



Northern Arizona Association of REALTORS®

# MLS Rules and Regulations

December 2019



**USE CTRL + CLICK TO JUMP TO ANY SECTION BELOW**

- SECTION 1: REQUIRED LISTING CHARACTERISTICS ..... 2**
- SECTION 1.1: REQUIRED LISTINGS ..... 3
- SECTION 1.2: OPTIONAL LISTINGS ..... 3
- SECTION 1.3: PROHIBITED LISTINGS ..... 4
- SECTION 1.4: LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE ..... 5
- SECTION 1.5: LIMITED SERVICE LISTINGS ..... 5
- SECTION 1.6: DUPLICATE LISTINGS ..... 6
- SECTION 1.7: RETENTION OF RECORDS ..... 7
- SECTION 1.8: CORRECT PLACEMENT OF LISTING AGENT, LISTING  
BROKERAGE AND SELLER BRANDING ON MLS LISTINGS ..... 7
- SECTION 1.9: SECURITY OF PROPERTY ..... 8
- SECTION 1.10: SELLER'S NAME ON LISTING ..... 8
- SECTION 1.11: VERIFICATION OF INFORMATION ..... 8
- SECTION 1.12: SUBDIVISION LIST ..... 8
- SECTION 1.13: LISTING INPUT FEES ..... 8
- SECTION 1.14: CHANGE OF STATUS OF LISTING ..... 9
- SECTION 1.14.1: LISTING STATUSES: ..... 9
- SECTION 1.14.2: STATUS CHANGE CONSTRAINTS ..... 10
- SECTION 1.15: TEMPORARILY-OFF-MARKET/WITHDRAWAL OF LISTING PRIOR TO  
EXPIRATION ..... 10
- SECTION 1.16: REMOVED (07-12) ..... 10
- SECTION 1.17: NAMED PROSPECTS EXEMPTED ..... 10
- SECTION 1.18: LISTING MULTIPLE UNIT PROPERTIES ..... 10
- SECTION 1.19: EXPIRATION OF LISTINGS ..... 10
- SECTION 1.20: LISTINGS OF EXPELLED OR SUSPENDED MEMBER PARTICIPANTS ..... 11
- SECTION 1.21: LISTINGS OF RESIGNED MEMBER PARTICIPANTS ..... 11
- SECTION 1.22: MEDIA ..... 11
- SECTION 1.22.1: VIRTUAL STAGING ..... 12
- SECTION 1.23: NORTHERN ARIZONA MLS RIGHT TO EDIT OR DELETE A LISTING ..... 12
- SECTION 1.24: LISTINGS OF PROPERTY TO BE SUBDIVIDED ..... 12
  
- SECTION 2: KEYS AND LOCKBOXES ..... 13**
- SECTION 2.1: UNAUTHORIZED USE OF KEY ..... 15
- SECTION 2.2: RIGHT TO SUSPEND USE OF KEY ..... 15
- SECTION 2.3: LISTING ACCESSIBILITY ..... 16
  
- SECTION 3: SHOWINGS AND NEGOTIATIONS ..... 16**
- SECTION 3.1: PRESENTATION OF OFFERS ..... 17
- SECTION 3.2: SUBMISSION OF WRITTEN OFFERS ..... 17
- SECTION 3.3: RIGHT OF COOPERATING BROKERAGE IN  
PRESENTATION OF OFFER ..... 17
- SECTION 3.4: RIGHT OF LISTING BROKERAGE IN PRESENTATION  
OF COUNTER-OFFER ..... 17
- SECTION 3.5: REPORTING CONTRACTS AND SALES TO THE SERVICE ..... 18
- SECTION 3.6: DATA ENTERED FOR "COMPARABLE PURPOSES" ..... 18
- SECTION 3.7: ADVERTISING OF LISTINGS SUBMITTED TO THE SERVICE ..... 19
- SECTION 3.8: DISCLOSING THE EXISTENCE OF OFFERS ..... 19
- SECTION 3.9: AVAILABILITY OF LISTED PROPERTY ..... 19

<b>SECTION 4: REFUSAL TO SELL .....</b>	<b>19</b>
<b>SECTION 5: INFORMATION FOR MEMBER PARTICIPANTS ONLY .....</b>	<b>19</b>
SECTION 5.1: "FOR SALE" SIGNS .....	19
SECTION 5.2: "SOLD" SIGNS .....	19
SECTION 5.3: SOLICITATION OF LISTING SUBMITTED TO THE SERVICE .....	19
SECTION 5.4: UNAUTHORIZED DISCLOSURE OF LOGIN NAME AND PASSWORD .....	20
<b>SECTION 6: COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING.....</b>	<b>20</b>
SECTION 6.1: COMPENSATION OFFERS ARE BLANKET, UNILATERAL, UNCONDITIONAL .....	20
SECTION 6.2: ACCEPTABLE OFFERS OF COMPENSATION .....	20
SECTION 6.2.1: SHORT SALES.....	21
SECTION 6.3: NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY MEMBER PARTICIPANTS.....	21
SECTION 6.4: MEMBER PARTICIPANT AS PRINCIPAL .....	21
SECTION 6.5: MEMBER PARTICIPANT AS PURCHASER .....	22
SECTION 6.6: DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS .....	22
<b>SECTION 7: MEMBERSHIP POLICIES AND SERVICE FEES.....</b>	<b>22</b>
SECTION 7.1: MEMBERSHIP POLICIES: .....	22
SECTION 7.2: SERVICE FEES .....	22
SECTION 7.2.1: INITIAL PARTICIPATION FEE .....	23
SECTION 7.2.2: SUBSCRIPTION FEES.....	23
SECTION 7.3: UNAUTHORIZED USE OF THE SYSTEM .....	23
<b>SECTION 8: COMPLIANCE WITH RULES – AUTHORITY TO IMPOSE DISCIPLINE: .....</b>	<b>23</b>
SECTION 8.1: APPLICABILITY OF RULES TO USERS AND SUBSCRIBERS .....	24
<b>SECTION 9: CONSIDERATION OF ALLEGED VIOLATIONS .....</b>	<b>24</b>
SECTION 9.1: VIOLATIONS OF RULES AND REGULATIONS .....	24
SECTION 9.2: COMPLAINTS OF UNETHICAL CONDUCT.....	24
SECTION 9.3: COMPLAINTS OF UNAUTHORIZED USE OF LISTING CONTENT .....	25
SECTION 9.4: MLS VIOLATION REPORT/VIOLATION CATEGORIES .....	25
SECTION 9.4.1: CATEGORY I VIOLATIONS .....	26
SECTION 9.4.2: CATEGORY II VIOLATIONS .....	26
SECTION 9.4.3: CATEGORY III VIOLATIONS .....	27
SECTION 9.4.4: CATEGORY IV VIOLATIONS .....	27
SECTION 9.4.5: CATEGORY V VIOLATIONS .....	28
SECTION 9.5: COMPLIANCE FEE SCHEDULE.....	28
SECTION 9.6: FAILURE TO PAY FINES.....	28
SECTION 9.7: HEARING REQUEST.....	28
SECTION 9.8: MLS HEARINGS .....	29
SECTION 9.9: REQUESTS FOR DOCUMENTS .....	29
SECTION 9.10: CONTINUANCE OF HEARING .....	29
SECTION 9.11: CANCELLATION OF HEARING REQUEST .....	29
SECTION 9.12: RECORDING THE HEARING .....	30

