "mouse click" is sufficient to acknowledge agreement to those terms. 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. 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.

- d. An 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.
3. 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 properties 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.

4. A Participant's VOW must protect the MLS data from misappropriation by employing reasonable efforts to monitor for and prevent "scraping" or other unauthorized accessing, reproduction, or use of the MLS database.
5. A Participant's VOW must comply with the following additional requirements:
  - a. No VOW shall display listing or property address of any seller who have affirmatively directed its listing broker to withhold its listing or property address from display on the Internet. The listing broker or agent shall communicate to the MLS that a 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 listing or property address of a seller who has determined not to have the listing or address for its 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 conforms to the form attached to this Policy as Appendix A. The Participant shall retain such forms for at least one year from the date they are signed.
  - c. With respect to any VOW that: (i) 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 (ii) displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, the VOW shall disable or discontinue either or both of those features as to the seller's listing at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Except for the foregoing and subject to subparagraph (d) below, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. Nothing shall prevent a VOW from notifying its customers that a particular feature has been disabled "at the request of the seller."
  - d. A VOW 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 VOW operator beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The VOW operator shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for that property explaining why the data or information is false. However, the VOW operator shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.
  - e. Each VOW shall refresh MLS data available on the VOW not less frequently than every 3 days.
  - f. Except as provided elsewhere in this Policy or in MLS rules and regulations, no portion of the MLS database may be distributed, provided, or made accessible to any person or entity.
  - g. Every VOW must display a privacy Policy that informs Registrants of the ways in which information obtained from them will be used.
  - h. A 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, or whether the listing broker is a Realtor®.
6. A Participant who intends to operate a VOW 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 this Policy and any other applicable MLS rules or policies.
7. A Participant may operate more than one VOW itself or through an AVP. A Participant who operates a VOW itself shall not be precluded from also operating VOWs in conjunction with AVPs.

### **III. Policies Applicable to Multiple Listing Services.**

1. A Multiple Listing Service shall permit MLS Participants to operate VOWs, or to have VOWs operated for them by AVPs, subject to the requirements of state law and this Policy.
2. An MLS shall, if requested by a Participant, provide basic "downloading" of all MLS non-confidential listing data, including without limitation address fields, listings types, photographs, and links to virtual tours. Confidential data includes only that which Participants are prohibited from providing to customers orally and by all other delivery mechanisms. They include fields containing the information described in paragraph IV(1) of this Policy, provided that sold data (i.e., listing information relating to properties that have sold) shall be deemed confidential and withheld from a download only if the actual sales prices of completed transactions are not accessible from public records. For purposes of this Policy, "downloading" means electronic transmission of data from MLS servers to a Participant's or AVP's server on a persistent basis. An MLS may also offer a transient download. In such case, it shall also, if requested, provide a persistent download, provided that it may impose on users of such download the approximate additional costs incurred by it to do so.
3. This Policy does not require an MLS to establish publicly accessible sites displaying Participants' listings.

