CAPITAL AREA TECHNOLOGY & REALTOR® SERVICES, INC. (CATRS)

A wholly-owned subsidiary of the Tallahassee Board of REALTORS®, Inc. (TBR) Multiple Listing Service Rules and Regulations

Table of Contents

Section	Page #
Section 1 Listing Procedures	 2
Section 2 Selling Procedures	 5
Section 3 Refusal to Sell	 7
Section 4 Prohibitions	 7
Section 5 Division of Commissions	 8
Section 6 Service Charges	 10
Section 7 Compliance with Rules	 11
Section 8 Meetings	 11
Section 9 Enforcement of Rules or Disputes	 12
Section 10 Confidentiality of MLS Information	 12
Section 11 Ownership of MLS Compilation* and Copyright	 12
Section 12 Distribution	 13
Section 13 Limitations on Use of MLS Information	 14
Section 14 Changes in Rules and Regulations	 14
Section 15 Arbitration of Disputes	 15
Section 16 Standards of Conduct for MLS Participants	 15
Section 17 Orientation	 18
Section 18 Internet Data Exchange (IDX)	 19
Section 19 Virtual Office Websites (VOWs)	 21
Section 20 Lockbox Entry System	27

Listing Procedures

Top

Section 1 Listing Procedures

Listings of real or personal property of the following types, which are listed subject to a real estate broker's license, and are located within the territorial jurisdiction of the multiple listing service, and are taken by participants on Exclusive Right of Sale or Exclusive Agency listing agreements shall be delivered to the multiple listing service within 24 hours after all necessary signatures of seller(s) have been obtained or the agreed to in writing between the Listing Broker and the Seller, whichever is sooner.

8 9 10

1

2

3

4 5

6

7

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

13 14

11 12

> Reserves the right to refuse to accept a listing form which fails to adequately protect the interests of the public and the participants

15 16 17

Assures that no listing form filed with the multiple listing service establishes, directly or indirectly, any contractual relationship between the multiple listing service and the client (buyer or seller)

18 19 20

The listing agreement must include the seller's written authorization to submit the agreement to the multiple listing service.

21 22 23

24 25

26

27

Note 2: A multiple listing service does not regulate the type of listings its members may take. This does not mean that a multiple listing service must accept every type of listing. The multiple listing service shall decline to accept open listings (except where acceptance is required by law) and net listings, and it may limit its service to listings of certain kinds of property. But, if it chooses to limit the kind of listings it will accept, it shall leave its members free to accept such listings to be handled outside the multiple listing service.

28 29 30

Note 3: CATRs multiple listing service accepts exclusively listed property that is subject to auction. Such listings have the same requirements as other listings in any given Class, including the listing price.

31 32 33

Section 1.1 Classes of Properties

34 35

Following are the classes of properties that may be published through the service. Any listing submitted is entered into within the scope of the participant's licensure as a real estate broker: Residential (Single Family detached, Condos, Townhomes and Mobile homes as part of real

36 37 38

property) • Multifamily (Apartments, and duplexes)

39

Commercial, Professional, Industrial and Businesses

40 41

Residential Rentals

Lots & Land

42 43

Section 1.1.1 Listing Subject to Rules and Regulations of the Service

Any listing taken on a contract to be filed with the multiple listing service is subject to the rules and regulations of the service upon signature of the seller(s).

45 46

Section 1.2 Detail on Listings Filed with the Service

A listing agreement or property data form, when filed with the multiple listing service by the listing broker, shall be complete in every detail which is ascertainable as specified on the property data form.

Section 1.2.1 Limited Service Listings

Listing agreements under which the listing broker will not provide one, or more, of the following services:

- a. arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s)
- b. accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s)
- c. advise the seller(s) as to the merits of offers to purchase
- d. assist the seller(s) in developing, communicating, or presenting counter-offers
- e. participate on the seller's(s') behalf in negotiations leading to the sale of the listed property will be identified by selecting Limited Service option in the Listing Type 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 brokers' clients, prior to initiating efforts to show or sell the property.

Section 1.2.2 MLS Entry-only Listings

Listing agreements under which the listing broker will not provide any of the following services:

- a. arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s)
- b. accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s)
- c. advise the seller(s) as to the merits of offers to purchase
- d. assist the seller(s) in developing, communicating, or presenting counter-offers
- e. participate on the seller's(s') behalf in negotiations leading to the sale of the listed property

will be identified with an appropriate code (ERS MLS Entry Only) in the Listing Type Feature 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 brokers' clients, prior to initiating efforts to show or sell the property.

Section 1.2.3 Exempted Listings

If the seller refuses to permit the listing to be disseminated by the service, the participant may then take the listing (office exclusive) and such listing shall be filed with the service but not disseminated to the participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the service. (Adopted 10/6/2009)

Section 1.3 Change of Status of Listing

Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the service within twenty-four (24) hours after the authorized change is received by the listing broker.

Section 1.4 Withdrawal of Listing Prior to Expiration

Listings of property may be withdrawn from the multiple listing service by the listing broker before the expiration date of the listing agreement, provided notice is filed with the service, including a copy of the agreement between the seller and the listing broker which authorizes the withdrawal.

96 Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's 97 concurrence. However, when a seller(s) can document that his exclusive relationship with the listing 98 broker has been terminated, the multiple listing service may remove the listing at the request of the seller.

99 100

Section 1.5 Contingencies Applicable to Listings

101 Any contingency or conditions of any term in a listing shall be specified and noticed to the participants. The 102 listing status shall be changed to CONTINGET and contingencies shall be noted in the Confidential Remarks 103 field on the first line.