SECTION 9.13: HEARING PROCEDURES .....	30
SECTION 9.14: AMENDING A COMPLAINT .....	30
SECTION 9.15: HEARING APPEALS .....	30
SECTION 9.16: HEARING OUTCOME .....	31
SECTION 9.17: RECORDS .....	31
<b>SECTION 10: CONFIDENTIALITY OF NORTHERN ARIZONA MLS INFORMATION</b>	<b>31</b>
SECTION 10.1: NORTHERN ARIZONA MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION .....	31
SECTION 10.2: ACCESS TO COMPARABLE AND STATISTICAL INFORMATION .....	31
<b>SECTION 11: OWNERSHIP OF NORTHERN ARIZONA MLS COMPILATION AND COPYRIGHTS .....</b>	<b>31</b>
SECTION 11.1: OWNERSHIP .....	33
SECTION 11.2: SUBSCRIPTION LIMITATIONS .....	33
<b>SECTION 12: DISTRIBUTION .....</b>	<b>33</b>
SECTION 12.1: DISPLAY .....	33
SECTION 12.2: REPRODUCTION .....	33
SECTION 12.3: PROPRIETARY DATA AND CONFIDENTIALITY .....	34
SECTION 12.4: DISPOSAL .....	35
SECTION 12.5: OBJECTIONABLE COMPANY AND WEBSITE NAMES .....	35
SECTION 12.6: USE OF THE TERM MLS .....	35
SECTION 12.7: CONFIDENTIAL DATA FIELDS .....	35
<b>SECTION 13: LIMITATIONS ON USE OF NORTHERN ARIZONA MLS INFORMATION .....</b>	<b>36</b>
<b>SECTION 14: CHANGES IN RULES AND REGULATIONS .....</b>	<b>36</b>
<b>SECTION 15: ORIENTATION .....</b>	<b>36</b>
<b>APPENDIX A: MLS IDX RULES .....</b>	<b>37</b>
1. IDX AND MLS DATA USAGE .....	37
2. CONSENT TO IDX DISPLAY .....	37
3. PARTICIPATION .....	37
4. NOTICE OF INTENT .....	37
5. USE OF MLS DATA .....	37
6. CONTROL AND BRANDING .....	38
7. WITHHOLDING PROPERTY ADDRESS FROM DISPLAY .....	38
8. SELLER WITHHOLDING IDX LISTING FROM DISPLAY .....	38
9. CRITERIA FOR IDX DISPLAY .....	38
10. CRITERIA FOR THUMBNAIL DISPLAY .....	38
11. REFRESH OF MLS DATA DOWNLOADS .....	38
12. SHARING OF MLS DATA COMPILATION .....	39
13. IDENTIFYING MEMBER PARTICIPANT'S BROKERAGE FIRM .....	39
14. LOCATION OF CONTACT INFORMATION .....	39
15. THIRD PARTY COMMENTS AND AUTOMATED VALUE ESTIMATES .....	39
16. COMMENTS ON IDX LISTINGS .....	39

17. CO-MINGLING OF DATA.....	39
18. SUSPENSION OR TERMINATION OF ACCESS TO MLS DATA.....	40
19. UNAUTHORIZED IDX ADVERTISING .....	40
20. DISPLAY OF FIELDS OF DATA.....	40
21. LISTING AGREEMENT TYPE.....	40
22. PROHIBITION OF LISTING MODIFICATION .....	40
23. IDENTIFYING THE LISTING BROKERAGE.....	40
24. IDENTIFYING THE SOURCE OF IDX LISTINGS.....	41
25. CONSUMER USE OF IDX LISTINGS.....	41
26. MAP DISPLAY OF IDX LISTINGS.....	41
27. LIMIT ON NUMBER OF LISTINGS DISPLAYED.....	42
28. DISPLAY OF LISTINGS FROM OTHER SOURCES .....	42
29. DISPLAY OF OFF-MARKET OR SOLD LISTINGS.....	42
30. DISPLAY OF SELLER INFORMATION .....	42
31. SECURITY OF IDX LISTINGS.....	42
32. REQUIRED DMCA NOTICE .....	42
33. FALSE OR MISLEADING ADVERTISING AND REPRESENTATIONS .....	43
34. PROHIBITED LANGUAGE .....	43
35. THIRD PARTY ADHERENCE TO RULES.....	43
36. SERVICE FEES, CHARGES AND FINES .....	44

**APPENDIX B: MLS VOW RULES..... 45**

1. VOW DEFINED .....	45
2. SCOPE OF POLICY .....	45
3. CONSUMER REGISTRATION VOW REQUIREMENTS .....	46
4. CONTACT INFORMATION .....	47
5. MONITORING .....	47
6. LISTINGS OR PROPERTY ADDRESSES.....	47
7. COMMENTS AND REVIEWS.....	48
8. ACCURACY OF PROPERTY INFORMATION.....	48
9. UPDATING OF INFORMATION .....	48
10. DISTRIBUTION OF INFORMATION.....	49
11. PRIVACY POLICY.....	49
12. EXCLUSION OF LISTINGS.....	49
13. INTENTION TO OPERATE VOW .....	49
14. MULTIPLE VOWS .....	49
15. LICENSE AGREEMENT .....	49
16. EXCLUSION FROM SEARCHES .....	49
17. CHANGING OR AUGMENTING CONTENT .....	50
18. LIMITATION ON NUMBER OF LISTINGS.....	50
19. PASSWORD CHANGE.....	50
20. ADVERTISING .....	50
21. SOURCE OF LISTINGS .....	50
22. VOW NOTICE .....	50
23. REGION SPECIFIC RULES .....	50

**RULES AND REGULATIONS  
OF THE  
NORTHERN ARIZONA MULTIPLE LISTING  
SERVICES, INC.**

---

---

The services provided to the Member Participants of a Board/Association Multiple Listing Service, are related to the dissemination of blanket unilateral offers of compensation and listing information required thereby, and any other services, such as statistical studies and accumulations (“Service”). The Northern Arizona Multiple Listing Services, Inc. (“Northern Arizona MLS” or “the Service”), is a Committee of the Northern Arizona Association of REALTORS® Association, Inc. (NAMLS).