4. If an MLS provides a VOW-specific feed, that feed must include all of the non-confidential data included in the feed described in paragraph 2 above except for listings or property addresses of sellers who have elected not to have their listings or addresses displayed on the Internet.
5. An MLS may pass on to those Participants who will download listing information the reasonably estimated costs incurred by the MLS in adding or enhancing its “downloading” capacity to enable such Participants to operate VOWs.
6. An MLS may require that Participants (1) utilize appropriate security protection, such as firewalls, as long as such requirement does not impose security obligations greater than those employed concurrently by the MLS, and/or (2) maintain an audit trail of Registrants’ activity on the VOW and make that information available to the MLS if the MLS has reason to believe that any VOW has caused or permitted a breach in the security of the data or a violation of applicable MLS rules.
7. An MLS may not prohibit or regulate display of advertising or the identification of entities on VOWs (“branding” or “co-branding”), except to prohibit deceptive or misleading advertising or co-branding. For purposes of this provision, 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 by or for 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.
8. Except as provided in this Policy, an MLS may not prohibit Participants from enhancing their VOWs by providing information obtained from sources other than the MLS, additional technological services (such as mapping functionality), or information derived from non-confidential MLS data (such as an estimated monthly payment derived from the listed price), or regulate the use or display of such information or technological services on any VOW.
9. Except as provided in generally applicable rules or policies (such as the Realtor® Code of Ethics), an MLS may not restrict the format of data display on a VOW or regulate the appearance of VOWs.
10. Subject to the provisions below, an MLS shall make MLS listing data available to an AVP for the exclusive purpose of operating a VOW on behalf of a Participant. An MLS shall make MLS listing data available to an AVP under the same terms and conditions as those applicable to Participants. No AVP has independent participation rights in the MLS by virtue of its right to receive data on behalf of a Participant, or the right to use MLS data except in connection with operation of a VOW for a Participant. AVP access to MLS data is derivative of the rights of the Participant on whose behalf the AVP is downloading data.
  - a. A Participant, non-principal broker or sales licensee, or AVP may establish the AVP’s right to receive and use MLS data by providing to the MLS a writing in which the Participant acknowledges its or its non-principal broker’s or sales licensee’s selection of the AVP to operate a VOW on its behalf.
  - b. An MLS may not charge an AVP, or a Participant on whose behalf an AVP operates a VOW, more than a Participant that chooses to operate a VOW itself (including any fees or costs associated with a license to receive MLS data, as described in (g), below), except to the extent that the MLS incurs greater costs in providing listing data to the AVP than the MLS incurs in providing listing data to a Participant.
  - c. An MLS may not place data security requirements or restrictions on use of MLS listing data by an AVP that are not also imposed on Participants.
  - d. An MLS must permit an AVP to download listing information in the same manner (e.g., via a RETS feed or via an FTP download), at the same times and with the same frequency that the MLS permits Participants to download listing information.
  - e. An MLS may not refuse to deal directly with an AVP in order to resolve technical problems with the data feed. However, the MLS may require that the Participant on whose behalf the AVP is operating the VOW participate in such communications if the MLS reasonably believes that the involvement of the Participant would be helpful in order to resolve the problem.
  - f. An MLS may not condition an AVP’s access to a data feed on the financial terms on which the AVP provides the site for the Participant.
  - g. An MLS may require Participants and AVPs to execute license or similar agreements sufficient to ensure that Participants and AVPs understand and agree that data provided by the MLS may be used only to establish and operate a VOW on behalf of the Participant and not for any other purpose.
  - h. An MLS may not (i) prohibit an AVP from operating VOWs on behalf of more than one Participant, and several Participants may designate an AVP to operate a single VOW for them collectively, (ii) limit the number of entities that Participants may designate as AVPs for purposes of operating VOWs, or (iii) prohibit Participants from designating particular entities as AVPs except that, if an AVP’s access has been suspended or terminated by an MLS, that MLS may prevent an entity from being designated an AVP by another Participant during the period of the AVP’s suspension or termination.
  - i. Except as stated below, an MLS may not suspend or terminate an AVP’s access to data (a) for reasons other than those that would allow an MLS to suspend or terminate a Participant’s access to data, or (b) without giving the AVP and the associated Participant(s) prior notice and the process set forth in the applicable provisions of the MLS rules for suspension or termination of a Participant’s access. Notwithstanding the foregoing, an MLS may immediately terminate an AVP’s access to data (a) if the AVP is no longer designated to provide VOW services to any Participant, (b) if the Participant for whom the AVP operates a VOW ceases to maintain its status with the MLS, (c) if the AVP has downloaded data in a manner not

authorized for Participants and that hinders the ability of Participants to download data, or (d) if the associated Participant or AVP has failed to make required payments to the MLS in accordance with the MLS's generally applicable payment policies and practices.

11. An MLS may not prohibit, restrict, or impede a Participant from referring Registrants to any person or from obtaining a fee for such referral.

#### **IV. Requirements That MLSs May Impose on the Operation of VOWs and Participants.**

1. An MLS may impose any, all, or none of the following requirements on VOWs but may impose them only to the extent that equivalent requirements are imposed on Participants' use of MLS listing data in providing brokerage services via all other delivery mechanisms:
  - a. A Participant's VOW may not make available for search by or display to Registrants the following data intended exclusively for other MLS Participants and their affiliated licensees:
    - i. The compensation offered to other MLS Participants.
    - ii. The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
    - iii. The seller(s) and occupant(s) name(s), phone number(s) and email address(es), where available.
    - iv. Instructions or remarks intended for cooperating brokers only, such as those regarding showing or security of the listed property.
  - b. The content of MLS data that is displayed on a VOW may not be changed from the content as it is provided in the MLS. This requirement does not restrict the format of MLS data display on VOWs or display of fewer than all of the listings or fewer authorized data fields.
  - c. There shall be a notice on all MLS data displayed indicating that the data is deemed reliable but is not guaranteed accurate by the MLS. A Participant's VOW may also include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.
  - d. The number of current or, if permitted, sold listings that Registrants may view, retrieve, or download on or from a VOW in response to an inquiry may be limited to a reasonable number. Such number shall be determined by the MLS, but in no event may the limit be fewer than 100 listings or 5% of the listings in the MLS, whichever is less.
2. An MLS may also impose the following other requirements on the operation of VOWs:
  - a. Participants displaying other brokers' listings obtained from other sources, e.g., other MLSs, non-participating brokers, etc. shall display the source from which each such listing was obtained.
  - b. A maximum period, no shorter than 90 days and determined by the MLS, during which Registrants' passwords are valid, after which such passwords must be changed or reconfirmed.
3. An MLS may not prohibit Participants from downloading and displaying or framing listings obtained from other sources, e.g., other MLSs or from brokers not participating in that MLS, etc., but may require either that (i) such information be searched separately from listings obtained from other sources, including other MLSs, or (ii) if such other sources are searched in conjunction with searches of the listings available on the VOW, require that any display of listings from other sources identify such other source.