104 105

Section 1.6 Listing Price Specified

The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings.

107 108 109

110

111

106

Section 1.7 Listing Multiple Unit Properties

All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the property data form. When part of a listed property has been sold, proper notification should be given to the multiple listing service.

112 113 114

Section 1.8 No Control of Commission Rates or Fees Charged to Participants

115 The multiple listing service shall not fix, control, recommend, suggest, or maintain commission rates or fees 116 for services to be rendered by participants. Further, the multiple listing service shall not fix, control, 117 recommend, suggest, or maintain the division of commissions or fees between cooperating participants or 118 between participants and nonparticipants.

119 120

Section 1.9 Expiration of Listings

- 121 Listings filed with the multiple listing service will automatically be removed from the compilation of current 122 listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice 123 that the listing has been extended or renewed.
- 124 If notice of renewal or extension is received after the listing has been removed from the compilation of 125 current listings, the extension or renewal will be published in the same manner as a new listing. Extensions 126 and renewals of listings must be signed by the seller(s) and filed with the service.

127 128

Section 1.10 Termination Date on Listings

Listings filed with the service shall bear a definite and final termination date, as negotiated between the listing broker and the seller.

130 131 132

133

129

Section 1.11 Jurisdiction

Listings of property located inside and outside the MLS's jurisdiction will be accepted if submitted voluntarily by a Participant, but is not required by the Service.

134 135 136

Section 1.12 Listing of Suspended Participants

137 When a participant of the service is suspended from the MLS for failing to abide by a membership duty (i.e., 138 violation of the Code of Ethics, association bylaws, MLS bylaws, MLS rules and regulations, or other

139 membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed 140 with the MLS by the suspended participant shall, at the participant's option, be retained in the service until

141

sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of

142 the listing agreement in effect when the suspension became effective. If a participant has been suspended

143 from the association (except where MLS participation without association membership is permitted by law)

144 or MLS (or both) for failure to pay appropriate dues, fees, or charges, an association MLS is not obligated to provide MLS services, including continued inclusion of the suspended participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended participant's listings from the MLS, the suspended participant should be advised, in writing, of the intended removal so that the suspended participant may advise his clients.

Section 1.13 Listing of Expelled Participants

When a participant of the service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, association bylaws, MLS bylaws, MLS rules and regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the expelled participant shall, at the participant's option, be retained in the service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a participant has been expelled from the association (except where MLS participation without association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an association MLS is not obligated to provide MLS services, including continued inclusion of the expelled participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled participant's listings from the MLS, the expelled participant should be advised, in writing, of the intended removal so that the expelled participant may advise his clients.

Section 1.14 Listing of Resigned Participants

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

Section 1.15 Transfer of Listings

Listings cannot be transferred within the MLS from one Participant to another Participant without the signed consent of the listing broker.

Section 1.16. CO-EXCLUSIVE LISTINGS

Any co-exclusive right of sale listing shall be submitted to the MLS on one listing contract with the agency clearly identified. The listing contract must include a clear indication regarding which of the "co-exclusive" agents controls the terms of the offer of cooperation and compensation or is empowered to make modifications to such offers. If each "co-exclusive" agent is empowered to make such changes independent of the other, it must be indicated with specificity.

Section 1.17. PHOTO REQUIREMENT

Participants and subscribers must input a photo(s) in the MLS within 72 hours of inputting the listing. The photo must be the exterior, front of the building. Failure to comply will cause the MLS to send notice to the listing agent that he/she has 48 hours to input a photo or his/her service will be suspended and there will be a fine of \$100 per listing that is without a photo. If an agent is suspended, his/her broker must input the photo and the fine(s) must be paid prior to the service being reinstated. If the offending member is a broker, he/she must submit a digital photo to the MLS and the fine(s) must be paid prior to reinstatement. (Adopted 2/13/2004, revised 4/2006, 5/2008)

Selling Procedures

192 <u>Top</u>

Section 2 Showings and Negotiations

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

- a. the listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or
- b. after reasonable effort, the cooperating broker cannot contact the listing broker or his representative; however, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.

Section 2.1 Presentation of Offers

The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

Section 2.2 Submission of Written Offers

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

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

Section 2.3 Right of Cooperating Broker in Presentation of Offer

The cooperating broker (subagent or buyer agent) or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's or lessor's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

Section 2.4 Right of Listing Broker in Presentation of Counter-offer

The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter- offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

Section 2.5 Reporting Sales to the Service

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

Note: The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its participants.

Section 2.6 Reporting Resolution of Contingencies

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

Section 2.7 Advertising of Listings Filed with the Service

A listing shall not be advertised by any participant other than the listing broker without the prior consent of the listing broker.

Section 2.8 Reporting Cancellation of Pending Sale

The listing broker shall report immediately to the multiple listing service the cancellation of any pending sale, and the listing shall be reinstated immediately.

Section 2.9 Disclosing the Existence of Offers

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

Section 2.10 Availability of Listed Property

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

Refusal to Sell

269 <u>Top</u>

Section 3 Refusal to Sell

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

Prohibitions

276
 277 Section 4 Information for Participants Only

Any listing filed with the service shall not be made available to any broker or firm not a member of the MLS without the prior consent of the listing broker.

Section 4.1 For Sale Signs

Only the for sale sign of the listing broker may be placed on a property.

Section 4.2 Sold Signs

Prior to closing, only the sold sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

Section 4.3 Solicitation of Listing Filed with the Service

Participants shall not solicit a listing on property filed with the service unless such solicitation is consistent with Article 16 of the REALTORS[®], Code of Ethics, its Standards of Practice, and its Case Interpretations.