These Rules and Regulations are policies adopted by the Northern Arizona Association of REALTOR® Board of Directors to govern the operation of the MLS. Northern Arizona MLS designed these rules to guide Member Participants and Subscribers while avoiding arbitrary restrictions on business practices.

Member Participants receive participatory rights from the Service.

“Broker in Charge” or “BIC” means a person or entity who is licensed as a real estate broker by the Arizona Department of Real Estate Commission(ADRE) and is designated as the Broker in Charge of any partnership, association, limited liability company, corporation or their business entity who, for compensation or valuable consideration, sells or offers for sale, buys or offers to buy, or negotiates the purchase or sale or exchange of real estate, or who leases or offers to lease, or rents or offers to rent, real estate or the improvements thereon for others. In most instances, but not necessarily, the Broker in Charge is the Member Participant.

“Broker” or “Licensee” means a real estate or appraisal licensee, other than the Broker in Charge in an office or firm.

“Listing Brokerage” means the firm who contracts as the agent of a property owner. For the purposes of these Rules and Regulations, the Listing Brokerage includes the Member Participant (firm) who is a party to the listing agreement with the Seller, as well as the Member Participant’s Subscribers.

“Cooperating Brokerage” means the Member Participants (firms) and Subscribers, other than the Listing Brokerage, who attempt to locate or do locate a buyer for the listing. A Cooperating Brokerage may be a subagent, a buyer agent, or a licensee acting in other agency or non-agency capacities defined by law.

“Nonmember” means a Subscriber who is not a member of a Board or Association of REALTORS® but who is under the supervision of a REALTOR® member of a Board or Association of REALTORS®.

“Nonparticipant” means anyone who is not a Member Participant or Subscriber of MLS.

“Realtor®” is a registered collective membership mark which identifies real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS® and subscribe to its strict Code of Ethics. Use of the word “REALTOR®” by non-REALTORS® is prohibited under federal copyright law.

## **LISTING PROCEDURES**

**SECTION 1: REQUIRED LISTING PROCEDURES** Listings submitted to the MLS shall possess all the following characteristics:

1. The subject of the listing must be real property, for sale, exchange or lease.
2. The listing must belong to a real estate brokerage.
3. The listing must qualify for one of the following property categories: 1) residential for sale 2) residential for lease, 3) multi-family, 4) land, lots and acreage, 5) commercial/industrial or 6) business.
4. All Residential and Land Listings submitted for publication must contain photo or rendering of actual property except where seller expressly direct that photographs of their property not appear in the MLS compilations. **\*Note: Line Art or Satellite Photos are not acceptable as primary photo.**
5. A new or used Manufactured or Mobile home location in a Mobile Home Park if the Listing Subscriber is acting as an agent for a home that is being offered for sale by a licensed Manufactured Housing Dealer.

**Note:** Only a licensed Manufactured Housing Dealer may write the contract for the sale of a new or used Manufactured Home, or a Mobile home being offered for sale by the Manufactured Housing Dealer

6. The listing must be subject to one of the following two types of listing agreements as defined by the National Association of Realtors® (NAR):
  - **Exclusive Right to Sell Listing Agreement:** A contractual agreement under which the Listing Brokerage acts as the agent of the Seller(s), and the Seller(s) agrees to pay a commission to the Listing Brokerage, regardless of whether the property is sold through the efforts of the Listing Brokerage, the Seller(s), or anyone else, except that the Seller(s) may name one or more individuals or entities as exemptions in the listing agreement and if the property is sold to any exempted individual or entity, the Seller(s) is not obligated to pay a commission to the Listing Brokerage.
  - **Exclusive Agency Listing Agreement:** A contractual agreement under which the Listing Brokerage acts as the agent of the Seller(s), and the Seller(s) agrees to pay a commission to the Listing Brokerage if the property is sold through the efforts of any real estate broker. If the property is sold solely through the efforts of the Seller(s), the Seller(s) is not obligated to pay a commission to the Listing Brokerage.
7. The Seller, in the listing agreement, must authorize the Listing Brokerage to offer cooperation and compensation to the other Member Participants of Northern Arizona MLS acting as subagents or buyer agents or in other agency or non-agency capacities defined by law. Entering a listing in the MLS without a valid, signed listing agreement is a Category II violation as described in Section 9.4.2 and carries a fine.
8. **DETAILS ON LISTINGS SUBMITTED TO THE SERVICE:** When a listing is submitted to the MLS, the Listing Brokerage shall complete the listing agreement and property data form in every detail which is reasonably ascertainable. The Listing Brokerage shall not enter the listing into the computer unless all required fields on the property data form and listing agreement are filled.

9. **LISTING PRICE SPECIFIED:** The Listing Brokerage must include the full gross listing price stated in the listing agreement in the information submitted to the Service, unless the property is subject to auction. If the property is subject to auction, the listing must include an actual list price, assessed value, starting bid or market value in the list price field
10. **TERMINATION DATE OF LISTINGS:** Listings submitted to the Service shall bear a definite and final termination date as negotiated between the Listing Brokerage and the Seller.

**SECTION 1.1: REQUIRED LISTINGS:** With the exception of commercial and rental listings, all Exclusive Right to Sell listings meeting the requirements of Section 1 and located within the Service Area are required to be submitted to the MLS.

Failure to input a new listing required to be entered into the MLS System is a Category II violation as described in Section 9.4.2 and carries a fine.

***Section 1.2 – Clear Cooperation***

*Within one (1) business day of marketing a property to the public, the listing broker must submit the listing to the MLS for cooperation with other MLS participants. Public marketing includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public. (Adopted 11/19)*

***Note: Exclusive listing information for required property types must be filed and distributed to other MLS Participants for cooperation under the Clear Cooperation Policy. This applies to listings filed under Section 1 and listings exempt from distribution under Section 1.3 of the NAR model MLS rules if it is being publicly marketed, and any other situation where the listing broker is publicly marketing an exclusive listing that is required to be filed with the service and is not currently available to other MLS Participants.***

**Section 1.3 Exempt Listings**

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

*Note: MLS Participants must distribute exempt listings within (1) one business day once the listing is publicly marketed. See Section 1.2, Clear Cooperation.*

**SECTION 1.4: OPTIONAL LISTINGS:** The Listing Brokerage may, with the informed consent of the Seller/landlord, submit the following types of listings to the MLS.

1. **PROPERTIES FOR LEASE:** The Listing Brokerage may submit to the MLS real property for lease, listed subject to a written agency agreement between a landlord and real estate broker to procure tenants or receive rents for the landlord's property, which makes it possible for the Listing Brokerage to offer cooperation and compensation to other Member Participants of the MLS.