#### **Appendix A to VOW Policy**

##### **Seller Opt-Out Form**

1. Check either [a.] or [b.] below:

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

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

\_\_\_\_\_ initials of seller

## ATTACHMENT A

### CITATION ENFORCEMENT POLICY AND SCHEDULE OF VIOLATIONS

THIS CITATION ENFORCEMENT POLICY IS IMPLEMENTED PURSUANT TO MLS RULES, SECTION 14.3

All fines will *also* be assessed to the Broker

*Any infraction made by a designated broker shall incur a double fine.*

#### VIOLATIONS COVERED BY THIS POLICY AND ASSOCIATED FINES:

- |    |   |                                     |
|----|---|-------------------------------------|
| A. | Failure to report the following within 48 hours | <b>Fine: \$50.00 per occurrence</b> |
|    | 1. New Listings ( <i>Sec. 7.5</i> )             |                                     |
|    | 2. Contingent Sales ( <i>Sec. 7.10</i> )        |                                     |
|    | 3. Pending Sales ( <i>Sec. 10.1</i> )           |                                     |
|    | 4. Withdrawn Listings ( <i>Sec. 7.9</i> )       |                                     |

- 5. Exclusive Listings (must be filed with the Association Office) (*Sec. 7.6*)
- 6. Sales (*Sec. 10.1*)

- B. Failure to have an MLS member representative from the listing office or a registered clerical assistant in attendance at a property held open on caravan (Attachment C – Tour Guidelines) **Fine:\$50.00 per occurrence**
- C. Entering the same listing in multiple categories (*Sec. 7.3*) **Fine: \$50.00**
- D. *Failure to enter a listing* in the appropriate designated area (i.e. Cayucos must be in Cayucos) (*Sec. 7.2*) **Fine: \$50.00**
- E. Failure of the Participant to review and maintain accurate information of their office’s listings in the database will incur a fine, assessed per inaccuracy (*Sec. 7.11*) **Fine: \$50.00 per incident**
- F. Failure to enter a Pending or Contingency accurately. Specification of type of contingency (i.e. 48 or 72 Hr First Right) must be on the first line of ‘Agent Remarks’ (*Sec. 7.10*) **Fine: \$50.00**
- G. Self-promotion of any type, Agent or Office, is prohibited in the Public Remarks section. (*Sec. 12.5*) **Fine: \$50.00**
- H. Use of Virtual Tour for anything besides display of the property with which it is linked, or the inclusion of any self-promoting information about agent or office is prohibited. (*Sec. 12.5*) **Fine: \$100.00**
- I. Any participant or Subscriber who permits access to MLS material by unauthorized persons, or releases confidential information to unauthorized persons (pin codes, Keys etc) shall be subject to an automatic fine, or suspension (*Sec. 12.12, 13.2*) **Fine: \$1000.00**
- J. Violation of the terms of the IDX Access Agreement or MLS Rules relating to IDX matters by Participant, Subscriber or Non-Subscriber User. Citations for violations caused by Non-Subscriber Users are issued to the Supervisory Participant or Subscriber named in the Agreement. (*Sec. 12.6*) **Fine: \$500.00**
- K. Providing internet links to any medium that includes personal contact ability. **Fine: \$100.00**
- L. Failure to place at least one photo in property listing at the time of listings submission into the MLS. Includes properties in all categories. (*Sec. 12.21*) **Fine: \$50.00**

**RESPONSIBLE PARTY:**

The agent (Subscriber) of the listing with the violation, as well as the agents Broker (The Participant, or licensed designee of Participant, authorized to act on his/her behalf, pursuant to a written authorization, which must be filed with the Association office. It is the Participant’s responsibility to appoint a designee in his/her absence) will be assessed the applicable fine.

**ESCALATING FINE SCHEDULE:**

If a particular subscriber or participant has been found in violation a second time for the same citation within a 12-month time period, the fine amount shall be doubled. If that same subscriber or participant is found in violation a third time for the same citation within a 12-month time period, then the fine amount shall be doubled again. In addition, any subscriber or participant found in violation for any three citations, different or the same, within a 12-month time period, shall be required to attend the Scenic Coast Association of Realtors® New Member Orientation Program, accompanied by their respective broker (if applicable).