Note: This section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standard of Practice 16-4. This section is intended to encourage sellers to permit their properties to be filed with the service by protecting them from being solicited, prior to expiration of the listing, by brokers and salespersons seeking the listing upon its expiration.

Without such protection, a seller could receive hundreds of calls, communications, and visits from brokers and salespersons who have been made aware through MLS filing of the date the listing will expire and desire to substitute themselves for the present broker.

This section is also intended to encourage brokers to participate in the service by assuring them that other participants will not attempt to persuade the seller to breach the listing agreement or to interfere with their attempts to market the property. Absent the protection afforded by this section, listing brokers would be most reluctant to generally disclose the identity of the seller or the availability of the property to other brokers.

This section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to Article 16 of the Code of Ethics.

Section 4.4 Use of the Terms MLS and Multiple Listing Service

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

Division of Commissions

<u>Top</u>

Section 5 Compensation Specified on Each Listing

The listing broker shall specify, on each listing filed with the multiple listing service, the compensation offered to other multiple listing service participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the

listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

In filing a property with the multiple listing service of an association of REALTORS[®], the participant of the service is making blanket unilateral offers of compensation to the other MLS participants, and shall therefore specify on each listing filed with the service, the compensation being offered to the other MLS participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.*

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

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

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

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

- **Note 1:** The multiple listing service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the association multiple listing service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a participant. The association multiple listing service shall not disclose in any way the total commission negotiated between the seller and the listing broker.
- **Note 2:** The listing broker may, from time to time, adjust the compensation offered to other multiple listing service participants for their services with respect to any listing by advance published notice to the service so that all participants will be advised.
- **Note 3:** The multiple listing service shall make no rule on the division of commissions between participants and nonparticipants. This should remain solely the responsibility of the listing broker.

Note 4: The CATRS Multiple listing services permits listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval, and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they produce an offer that ultimately results in a successful transaction.

Note 5: Nothing in these MLS rules precludes a listing participant and a cooperating participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction.

Note 6: Multiple listing services must give participants the ability to disclose to other participants any potential for a short sale. As used in these rules, short sales are defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies. Multiple listing services may, as a matter of local discretion, require participants to disclose potential short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they must also be permitted to communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between listing and cooperating participants. All confidential disclosures and confidential information related to short sales must be communicated through dedicated fields or confidential "remarks" available only to participants and subscribers

Section 5.0.1 Disclosing Potential Short Sales

Participants must disclose potential short sales when reasonably known to the listing participants. When disclosed, participants may, at their discretion, advise other participants whether and how any reduction in the gross commission established in the listing agreement, required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating participants.

Section 5.1 Participant as Principal

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

Section 5.2 Participant as Purchaser

If a participant or any licensee (including licensed and certified appraisers) affiliated with a participant wishes to acquire an interest in property listed with another participant, such contemplated interest shall be disclosed, in writing, to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

Section 5.3 Dual or Variable Rate Commission Arrangements

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

Service Charges

432 <u>Top</u>

Section 6 Service Fees and Charges

The following service charges for operation of the multiple listing service are in effect to defray the costs of the service and are subject to change from time to time in the manner prescribed:

Initial Participation Fee: An applicant for participation in the service shall pay an application fee as determined from time to time by the CATRS board of directors, with such fee to accompany the application. **Recurring Participation Fee:** The monthly participation fee of each participant shall be an amount equal as determined from time to time by the CATRS board of directors times each salesperson and licensed or certified appraiser who has access to and use of the service, whether licensed as a broker, sales licensee, or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such participant. Payment of such fees shall be made on or before the first day of the month for which service is granted

Compliance with Rules

Top

Section 7 Compliance with Rules—Authority to Impose Discipline

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

- a. letter of warning
- b. letter of reprimand
- c. attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed \$15,000
- e. probation for a stated period of time not less than thirty (30) days nor more than one (1) year
- f. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- g. termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.

Section 7.1 Compliance with Rules

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

- a. for failure to pay any service charge or fee within one (1) month of the date due, and provided that at least ten (10) days' notice has been given, the service shall be suspended until service charges or fees are paid in full
- b. for failure to comply with any other rule, the provisions of Sections 9 and 9.1 shall apply
- c. for failure to accurately complete all input fields, subscribers and participants will be noticed and required to correct or show cause as to why their input is correct within three days of initial input. Participants and subscribers will be noticed via electronic means each day up to and including day three and if not corrected or otherwise satisfied with the MLS will be fined \$100 and temporarily suspended from the multiple listing service until fined is paid.

Once fine is paid and error is corrected, the subscriber or participant will receive a refund of their fine

by completing two training classes within four months of the violation. Upon request, the Fine Forgiveness Form will be provided to the offending subscriber to initiate the fine refund.

Section 7.2 Applicability of Rules to Users and/or Subscribers

Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these rules and regulations and may be disciplined for violations thereof based on their signed acknowledgment upon subscribing to the MLS. Further, failure of any user or subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the participant to the same or other discipline. This provision does not eliminate the participant's ultimate responsibility and accountability for all users or subscribers affiliated with the participant.

Meetings

<u>Top</u>

Section 8 Meetings

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

Enforcement of Rules or Disputes

Top

Section 9 Considerations of Alleged Violations

The board of directors shall give consideration to all written complaints having to do with violations of the rules and regulations.