2. Northern Arizona MLS will accept but cannot require listings of property located outside the Service Area.
3. COMMERCIAL LISTINGS
4. **AUCTION PROPERTIES:** Northern Arizona MLS accepts exclusively listed property that is subject to auction (Absolute Auction or Auction With Reserve); however, any listing submitted is entered into within the scope of the Listing Brokerage's licensure and in accordance with all other requirements for listing input. Such listings must include an actual list price, assessed value, starting bid or market value in the list price field, and all required fields must be completed. If a "Starting Bid" cannot be established in accordance with these rules, then an actual "List Price," "Assessed Value" or "Market Value" must be input into the "List Price" field. Compensation must be offered as described in the entire Section 6 of these rules. The auction firm name/auctioneer and auction firm/auctioneer license number must be included in the "Public Remarks" field, but no other contact information may be included in the "Public Remarks." Any other contact information or bidding website, if applicable, must be included in the "Agent Remarks."
5. **FRACTIONAL LISTINGS:** Northern Arizona MLS will accept fractional listings, but not timeshare listings. A fractional listing is defined as a listing where the buyer receives a recorded deed for a share of the property, while a timeshare listing is defined as a listing where the buyer receives a right to use the property, but not own any portion of the property itself. Legal restrictions can apply to fractional ownership, including state real estate law, private deed restrictions and federal/state securities law. If a Participant chooses to enter a fractional listing into the MLS, (i) "Fractional Ownership" under the "Special Conditions" field must be selected, and (ii) the number of shares or amount of ownership must be expressed as either a percentage or a fraction (for example: "Fractional ownership of 75%" or "Fractional ownership of  $\frac{3}{4}$ ") in the first line of the "Public Remarks" field. Shares of an LLC cannot be listed in Northern Arizona MLS, because the sale of shares of an LLC involves legal situations that are not typical of real estate sales.

**SECTION 1.5: PROHIBITED LISTINGS:** Northern Arizona MLS does not regulate the type of listings Member Participants may take; however, Northern Arizona MLS does not accept Net Listings or Open Listings

**NET LISTINGS:** A brokerage fee arrangement in a listing contract whereby the Seller will receive a fixed price for his property and the broker will receive any amount realized (i.e., the "net") in excess of that price. Net listings are deemed unethical and, in most states, illegal.

**OPEN LISTINGS:** A contractual agreement under which the listing broker acts as the agent of the Seller(s), and the Seller(s) agrees to pay a commission to the listing broker only if the property is sold through the efforts of the listing broker. The inherent nature of an Open Listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.

**SECTION 1.6: LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE:** All listings taken by Member Participants are subject to these rules. The Listing Brokerage must input each listing required to be submitted to the Service after obtaining the Seller's

signature on the listing agreement and within 72 hours (excluding holidays and weekends) of the "Marketing Date" Office Exclusive listings as defined in Section 1.2 #3 cannot be entered into the MLS system by the Listing Brokerage once the listing is under contract.

*Within one (1) business day of marketing a property to the public, the listing broker must submit the listing to the MLS for cooperation with other MLS participants. Public marketing includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public. (11/11/19)*

**SECTION 1.7: LIMITED SERVICE LISTINGS:** Listing agreements under which the Listing Brokerage will not provide one, or more, of the following services:

- a. arrange appointments for Cooperating Brokerages to show listed property to potential purchasers but instead gives Cooperating Brokerages authority to make such appointments directly with the Seller(s);
- b. accept and present to the Seller(s) offers to purchase procured by Cooperating Brokerages but instead gives Cooperating Brokerages 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

The Listing Brokerage must identify any Limited Service Listing by selecting Limited Representation Agreement in the MLS System to inform potential Cooperating Brokerages, prior to them initiating efforts to show or sell the property, of the extent of the services the Listing Brokerage provides to the Seller(s), and any potential for the Seller(s) to ask the Cooperating Brokerages to provide some or all of these services. Failure to indicate that a listing is a Limited Service Listing is a Category II violation as described in Section 9.4.2 and carries a fine.

**SECTION 1.8: DUPLICATE LISTINGS:** Duplicate listings can be misleading, skew statistics and make Comparative Market Analyses (CMAs) cumbersome. No more than two active listings are allowed in the System per Parcel ID number. All duplicate listings must be cross referenced in the "Public Remarks" field with the additional MLS numbers, and each listing must be maintained concurrently. If the property sells, the Listing Brokerage must report the pending sale and closing on only one listing, and change any additional listings to "Cancelled" status.

**Prohibited:**

- Properties cannot be listed as a “three bedroom” listing and as a “four bedroom” listing, entered once in each of two different subdivisions, in more than one city, county, zip code, property style, etc.
- A condo/townhouse unit cannot be entered as a residential single family listing. Conversely, single family cannot be entered as residential condo/townhouse.
- A listing cannot be added more than once to gain additional exposure as another “new” listing, to obtain an extension for a listing or if a mistake was made when entering information on a listing. Rather, Northern Arizona MLS should be contacted for assistance to update an expiration date or correct the error.
- Properties that are co-listed cannot be listed more than once.
- Sometimes more than one broker claims to have a valid listing agreement for the same property. Always search the database prior to entering a new listing to ensure that a listing is not a duplicate. Generally, Northern Arizona MLS does not determine the validity of claims of competing contracts. The brokers and seller are responsible for resolving the validity questions prior to entering a listing into the MLS. Entering a listing into the MLS without a valid written listing agreement and failure to withdraw a listing upon termination of a listing agreement are both Category II violations as described in Section 9.4.2 and carry a fine.

**Allowed:**

- Properties with multiple parcels can be listed together, separately or both; however, properties can be listed separately only if they can be purchased separately. Listings of property to be subdivided must comply with Section 1.24.
- A single family or condo/townhouse property listed for sale that can also be leased can be listed in the rental section as well.
- A property with a structure on it that is marketed for the land value can be listed under Lots/Acres and other applicable property type(s) (e.g., Single Family, Commercial, etc.).
- A duplicate listing can be submitted in the applicable property type(s) when the highest and best use is inconsistent with current zoning. If the property is non-conforming or requires rezoning (e.g., a single-family property listed as commercial), it must be disclosed in Public Remarks.
- **New construction listings with model homes proposed must adhere to the following guidelines:**
  - Only **ONE** listing per **APN**
  - **MUST Have Address.** If address not yet established, listing must have actual street name AT A MINIMUM
  - Listing must include **accurate directions** to actual APN listed
  - Only **ONE plan and lot per listing.** Marketing remarks can state accurate info informing that other plans may be available on one particular lot at different pricing.
  - **NO BRANDING** allowed on ANY Photos (including floorplans.)
  - **Listing MUST include photo of actual lot.** (Does not have to be primary photo.) **Listing photo MUST** be updated with accurate building photo upon completion and obtaining Certificate of Occupancy.

- A single family listing with a rental unit (attached or a separate building) can be listed under Single Family with a Second Living Quarters and as a multi-family property.