**FINES DUE:** Within 7 days of receipt of billing.

**PROTEST PROCEDURE:**

If the Participant/Subscriber elects to protest said fine; s/he shall submit a letter of protest to the MLS Committee (c/o the Executive Vice-President) within 7 days of receipt of the fine. Upon receipt of the Letter of Protest, the MLS Committee shall meet to review the protest. After review, and based solely upon the information and/or documentation provided by the Participant/Subscriber, the MLS Subcommittee shall make a determination regarding the fine. The decision as to whether or not the fine should be paid shall be set forth in writing and mailed to the Participant/Subscriber within 5 days of the review.

If the MLS Subcommittee determines that the fine is due and payable, the Participant/Subscriber must comply with one of the following actions within 7 days from receipt of the Subcommittee's determination:

1. Pay the fine and correct the violation
2. Request a hearing in accordance to the hearing procedures set forth in Section 14.3, in the MLS Rules and Regulations

Any hearing will be conducted in accordance with procedures set forth in Section 15 of the Rules and Regulations, PROCEDURES FOR MLS RULES HEARING.

If the hearing procedures a finding that a violation has occurred, the Participant/Subscriber shall have 7 days from receipt of the findings to comply, or their MLS privileges shall terminate until compliance (see definition of termination of MLS privileges within this enforcement policy.)

**DEFINITION OF TERMINATION OF MLS PRIVILEGES:**

All services of the MLS to the Participant/Subscriber shall terminate, including MLS books, use of the computer system and use of the lock box system. No new listings or extensions of current listings shall be allowed into the MLS system.

**CHANGES IN CITATION ENFORCEMENT POLICY:**

The citation enforcement policy of the MLS may be amended from time to time, by a majority vote of the members of the MLS Committee, subject to approval by the Board of Directors of the Scenic Coast Association of REALTORS®.



ATTACHMENT C

SERVICE FEE SCHEDULE

THIS SERVICE FEE SCHEDULE IS IMPLEMENTED PERSUANT TO MLS RULES, SECTIONS 5 – MLS FEES AND CHARGES AND 17 – NON-PAYMENT OF MLS FEES.  
*Revision Date September 9, 2008 – All fees will also be assessed to the MLS Participant*

SERVICES COVERED BY THIS POLICY AND ASSOCIATED FEES:

- A. New MLS Only Participant Processing (*Sec. 5.1.1*) **Fee: \$225**
- B. New MLS Only Subscriber Processing (*Sec. 5.1.1*) **Fee: \$ 75**
- C. Recurring (Quarterly) Participation Fee – Prorated monthly for new members (*Sec. 5.1.2*)  
**Fee: \$150 per user**
- D. UN-licensed Clerical User (Quarterly) Participation Fee (*Sec. 5.1.5*) **Fee: \$ 50 per user**
- E. Licensed Clerical User (Quarterly) Participation Fee (*Sec. 5.1.5*) **Fee: \$75 per user**
- F. Sentrilock Quarterly Service – Prorated monthly for new members (*Sec. 5.1.7*)  
**Fee: \$ 40 per user**
- G. Sentrilock Quarterly Service for Licensed Clerical Users **Fee: \$40 per user**
- H. Late Fee Assessment (*Sec. 5.1.7*) – *Any MLS Dues that have not been paid in full by the due date indicated on the quarterly bill will be assessed a late fee. A one-time exception may be granted as requested to participants who have paid dues on or before the due date for the previous six billing cycles.*  
**Fee: \$ 25**
- I. Reinstatement Fee Assessment (*Sec. 17.1*) - *If MLS fees, fines, charges or other amounts owed the MLS are not paid within one month after the due date, the nonpaying participant and/or subscriber’s MLS services shall be subject to suspension until such outstanding amounts are paid in full. If suspension occurs, a reinstatement fee will be assessed and must be paid prior to reactivation of services.*  
**Fee: \$ 50**
- J. **Secondary MLS Participant or Subscriber.** *A secondary MLS participant or subscriber is any individual, who applies and is accepted by the MLS, meets and continues to meet all the requirements of either a primary broker participant/subscriber or an appraiser participant and maintains a primary MLS membership with any other of the associations cooperating within the CCRMLS.*

**Proposed Secondary MLS Fee Schedule:**

New MLS Secondary Participant Processing	\$50
New MLS Secondary Subscriber Processing	\$25
Recurring (Quarterly) Secondary User Participation Fee - prorated monthly for new members	\$75