Section 9.1 Violations of Rules and Regulations

If the alleged offense is a violation of the rules and regulations of the service and does not involve a charge of alleged violation of one or more of the provisions of **Section 16** of the rules and regulations or a request for arbitration, it may be administratively considered and determined by the MLS committee and if a violation is determined, the MLS committee may direct the imposition of sanction provided that the recipient of such sanction may request a hearing by the professional standards committee of the association in accordance with the bylaws of the association of REALTORS®.

If, rather than conducting an administrative review, the MLS committee has a procedure established to conduct hearings, the decision of the hearing tribunal may be appealed to the board of directors of the association of REALTORS®. Alleged violations of Section 16 of the rules and regulations shall be referred to the association's grievance committee for processing in accordance with the professional standards procedures of the association, except that if the charge alleges a refusal to arbitrate, such charge shall be referred directly to the board of directors of the association. An administrative hearing shall be at least five (5) members of the Multiple Listing Committee, and if a violation is determined, the MLS Committee will submit its findings and recommended discipline to the board of directors who will ratify the decision and establish the discipline, if any. (Modified 10/6/2009)

Section 9.2 Complaints of Unethical Conduct

All other complaints of unethical conduct shall be referred by the board of directors of the service to the association of REALTORS[®] for appropriate action in accordance with the professional standards procedures established in the association's bylaws.

Confidentiality of MLS Information

<u>Top</u>

Section 10 Confidentiality of MLS Information

Any information provided by the multiple listing service to the participants shall be considered official information of the service. Such information shall be considered confidential and exclusively for the use of participants and real estate licensees affiliated with such participants and those participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such participants.

Section 10.1 MLS Responsibility for Accuracy of Information

The information published and disseminated by the service is communicated verbatim, without change by the service, as filed with the service by the participant. The service does not verify such information provided and disclaims any responsibility for its accuracy. Each participant agrees to hold the service harmless against any liability arising from any inaccuracy or inadequacy of the information such participant provides.

Ownership of MLS Compilation* and Copyright

Top

Section 11

By the act of submitting any property listing content to the MLS the participant represents that he has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

Section 11.1

All right, title, and interest in each copy of every multiple listing compilation created and copyrighted by the Tallahassee Board of Realtors[®] and in the copyrights therein, shall at all times remain vested in the Tallahassee Board of Realtors[®].

*The term MLS compilation, as used in Sections 11 and 12 herein, shall be construed to include any format in which property listing data is collected and disseminated to the participants, including but not limited to bound book, loose-leaf binder, computer database, card file, or any other format whatsoever.

Use of Copyrighted MLS Compilation

Top

Section 12 Distribution

Participants shall, at all times, maintain control over and responsibility for each copy of any MLS compilation leased to them by the association of Realtors®, and shall not distribute any such copies to persons other than subscribers who are affiliated with such participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification, and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed or published by an association multiple listing service where access to such information is prohibited by law.

Section 12.1 Display

Participants and those persons affiliated as licensees with such participants shall be permitted to display the MLS compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation.

578579 Section 12.2 Reproduction

Participants or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof, except in the following limited circumstances:

Participants or their affiliated licensees may reproduce from the MLS compilation and distribute to prospective purchasers a reasonable** number of single copies of property listing data contained in the MLS compilation which relate to any properties in which the prospective purchasers are or may, in the judgment of the participant or their affiliated licensees, be interested.

*This section should not be construed to require the participant to lease a copy of the MLS compilation for any licensee (or licensed or certified appraiser) affiliated with the participant who is engaged exclusively in a specialty of the real estate business other than listing, selling, or appraising the types of properties which are required to be filed with the MLS and who does not, at any time, have access to or use of the MLS information or MLS facility of the association

 **It is intended that the participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the participant is seeking to promote interest. The term reasonable, as used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent and thus reasonable in number, shall include, but are not limited to, the total number of listings in the MLS compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data of properties other than that in which the prospective purchaser has expressed interest, or in which the participant or the affiliated licensees are seeking to promote interest, does not appear on such reproduction.

Nothing contained herein shall be construed to preclude any participant from utilizing, displaying, distributing, or reproducing property listing sheets or other compilations of data pertaining exclusively to properties currently listed for sale with the participant.

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

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparables, or statistical information from utilizing such information to support an estimate of value on a particular property for a particular client. However, only such information that an association or association-owned multiple listing service has deemed to be

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

Use of MLS Information

 Section 13 Limitations on Use of MLS Information

<u>Top</u>

Information from MLS compilations of current listing information, from statistical reports, and from any sold or comparable report of the association or MLS may be used by MLS participants as the basis for aggregated demonstrations of market share or comparisons of firms in public mass-media advertising or in other public representations. This authority does not convey the right to include in any such advertising or representation information about specific properties which are listed with other participants, or which were sold by other participants (as either listing or cooperating broker).

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the association or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

Based on information from the Capital Area Technology & REALTORS® Services MLS for the period (*date*) through (*date*).

Changes in Rules and Regulations

Top

Section 14 Changes in Rules and Regulations

Amendments to the rules and regulations of the service shall be by consideration and approval of the board of directors of the multiple listing service, subject to final approval by the board of directors of the Tallahassee Board of Realtors (shareholder).

Arbitration of Disputes*

Top

Section 15 Arbitration of Disputes

By becoming and remaining a participant, each participant agrees to arbitrate disputes involving contractual issues and questions, and specific non-contractual issues and questions defined in Standard of Practice 17-4 of the Code of Ethics with MLS participants in different firms arising out of their relationships as MLS participants, subject to the following qualifications.