**SECTION 1.9: RETENTION OF RECORDS:** The Listing Brokerage must keep on file the originals of all the listing forms in accordance with state licensing law and must make them available to the MLS upon request. (*Amended 6-05*)

Failure to provide Northern Arizona MLS with requested documentation within 48 hours is a Category II violation as described in Section 9.4.2 and carries a fine.

**SECTION 1.10: CORRECT PLACEMENT OF LISTING AGENT, LISTING BROKERAGE AND SELLER BRANDING ON MLS LISTINGS:** “Branding” is defined as any information that might lead a consumer directly back to the listing agent, Listing Brokerage, Seller, Lender, Title Company, or other outside vendors including, but not limited to: phone numbers; e-mail addresses; websites that give reference to the listing agent, Listing Brokerage or Seller; company and/or personal names; “for-sale” signs (excluding signs required by neighborhood restrictions if the text of the sign is illegible); logos; slogans; recorded sound that gives reference to the listing agent, Listing Brokerage or Seller; and theme songs. Branding is prohibited in the “Public Fields” of a listing defined as fields provided on the Customer Report, Client Portal, and distributed in the IDX Database, including but not limited to Photos, Photo Captions, Virtual Tours and videos, Directions, Remarks, Restrictions (Lots/Acres/Farms, and Commercial).

The Virtual Tour Universal Resource Locator (“URL”) may not contain any characters within the URL which could identify or direct a user back to the listing agent, Listing Brokerage or Seller’s website, or any “favicon” resembling the listing agent, Listing Brokerage or Seller logo. Virtual tours and videos may not contain Branding other than the virtual tour vendor name, and if the listing agent or Listing Brokerage is the virtual tour vendor, the name of the listing agent or Listing Brokerage cannot be included.

In addition, Public Fields cannot include content such as:

- any reference to commission, compensation, referral fees or incentive offered to a buyer’s agent;
- any reference to a scheduled open house/model open/sales office open or to a TV showing of the property; or
- instructions to place offers on eBay or other auction websites.

**SECTION 1.11: SECURITY OF PROPERTY:** The Listing Brokerage must not put combination lockbox codes or security system codes in any field of the MLS System. An infraction of this rule is a Category III violation as described in Section 9.4.2 and carries a fine.

**SECTION 1.12: SELLER'S NAME ON LISTING:** If Seller(s) (excluding Member Participants and Subscribers of Northern Arizona MLS) indicate on the listing agreement to withhold their names and other contact information, the Listing Brokerage may honor this stipulation and not submit that information to the Service.

Member Participants and Subscribers must disclose in the Public Remarks field, if they are the owners of or have an ownership interest in the property submitted to the Service. If the owner is not obvious (i.e., ownership by a business entity and the Member Participant or Subscriber has an ownership interest), the Listing Brokerage shall make the disclosure in the Agent Remarks section. (*Amended 5-08*)

**SECTION 1.13: VERIFICATION OF INFORMATION:** Northern Arizona MLS is not responsible for verifying listing information.

**SECTION 1.12: SUBDIVISION LIST:** The Listing Brokerage must provide verification of any new subdivision or complex name to be added to the MLS System before Northern Arizona MLS will add it to the list. Appropriate forms of verification (in order of preference) are a copy of a deed or a copy of the approved preliminary subdivision plat map. If the marketing name is different from the name that was actually recorded, a photograph of the entry monument, or a professionally designed brochure or website for the subdivision, can accompany a copy of a deed or a copy of the approved preliminary subdivision plat map. Any request to add a subdivision or complex name that cannot be verified as described by this rule must be approved by the Northern Arizona MLS Board of Directors. Northern Arizona MLS staff does not accept complaints alleging "incorrect subdivision" regarding neighborhoods or subdivisions without defined boundaries.

**SECTION 1.14: LISTING INPUT FEES:** Member Participants and Subscribers may request Northern Arizona MLS staff to enter their listings into the computer for \$25 per listing.

The Northern Arizona MLS office can only make changes to the information of a listing if the changes are requested in writing (e-mail is acceptable) by the Listing Brokerage. In order for Northern Arizona MLS staff to withdraw a listing, the Member Participant must complete and sign the Northern Arizona MLS Amendment form

**SECTION 1.15: CHANGE OF STATUS OF LISTING:** The Listing Brokerage must input any change in listed price or other change in the original listing agreement, only when authorized in writing by the Seller(s) and within 72 hours (excluding holidays and weekends) after the Listing Brokerage receives the authorized change.

**SECTION 1.15.1: LISTING STATUSES:** Northern Arizona MLS uses the following status types to indicate a property's availability:

- **ACTIVE:** The listing is available with no contingencies, contract or rental application registered against it. Short sale listings cannot be left on "Active" status while the buyer and seller are waiting for lender approval of the contract. "DOM" and "CDOM" accrue from the date entered in the "Listing Contract Date" or the "Expected Active Date."
  - **ACTIVE CONTINGENCY REMOVAL:** Accepted contract that have a contingency other than the contingencies in the pre-printed portion of the contract; such as, sale of another house or confirmation of employment, etc. The seller may consider offers.
  - **PENDING TAKE BACKUPS:** Accepted contract that doesn't have any contingencies except those in the pre-printed portion of the contract; however, the seller will still consider other offers as backups to the accepted contract
  - **PENDING:** Accepted contract wherein there are no contingencies or all contingencies have been removed and seller is no longer taking backups.
  - **CLOSED** - The property is rented or sold and settled.
- A. **EXPIRED** - Listings automatically expire on the expiration date unless prior to that date the listing brokerage extends or renews the listing agreement. Listings that have not been extended within 30 days will require a new "Data Form" and a new "Exclusive Authorization to Sell Listing Agreement" signed by sellers for re- entry into the MLS system. If under 30 days, a change order signed by the seller(s) extending the listing must be submit to the Association Office.
- **WITHDRAWN** - The listing agreement has been terminated prior to its listing expiration date. Only Member Participants with head-broker or office-broker permissions in the MLS system can withdraw listings. Withdrawn listings cannot be returned to "Active" status.
  - **CANCELLED:** Listing permanently removed from market. Cancelled listings cannot be returned to "Active" status.

**SECTION 1.16: WITHDRAWAL OF LISTING PRIOR TO**

**EXPIRATION:** The Listing Brokerage may withdraw a listings from the MLS before the expiration date of the listing agreement only when authorized by the Seller(s) and agreed to by the Listing Brokerage in writing.

Sellers do not have the unilateral right to require the MLS to withdraw a listing without the Listing Brokerage's concurrence. However, when a Seller(s) can document that he has

terminated his exclusive relationship with the Listing Brokerage, the MLS may remove the listing at the request of the Seller. Failure to withdraw a listing upon termination of a listing agreement is a Category II violation as described in Section 9.4.2 and carries a fine.

**SECTION 1.17: NAMED PROSPECTS EXEMPTED:** Seller(s) may name prospects who are exempt from the listing agreement. If a named prospect exempt from the listing agreement buys the property, the Seller(s) is not obligated to pay a commission to the Listing Brokerage. The Listing Brokerage must clearly distinguish Exclusive Agency and Exclusive Right to Sell listings with named prospects exempted by entering the information in the "Private Remarks" field in the MLS System.

**SECTION 1.18: LISTING MULTIPLE UNIT PROPERTIES:** The Listing Brokerage may enter Multiple Unit Properties into the MLS as one listing, stating the number and types of units available. When an individual unit has been sold, the Listing Brokerage must enter the unit into the MLS System for comparable purposes. Multiple Unit Properties include condos, townhouses and single family new construction where multiple units are listed with a single listing.

**SECTION 1.19: EXPIRATION OF LISTINGS:** Listings submitted to the MLS automatically expire on the expiration date specified in the listing agreement unless prior to that date the Listing Brokerage extends or renews the listing agreement. If the Listing Brokerage renews or extends the listing after it has expired, the Listing Brokerage may either return the listing to active or enter a new listing. The Seller(s) must sign the extension or renewal of listing and the Listing Brokerage must report the extension or renewal to the MLS.

**SECTION 1.20: LISTINGS OF EXPELLED OR SUSPENDED MEMBER PARTICIPANTS:** When Northern Arizona MLS expels or suspends a Member Participant of the Service for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Northern Arizona Association Bylaws or bylaws of the association to which they belong, *Northern Arizona MLS Rules and Regulations*, or other membership obligations except failure to pay appropriate dues, fees or charges), Northern Arizona MLS must retain all listings currently submitted to the Northern Arizona MLS by the expelled or suspended Member Participant, at the Member Participant's option, until sold, withdrawn or expired and Northern Arizona MLS must not renew or extend the listings beyond the termination date of the listing agreement in effect when the suspension became effective. If a Member Participant has been expelled or suspended from the NAAR or Northern Arizona MLS (or both) for failure to pay appropriate dues, fees or charges, Northern Arizona MLS is not obligated to provide services, including continued inclusion of the expelled or suspended Member Participant's listings in the Northern Arizona MLS Compilation of current listing information. Prior to any removal of an expelled or suspended Member Participant's listings from the Northern Arizona MLS, Northern Arizona MLS will advise the expelled or suspended Member Participant in writing of the intended removal so that the expelled or suspended Member Participant may advise his/her client.

**SECTION 1.21: LISTINGS OF RESIGNED MEMBER PARTICIPANTS:** When a Member Participant resigns from the Service, Northern Arizona MLS is not obligated to provide services, including continued inclusion of the resigned Member Participant's listings in the Northern Arizona MLS Compilation of current listing information. Prior to any removal of a resigned Member Participant's listings from Northern Arizona MLS, Northern Arizona MLS must advise the resigned Member Participant in writing of the intended removal so that the resigned Member Participant may advise his/her clients.

**SECTION 1.22: MEDIA:** With the exception of land, at least one digital image (photo/plat map/rendering) of each property listed in the MLS shall be submitted to the Service immediately upon saving the listing as "Active," except where sellers expressly direct that photographs of their property not appear in the MLS compilations. Written documentation requesting that a digital image not be submitted, signed by the seller, should be available for review if requested by the Service. At least one photo must be an exterior view of the property structure for sale with the exception that for land, a plat or map of the specific property is acceptable. All photos uploaded must be representative of the property, landscape, views, neighborhood and surrounding community. If using a photograph (excluding artist renderings) that is similar to but not a photograph of the actual listing, users must include a disclaimer "example photo" across the photograph.

**SECTION 1.22.1: VIRTUAL STAGING:** *"Virtual Staging" is defined as using photo editing software to create a photo or conceptual rendering of what a room and/or property could look like, if it were staged or lived in.*

- a. **Prohibited Inclusions:** *Modifying photo(s)/rendering(s) to include visual elements not within a property owner's control is strictly prohibited. Example: Editing in a view of the peaks that is not physically possible from the specified location in the real world.*
- b. **Prohibited Exclusions:** *Modifying photo(s)/rendering(s) to exclude visual elements not within a property owner's control is strictly prohibited. Example: Removing power lines, water towers and/or nearby highways.*
- c. **Permitted Uses:** *Modifying photo(s)/rendering(s) to include personal property items not conveyed with the real property is permitted. Permitted personal property modifications include, but are not limited to:*
  - *Applying digital photos of furniture, mirrors, artwork, plants, etc. into a photo of an empty room.*
  - *Removing existing furniture from a photo and replacing it with digital images of furniture, mirrors, artwork, plants, etc.*

*Disclosure of virtually-staged photo(s) is required to be readily visible on the image, and a non-staged image must be included immediately following or preceding the virtually-staged photo(s).*

- d. **Permitted Virtual Staging and Listings of Properties Not Fully Constructed:** *Virtually-staged photo(s)/rendering(s) on either (a) To-Be Built or (b) Under Construction is permitted for all facets of real property to be conveyed to a buyer in a sale. Disclosure of virtually-staged photo(s)/rendering(s) is required on the image. (6/19)*



**SECTION 1.23: NORTHERN ARIZONA MLS RIGHT TO EDIT OR DELETE A LISTING:**

Northern Arizona MLS reserves the right to delete or edit a listing that violates the *Northern Arizona MLS Rules and Regulations* or any applicable laws upon advice of legal counsel and may make administrative corrections of property information necessary to ensure accuracy or consistency in MLS compilations.

**SECTION 1.24: LISTINGS OF PROPERTY TO BE SUBDIVIDED:** Property that is to be subdivided shall be listed in the MLS only when (i) the proposed division is exempt from the local subdivision ordinance, or (ii) when the property is subject to a purchase contract that satisfies all of the requirements of applicable law including, but not necessarily limited to Arizona Department of Real Estate General Statutes. Participants are encouraged to obtain advice of legal counsel to determine whether either of the above conditions has been satisfied. Northern Arizona MLS does not determine whether such condition or conditions have been satisfied, and makes no representation as to whether any listing in the MLS does or does not comply with such condition(s). Upon listing a property that does not have final subdivision approval, the Participant shall be deemed to have represented to Northern Arizona MLS and to all other Participants that one or the other of the above conditions has been satisfied.

**KEYS AND LOCKBOXES**

**SECTION 2: KEYS AND LOCKBOXES:** Member Participants and Subscribers must use an approved key, i.e., the Supra Lockboxes in accordance with the terms and conditions specified by the Supra Keyholder Agreement (the “Supra Agreement”) or in addition to these additional policies. Any violation of a rule contained in this entire Section 2, excluding Section 2 G 3 and 2 G 5, is a Category II violation as described in Section 9.4.3 and carries a fine. Any violation of Section 2 G 3 and 2 G 5 is a Category IV violation as described in Section 9.4.4 and carries a fine.