- a. If all disputants are members of the same association of REALTORS® or have their principal place of business within the same association's territorial jurisdiction, they shall arbitrate pursuant to the procedures of that association of REALTORS®.
- b. If the disputants are members of different associations of REALTORS® or if their principal place of business is located within the territorial jurisdiction of different associations of REALTORS®, they remain obligated to arbitrate in accordance with the procedures of the Florida Association of REALTORS®.

Interboard Arbitration Procedures: Arbitration shall be conducted in accordance with any existing interboard agreement or, alternatively, in accordance with the interboard arbitration procedures in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS[®]. Nothing herein shall preclude participants from agreeing to arbitrate the dispute before a particular association of REALTORS[®].

Standards of Conduct for MLS Participants**

671 **Top** 672

Standard 16.1

670

673

683

684

685 686

687

688

689

690 691

692 693

694

695

696 697

698 699

700

701

702

703 704

705

706 707

708

709

710

711

712 713

714

715

674 MLS participants shall not engage in any practice or take any action inconsistent with exclusive 675 representation or exclusive brokerage relationship agreements that other MLS participants have with clients.

Section 16.2 676

677 Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without 678 consent of the seller/landlord.

679 Section 16.3

680 MLS participants acting as subagents or as buyer/tenant representatives or brokers shall not attempt to extend 681 a listing broker's offer of cooperation and/or compensation to other brokers without the consent of the listing 682 broker.

Section 16.4

MLS participants shall not solicit a listing currently listed exclusively with another broker. However, if the listing broker, when asked by the MLS participant, refuses to disclose the expiration date and nature of such listing (i.e., an exclusive right-to-sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client) the MLS participant may contact the owner to secure such information and may discuss the terms upon which the MLS participant might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing.

*Only adopt the following standards of conduct if the association's MLS is open to nonmember participants (otherwise qualified individuals who do not hold REALTOR® membership anywhere). Any of the standards of conduct, if adopted, may not be modified.

**Only adopt the following standards of conduct if the association's MLS is open to nonmember participants (otherwise qualified individuals who do not hold REALTOR® membership anywhere). Any of the standards of conduct, if adopted, may not be modified.

Section 16.5

MLS participants shall not solicit buyer/tenant agreements from buyers/tenants who are subject to exclusive buyer/tenant agreements. However, if asked by an MLS participant, the broker refuses to disclose the expiration date of the exclusive buyer/tenant agreement, the MLS participant may contact the buyer/tenant to secure such information and may discuss the terms upon which the MLS participant might enter into a future buyer/tenant agreement or, alternatively, may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement.

Section 16.6

MLS participants shall not use information obtained from listing brokers through offers to cooperate made through multiple listing services or through other offers of cooperation to refer listing brokers' clients to other brokers or to create buyer/tenant relationships with listing brokers' clients, unless such use is authorized by listing brokers.

Section 16.7

The fact that an agreement has been entered into with an MLS participant shall not preclude or inhibit any other MLS participant from entering into a similar agreement after the expiration of the prior agreement.

Section 16.8

The fact that a prospect has retained an MLS participant as an exclusive representative or exclusive broker in one or more past transactions does not preclude other MLS participants from seeking such prospect's future business.

Section 16.9

MLS participants are free to enter into contractual relationships or to negotiate with sellers/landlords, buyers/tenants or others who are not subject to an exclusive agreement but shall not knowingly obligate them to pay more than one commission except with their informed consent.

Section 16.10

When MLS participants are contacted by the client of another MLS participant regarding the creation of an exclusive relationship to provide the same type of service, and MLS participants have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternatively, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement.

Section 16.11

In cooperative transactions, MLS participants shall compensate cooperating MLS participants (principal brokers) and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other MLS participants without the prior express knowledge and consent of the cooperating broker.

Section 16.12

MLS participants are not precluded from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another MLS participant. A general telephone canvass, general mailing, or distribution addressed to all prospects in a given geographical area or in a given profession, business, club, or organization, or other classification or group is deemed general for purposes of this rule.

The following types of solicitations are prohibited:

Telephone or personal solicitations of property owners who have been identified by a real estate sign, multiple listing compilation, or other information service as having exclusively listed their property with another MLS participant; and mail or other forms of written solicitations of prospects whose properties are exclusively listed with another MLS participant when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, for sale or for rent signs, or other sources of information intended to foster cooperation with MLS participants.

Section 16.13

MLS participants, prior to entering into a representation agreement, have an affirmative obligation to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service.

Section 16.14

MLS participants, acting as buyer or tenant representatives or brokers, shall disclose that relationship to the seller/landlord's representative or broker at first contact and shall provide written confirmation of that disclosure to the seller/landlord's representative or broker not later than execution of a purchase agreement or lease.

767 768

769

770

771 772

Section 16.15

On unlisted property, MLS participants acting as buyer/tenant representatives or brokers shall disclose that relationship to the seller/landlord at first contact for that buyer/tenant and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement. MLS participants shall make any request for anticipated compensation from the seller/landlord at first contact.

773 774 775

776

777

778

Section 16.16

MLS participants, acting as representatives or brokers of sellers/landlords or as subagents of listing brokers, shall disclose that relationship to buyers/tenants as soon as practicable, and shall provide written confirmation of such disclosure to buyers/tenants not later than execution of any purchase or lease agreement.

779 780 781

782

783

784

785

786

Section 16.17

MLS participants are not precluded from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage) or from offering the same type of service for property not subject to other brokers' exclusive agreements. However, information received through a multiple listing service or any other offer of cooperation may not be used to target clients of other MLS participants to whom such offers to provide services may be made.