- A. **KEY:** Refers to the Supra ActiveKEY, Supra eKEY, herein after collectively referred to as “Key.”
- B. **KEYHOLDER:** Means a Member Participant or Subscriber of the Service in good standing who is entitled to use one of the approved key systems (the Supra System collectively referred to herein as the “System”) in accordance with Supra lease with the Service. All Keyholders must hold a valid real estate sales or broker’s license or be certified by an appropriate state regulatory agency to engage in the appraisal of real property in Arizona or where the Key System will be used.
- C. **AFFILIATE KEYHOLDER:** Means an affiliate member of NAAR or an affiliate member of another Realtor® association where Northern Arizona MLS is the primary MLS, as defined below
  - 1. **Inspectors:** Home and Pest qualify, provided proof of licensure is presented and, if applicable, proof that individual is an affiliate member, in good standing, of another Realtor® association. Unlicensed assistants are not permitted to lease a key.
- D. **LOCKBOX:** Refers to the individual Lockboxes and the lockbox system manufactured by and leased to Member Participants and Subscribers. The term “Lockbox” may also include combination lockboxes.

- E. **POSSESSION OF KEY:** Each Keyholder may possess either the Supra eKEY or ActiveKEY. If a Key is lost or requires replacement for any reason, the replacement cost for the Key shall be the replacement price set forth in Membership Policies and Procedures. Keyholders must immediately report a stolen Key to the NAMLs.
- F. **CURRENT UPDATE CODE:** The Supra Key products have an update code that expires daily to prohibit further use of the Supra Key products until a new current update code is obtained from Supra (automatic) or NAMLs and entered into the Supra Key. Update codes shall be issued only to Keyholders in good standing with the MLS. A Keyholder is in good standing if he or she is in full compliance with all obligations related to the Service and Key System, including, without limitation, the terms of these Rules and Regulations.
- G. **SECURITY OF EQUIPMENT:** Each Keyholder must maintain the security of each Key and the Personal Identification Number ("PIN") of each Key, if applicable, to prevent the use of the Key by unauthorized persons. Each Keyholder, whether such Key is being actively used or not, shall abide by the following conditions:
1. to keep the Key in the Keyholder's possession or in a safe place at all times;
  2. not to allow the PIN for the Key, if applicable, to be attached to the Key for any purpose whatsoever or to be disclosed to any third party;
  3. not to lend or otherwise transfer the Key to any other person or entity, or permit any other person or entity to use the Key for any purpose whatsoever, whether or not such other person or entity is a real estate broker;
    - a. Licensed key subscriber (Category III)
    - b. Licensed non-key subscriber (Category IV w/ \$1000 fine)
    - c. Unlicensed individual (Category IV)
  4. not to duplicate the Key or allow any other person to do so;
  5. not to assign or transfer or the Key;
  6. not to destroy, alter, modify, disassemble or tamper with the Key or knowingly or unknowingly allow anyone else to do so;
  7. to notify the NAMLs immediately in writing of a loss or theft of the Key or any Lockboxes, and of all circumstances surrounding such loss or theft;
  8. to pay in full for any lost or stolen Key or to complete and deliver to the NAMLs a stolen Key affidavit prior to and as a condition of the issuance of a replacement Key;
  9. to follow all additional security procedures as specified by the MLS; and
  10. to safeguard the code for each Lockbox from all other individuals and entities, whether or not they are authorized users of the Key System.

**AUTHORIZATION:** The property owner, as well as any tenant(s) in possession of the property, if applicable, must provide prior written authorization to install or use a Lockbox before a Lockbox is installed or used on any piece of real property. The Service requires a written agency agreement to install or use an approved Lockbox on any real property. Keyholders must use extreme care to ensure that all doors to the listed property and the Lockbox are locked. The Listing Brokerage must inform all owners and tenant(s) of real property that the Lockbox is not designed or intended as a security device.

**H. STATEMENT OF ADMINISTRATIVE PROCEDURES AND OPERATING**

**STANDARDS:** Each Keyholder acknowledges that the use of the Key System is also subject to the terms and conditions of the applicable Supra Administration Agreement and that failure of Supra, or the MLS to perform any of their respective obligations under each Agreement may detrimentally affect such party's use of the applicable Key System. Each Keyholder expressly waives any right to exercise any right or remedy arising under, relating to or by virtue of any default by any person under the applicable Agreement or under any other agreement executed and delivered in connection with the use or leasing of the Supra System. Each Keyholder further acknowledges and agrees that the MLS may exercise any remedies it may have under the each applicable Agreement.

**I. ACKNOWLEDGMENT:** Each party using a Key System hereby acknowledges that it is not a security system. The Key System is a marketing convenience key control system, and as such, any loss of Keys or disclosure of Personal Identification Numbers compromises the integrity of the Service and the Key System, and each party agrees that it will use its best efforts to insure the confidentiality and integrity of all components.

**J. LOCKBOXES:** Lockboxes belonging to NAAR are lease property. Each firm is responsible for maintaining up-to-date records of the location of each Lockbox leased to the firm's Member Participants and Subscribers.

1. Keyholders must notify the NAMLS of transfers of ownership of Lockboxes from one firm or individual to another by completing the necessary Lockbox Transfer Form.
2. Keyholders must never attach a Lockbox shackle code to a Lockbox.
3. The NAMLS does not program lockboxes from other MLSs.
4. The NAMLS does will deprogram NAMLS lockboxes to be used in other MLSs.

**SECTION 2.1: UNAUTHORIZED USE OF KEY:** The lending of Keys for any reason is prohibited. Each Keyholder must secure the Key to prevent anyone from discovering the PIN number.

Keyholders using Keys from other MLSs or associations that cooperate with Northern Arizona MLS are subject to these Key and Lockbox rules and regulations, penalties and fines on the same terms as all other Keyholders.

**SECTION 2.2: RIGHT TO SUSPEND USE OF KEY:** The Service may refuse to lease a Key, may terminate an existing Key lease agreement, and may refuse to activate or reactivate any Key held by an individual convicted of a felony or misdemeanor, or who is under investigation by the ADRE, if the crime or circumstances of the investigation, in the determination of the Service with subsequent approval of the Northern Arizona Association of REALTOR® Board of Directors (Described under Article VI of the Northern Arizona Bylaws), relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

The Service may suspend the right of Keyholders to use Keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the Northern Arizona Association of REALTORS® Board of Directors, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk.