787 788 789

790

791

792

Section 16.18

MLS participants, acting as subagents or buyer/tenant representatives or brokers, shall not use the terms of an offer to purchase/lease to attempt to modify the listing broker's offer of compensation to subagents or buyer/tenant representatives or brokers, or make the submission of an executed offer to purchase/lease contingent on the listing broker's agreement to modify the offer of compensation.

793 794 795

796

797

Section 16.19

All dealings concerning property exclusively listed or with buyer/tenants who are subject to an exclusive agreement shall be carried on with the client's representative or broker, and not with the client, except with the consent of the client's representative or broker or except where such dealings are initiated by the client.

798 799 800

801

802

803

Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospects, MLS participants shall ask prospects whether they are a party to any exclusive representation agreement. MLS participants shall not knowingly provide substantive services concerning a prospective transaction to prospects who are parties to exclusive representation agreements, except with the consent of the prospects' exclusive representatives or at the direction of prospects.

804 805 806

807

808

809

Section 16.20

Participants, users, and subscribers, prior to or after terminating their relationship with their current firm, shall not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm. This does not preclude participants from establishing agreements with their associated licensees governing assignability of exclusive agreements.

810 811 812

Section 16.21

- 813 These rules are not intended to prohibit ethical, albeit aggressive or innovative business practices, and do not 814 prohibit disagreements with other MLS participants involving commission, fees, compensation, or other
- forms of payment or expenses. 815

Section 16.22

MLS participants shall not knowingly or recklessly make false or misleading statements about competitors, their businesses, or their business practices.

Standard 16.23

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

Standard 16.24

- MLS participants shall present a true picture in their advertising and representations to the public, including the URLs and domain names they use, and participants may not:
 - 1. engage in deceptive or unauthorized framing of real estate brokerage websites;
 - 2. manipulate (e.g., presenting content developed by others) listing content in any way that produces a deceptive or misleading result; or
 - 3. deceptively use metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic, or to otherwise mislead consumers.

Orientation

Top

Section 17 Orientation

Any applicant for MLS Participation and any licensee affiliated with an MLS Participant shall complete an orientation program of no more than four (4) classroom hours or equivalent self-study training, if available, devoted to the MLS Rules and Regulations within four (4) months after access has been provided. Failure to satisfy this requirement shall be considered a violation of the CATRS MLS Rules for which MLS membership shall be suspended until such time as the training is completed. (Amended 10/06)

Internet Data Exchange (IDX)

847 **Top** 848

Section 18 IDX Defined

IDX affords MLS participants the option of authorizing display of their active listings on other participants' 849 850 Internet websites.

851 852

853

854

855 856

857

858 859

846

Section 18.1 Authorization

Note: Select one of the following two options.

Participants' consent for display of their active listings by other participants pursuant to these rules and regulations is presumed unless a participant affirmatively notifies the MLS that the participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit the display of that participant's listings, that participant may not download or frame the aggregated MLS data of other participants. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis as instructed by the seller.

860 861 862

863

864

865

Section 18.2 Participation

Participation in IDX is available to all MLS participants who are REALTORS[®] who are engaged in real estate brokerage and who consent to display of their listings by other participants. This requirement can be met by maintaining an office or Internet presence from which participants are available to represent real estate sellers or buyers (or both).

866 867 868

Section 18.2.1

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

870 871 872

869

Section 18.2.2

873 Participants must protect IDX information from misappropriation by employing reasonable efforts to 874 monitor and prevent "scraping" or other unauthorized accessing, reproduction, or use of the MLS database.

875 876

877

878

879

Section 18.2.3

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

880 881 882

883

884

885

886 887

Section 18.2.4

Participants may select the listings they choose to display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography or location ("uptown," "downtown," etc.), list price, type of property (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed on any IDX site must be independently made by each participant.

888 889 890

Section 18.2.5

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

893 **Section 18.2.6**

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

896

- 897 **Section 18.2.7**
- When displaying listing content, a participant's or user's IDX site must clearly identify the name of the
- brokerage firm under which they operate in a readily visible color and typeface.

900 901

- Section 18.3 Display
- Display of listing information pursuant to IDX is subject to the following rules:

902 903

- 904 **Section 18.3.1**
- Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of
- all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS
- participants and users (e.g., cooperative compensation offers, showing instructions, property security
- information, etc.) may not be displayed on IDX sites.

909

- 910 **Section 18.3.1.1**
- The type of listing agreement (e.g., exclusive right to sell, exclusive agency, etc.) may not be displayed on
- 912 IDX sites.

913

- 914 **Section 18.3.2**
- Participants shall not modify or manipulate information relating to other participants' listings. (This is not a
- 916 limitation on site design but refers to changes to actual listing data.) MLS data may be augmented with
- additional data not otherwise prohibited from display so long as the source of the additional data is clearly
- 918 identified. This requirement does not restrict the format of MLS data display or display of fewer than all of
- 919 the available listings or fewer authorized data fields.
- 920 **Section 18.3.3**
- All listings displayed pursuant to IDX shall identify the listing firm in a readily visible color and typeface not
- smaller than the median used in the display of listing data.

923

- 924 **Section 18.3.4**
- Non-principal brokers and sales licensees affiliated with IDX participants may display information available
- through IDX on their own websites subject to their participant's consent and control and the requirements of
- 927 state law and/or regulation.

928

- 929 **Section 18.3.5**
- Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information
- 931 is provided exclusively for consumers' personal, non-commercial use, that it may not be used for any
- purpose other than to identify prospective properties consumers may be interested in purchasing, and that the
- data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require
- use of other disclaimers as necessary to protect participants and/or the MLS from liability.

Section 18.3.6

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

- **Section 18.3.7**
- Display of expired, withdrawn, and pending listings is prohibited.

- **Section 18.3.8**
- Display of seller's(s') and/or occupant's(s') name(s), phone number(s), and email address(es) is prohibited.

- **Section 18.3.9**
- Participants are required to employ appropriate security protection such as firewalls, provided that any security measures required may not be greater than those employed by the MLS.

- **Section 18.3.10**
- IDX operators must maintain an audit trail of consumer activity on the IDX site and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers.
- data or a violation of MLS rules related to use by consumers.

 955

Section 18.4 Service Fees and Charges

Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

Virtual Office Websites (VOWs)

Top

Section 19.1 VOW Defined

- a. A "Virtual Office Website" (VOW) is a participant's Internet website, or a feature of a participant's website, through which the participant is capable of providing real estate brokerage services to consumers with whom the participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS listing information, subject to the participant's oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a participant may, with his or her participant's consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the participant's oversight, supervision, and accountability.
- b. As used in Section 19 of these rules, the term "participant" includes a participant's affiliated non-principal brokers and sales licensees—except when the term is used in the phrases "participant's consent" and "participant's oversight, supervision, and accountability". References to "VOW" and "VOWs" include all Virtual Office Websites, whether operated by a participant, by a non-principal broker or sales licensee, or by an "Affiliated VOW Partner" (AVP) on behalf of a participant.
- c. "Affiliated VOW Partner" (AVP) refers to an entity or person designated by a participant to operate a VOW on behalf of the participant, subject to the participant's supervision, accountability, and compliance with the VOW policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a participant. No AVP has the right to use MLS listing information, except in connection with operation of a VOW on behalf of one or more participants. Access by an AVP to MLS listing information is derivative of the rights of the participant on whose behalf the AVP operates a VOW.

d. As used in Section 19 of these rules, the term "MLS listing information" refers to active listing information and sold data provided by participants to the MLS and aggregated and distributed by the MLS to participants.

Section 19.2

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

Section 19.3

- a. Before permitting any consumer to search for or retrieve any MLS listing information on his or her VOW, the participant must take each of the following steps.
 - i. The participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter, "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
 - ii. The participant must obtain the name of and a valid e-mail address for each Registrant. The participant must send an e-mail to the address provided by the Registrant confirming that the Registrant has agreed to the terms of use (described in Subsection d., below). The participant must verify that the e-mail address provided by the Registrant is valid and that the Registrant has agreed to the terms of use.
 - iii. The participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The participant must also assure that any e-mail address is associated with only one user name and password.
- b. The participant must assure that each Registrant's password expires on a date certain, but may provide for renewal of the password. The participant must at all times maintain a record of the name, e-mail address, user name, and current password of each Registrant. The participant must keep such records for not less than one hundred eighty (180) days after the expiration of the validity of the Registrant's password.
- c. If the MLS has reason to believe that a participant's VOW has caused or permitted a breach in the security of MLS listing information or a violation of MLS rules, the participant shall, upon request of the MLS, provide the name, e-mail address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.
- d. The participant shall require each Registrant to review and affirmatively to express agreement (by mouse click or otherwise) to a terms of use provision that provides at least the following:
 - i. that the Registrant acknowledges entering into a lawful consumer-broker relationship with the participant

- ii. that all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use
 - iii. that the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW
 - iv. that the Registrant will not copy, redistribute, or retransmit any of the information provided, except in connection with the Registrant's consideration of the purchase or sale of an individual property
 - v. that the Registrant acknowledges the MLS' ownership of and the validity of the MLS' copyright in the MLS database
 - e. The terms of use agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the participant. Any agreement entered into at any time between the participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the participant must be established separately from the terms of use, must be prominently labeled as such, and may not be accepted solely by mouse click.
 - f. The terms of use agreement shall also expressly authorize the MLS and other MLS participants or their duly authorized representatives to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of participants' listings by the VOW. The agreement may also include such other provisions as may be agreed to between the participant and the Registrant.

Section 19.4

A participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the participant to ask questions or get more information about any property displayed on the VOW. The participant or a non-principal broker or sales licensee licensed with the participant must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that participant and displayed on the VOW.

Section 19.5

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

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

Section 19.6

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

Seller Opt-out Form

1. Check one.

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

on the Internet.

2. I understand and acknowledge that if I have selected Option a., consumers who conduct searches for listings

on the Internet will not see information about the listed property in response to their searches.

Initials of Seller

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

Section 19.7

- a. Subject to Subsection b., below, a participant's VOW may allow third-parties:
 - i.to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
 - ii. to display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.
- b. Notwithstanding the foregoing, at the request of a seller, the participant shall disable or discontinue either or both of those features described in Subsection a. as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all participants' websites. Subject to the foregoing and to Section 19.8, a participant's VOW may communicate the participant's professional judgment concerning any listing. A participant's VOW may notify its customers that a particular feature has been disabled at the request of the seller.

Section 19.8

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

Section 19.9 1127

1128 A participant shall cause the MLS listing information available on its VOW to be refreshed at least once 1129 every three (3) days.

1130

- 1131 **Section 19.10**
- Except as provided in these rules, in the NATIONAL ASSOCIATION OF REALTORS[®], VOW policy, or in any 1132
- 1133 other applicable MLS rules or policies, no participant shall distribute, provide, or make accessible any
- 1134 portion of the MLS listing information to any person or entity.

1135 1136

1137

- **Section 19.11**
- A participant's VOW must display the participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

1138 1139

- 1140 **Section 19.12**
- 1141 A participant's VOW may exclude listings from display based only on objective criteria, including, but not 1142 limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing
- 1143 broker, and whether the listing broker is a REALTOR[®].

1144

- 1145 **Section 19.13**
- 1146 A participant who intends to operate a VOW to display MLS listing information must notify the MLS of its
- 1147 intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS
- 1148 participants for purposes of verifying compliance with these rules, the VOW policy, and any other applicable
- 1149 MLS rules or policies.

1150

- 1151 **Section 19.14**
- 1152 A participant may operate more than one VOW himself or herself or through an AVP. A participant who
- 1153 operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her 1154
 - behalf. However, any VOW operated on behalf of a participant by an AVP is subject to the supervision and
- 1155 accountability of the participant.

1156

1158

1159

1160

1161

1162

1163

1164

- 1157 **Section 19.15**
 - A participant's VOW may not make available for search by or display to Registrants any of the following information:
 - a. expired, withdrawn, or pending ("under contract") listings
 - b. the compensation offered to other MLS participants
 - c. the type of listing agreement, i.e., exclusive right-to-sell or exclusive agency
 - d. the seller's and occupant's name(s), phone number(s), or e-mail address(es)
 - e. instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property

1165 1166 1167

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

- 1170 **Section 19.16**
- 1171 A participant shall not change the content of any MLS listing information that is displayed on a VOW from
- 1172 the content as it is provided in the MLS. The participant may, however, augment MLS listing information
- 1173 with additional information not otherwise prohibited by these rules or by other applicable MLS rules or
- 1174 policies, as long as the source of such other information is clearly identified. This rule does not restrict the

format of display of MLS listing information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields.

11771178 Section 19.17

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

Section 19.18

- A participant shall require that Registrants' passwords be reconfirmed or changed every 180 days.
- **Note:** Participants may, at their option, require Registrants to reconfirm or change passwords more frequently.

Section 19.19

A participant may display advertising and the identification of other entities ("co-branding") on any VOW the participant operates or that is operated on his or her behalf. However, a participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this section, co-branding will be presumed not to be deceptive or misleading if the participant's logo and contact information (or that of at least one participant, in the case of a VOW established and operated on behalf of more than one participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

Section 19.20

A participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing. (Adopted 1/21/09)

Lockbox Key Entry Systems

Top

Section 20.1 Definition: A lock box is a container affixed to property containing a device to gain access to the property being marketed by a participant in the MLS. Participants in the MLS or their salespersons (and licensed or certified appraisers affiliated with the participants) are authorized under certain conditions to open these lock boxes under terms specified by the listing broker. Cooperating brokers and sales licensees, whether functioning as subagents of the listing broker or as agents of potential purchasers, must contact the listing broker to disclose their agency status and to arrange appointments to show listed property even if the property has a lock box affixed to it unless the listing broker has given specific permission (through information published in the MLS or otherwise) to show the property without first contacting the listing broker.

Section 20.2 Lock Box Security Requirements

- 1. Any key, programmer, or other device (hereinafter referred to as key) by which a lock box can be opened shall be nonduplicative. By nonduplicative it is not meant that the key is necessarily covered by a current patent but that it cannot be readily copied in the manner that other types of keys ordinarily are.
- 2. Keys must be obtained from the original manufacturer, from a recognized vendor of lock box systems or from any other legitimate source. Prior to utilizing previously used keys, lids, or boxes, information shall be obtained from the original manufacturer to determine whether the key's pattern,

- code, or configuration is already in use by other associations, multiple listing services, or other users in the vicinity. Surrounding associations and multiple listing services shall also be contacted to determine whether the key's pattern, code, or configuration is currently in use.
 - 3. The lock box system is an activity of Capital Area Technology & REALTOR® Services, Inc. and as such, every MLS participant and every non-principal broker, sales licensee and licensed or certified appraiser who is affiliated with an MLS participant and who is legally eligible for MLS access shall be eligible to hold a key subject to their execution of a lease agreement with the lockbox vendor.
 - 4. The MLS charges keyholders with the obligation of immediately reporting lost, stolen, or otherwise unaccountable for keys to the association. Upon receipt of notice, the MLS shall take any steps deemed necessary to resecure the system.

Section 20.3 Refusing Service

CATRS may refuse to sell or lease lock box keys, may terminate existing key lease agreements, and may refuse to activate or reactivate any key held by an individual convicted of a felony or misdemeanor if the crime, in the determination of the association or MLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

CATRS may suspend the right of lock box keyholders to use lock box keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the association or MLS, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk.

Factors that can be considered in making such determinations include, but are not limited to:

- the nature and seriousness of the crime
- the relationship of the crime to the purposes for limiting lock box access
- the extent to which access (or continued access) might afford opportunities to engage in similar criminal activity
- the extent and nature of past criminal activity
- time since criminal activity was engaged in
- evidence of rehabilitation while incarcerated or following release and
- evidence of present fitness

No one shall be required to lease a key from the association except on a voluntary basis.

Section 20.4 Lockbox Use

Lock boxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or in a separate document created specifically for the purpose.

Only the Supra keyboxes are allowed to be entered under showing instructions as "on lockbox." Any other types of lockboxes can only be listed under the "Remarks" section of the MLS profile sheet.

It is against MLS Rules to lend a key to someone or to borrow anyone's key. There is no circumstance that this is allowed. The lender and the borrower are each subject to an automatic <u>\$500 FINE</u> for each instance of this violation.

If you lose your key or cannot get it to work, you can ask another keyholder to go with you to the showing or call one of the designated members who has in their possession, a LOANER KEY. A list of the current members in possession of a loaner key is available from the CATRS office. (Adopted 10/6/2009)