Factors the Northern Arizona Association of REALTOR® Board of Directors can consider in making such determinations include, but are not limited to:

- a) that nature and seriousness of the crime,
- b) the relationship of the crime to the purposes for limiting Lockbox access,
- c) the extent to which continued access might afford opportunities to engage in similar criminal activity,
- d) the extent and nature of past criminal activity,
- e) time since criminal activity was engaged in,
- f) evidence of rehabilitation while incarcerated or following release, and
- g) evidence of present fitness.

**SECTION 2.3: LISTING ACCESSIBILITY:** The Service requires placement of an “approved” Supra lockbox or other access device on listed properties if any device giving access to real estate professionals or service providers is authorized by the seller and occupant and is placed on the property. The purpose of this requirement is to ensure cooperating participants and subscribers have timely access to listed properties. Requiring that a lockbox or other access device be “approved” does not limit the devices that satisfy the requirement to lockboxes leased by the Service. The Service may require that the devices be submitted in advance for approval, and the access device may be any lockbox or other access device that provides reasonable, timely access to listed property. The Service also may revoke the approval or subject the participant to discipline if the device is used in a manner that fails to continue to satisfy this requirement.

An infraction of this rule is a Category I violation as described in Section 9.4.1. Respondents to alleged violations shall demonstrate compliance with the rule within two business days.

## **SELLING PROCEDURES**

**SECTION 3: SHOWINGS AND NEGOTIATIONS:** The Cooperating Brokerage must arrange appointments for showings and conduct negotiations for the purchase of listed property submitted to the Service with the Listing Brokerage except under the following circumstances:

- A. The Listing Brokerage gives the Cooperating Brokerage (either subagent or buyer agent) specific authority to show or negotiate directly with the Seller, or
- B. After reasonable effort, the Cooperating Brokerage (subagent or buyer agent) is unable to contact the Listing Brokerage. However, the Listing Brokerage may preclude such direct negotiations by the Cooperating Brokerage (either subagent or buyer agent).

An infraction of this rule above is a Category II violation as described in Section 9.4.3 and carries a fine.

If negotiations are carried on under Section 3(A) or 3(B) hereof, the Cooperating Brokerage shall report accepted offers and prices that are fully executed to the Listing Brokerage in writing within 72 hours (excluding holidays and weekends) after the “Effective Date” as defined in the purchase agreement, or as otherwise determined under applicable state law, and the Listing Brokerage shall report accepted offers and prices that are fully executed to the MLS within 72 hours (excluding holidays and weekends) after receiving notice from the Cooperating Brokerage. A violation of this paragraph is exempt from Section 9.4.1 F.

The Cooperating Brokerage (subagent or buyer agent) must disclose his agency status to the Listing Brokerage at first contact with the Listing Brokerage (in person, by telephone or in writing).

The Cooperating Brokerage must notify the Listing Brokerage in the event an appointment is cancelled.

**SECTION 3.1: PRESENTATION OF OFFERS:** The Listing Brokerage must make arrangements to present any offer as soon as possible, or give the Cooperating Brokerage a satisfactory reason for not doing so.

**SECTION 3.2: SUBMISSION OF WRITTEN OFFERS:** The Listing Brokerage must 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 Brokerage. Unless a subsequent offer depends upon the termination of an existing contract, the Listing Brokerage 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 3.3: RIGHT OF COOPERATING BROKERAGE IN PRESENTATION OF OFFER:** The Cooperating Brokerage has the right to participate in the presentation to the Seller of any offer he/she secures to purchase unless the Seller gives written instructions to the contrary. He or she does not have the right to be present at any discussion or evaluation of that offer by the Seller and the Listing Brokerage. If the Seller gives written instructions to the Listing Brokerage that the Cooperating Brokerage not be present when an offer the Cooperating Brokerage secured is presented, the Cooperating Brokerage has the right to a copy of the Seller's written instructions. None of the foregoing diminishes the Listing Brokerage's right to control the establishment of appointments for such presentations.

Where the Cooperating Brokerage is not present during the presentation of the offer, the Cooperating Brokerage can request in writing, and the Listing Brokerage must provide, written affirmation stating that the offer has been submitted to the seller, or written notification that the seller has waived the obligation to have the offer presented.

An infraction of this rule is a Category II violation as described in Section 9.4.2 and carries a fine. *(Amended 2-19)*

**SECTION 3.4: RIGHT OF LISTING BROKERAGE IN PRESENTATION OF COUNTER-OFFER:** Cooperating participants or their representatives have the right to participate in the presentation of any offer they secure to purchase or lease to the seller or lessor. They do not have the right to be present at any discussion or evaluation of the offer by the seller or lessor and the listing broker. However, if a seller or lessor gives written instructions to a listing broker that cooperating brokers may not be present when offers they procure are presented, cooperating brokers have the right to a copy of those instructions. This policy is not intended to affect listing brokers' right to control the establishment of appointments for presentation of offers.

Where the cooperating broker is not present during the presentation of the offer, the cooperating broker can request in writing, and the listing broker must provide, written affirmation stating that the offer has been submitted to the seller, or written notification that the seller has waived the obligation to have the offer presented.

**SECTION 3.5: REPORTING CONTRACTS AND SALES TO THE SERVICE:** All Member Participants and Subscribers are obligated to report status changes, including final closings of sales, on listings submitted to the Service, regardless of the level of service or type of listing agreement associated with the listing. Reporting sales information is a condition of submitting any listing to the Service.

- a. Pending sales shall be reported to the MLS by the Listing Brokerage within 72 hours (excluding holidays and weekends) after the “Effective Date” as defined in the purchase agreement, or as otherwise determined under applicable state law.
- b. Pending sales that will remain on the market shall be reported as such to the MLS (Under Contract-Show status) by the Listing Brokerage within 72 hours (excluding holidays and weekends) after the “Effective Date” as defined in the purchase agreement, or as otherwise determined under applicable state law.
- c. The Listing Brokerage shall report to the MLS the cancellation of any pending sale and, unless it has expired, the listing shall be reinstated (back-on-market status) within 72 hours (excluding holidays and weekends) after the Listing Brokerage becomes aware of the cancellation.
- d. The Listing Brokerage shall report closed sales and sales prices to the MLS (sold status) within 72 hours (excluding holidays and weekends) after the closing. *For new-construction listings, a valid street address must be reported to the MLS as soon as possible and no later than the close of the sale.*
- e. The Listing Brokerage shall withdraw any Exclusive Agency listing which the Seller sells without the assistance of either the Listing Brokerage or a Cooperating Brokerage (do not report as “Closed”).

Failure to report a listing’s change of status as described above is a Category II violation as described in Section 9.4.2 and carries a fine.

**SECTION 3.6: DATA ENTERED FOR “COMPARABLE PURPOSES”:** Sales input for comparable purposes must provide at least one photo, must provide complete data in all required fields, and the “Listing Agent” and “Selling Agent” fields must accurately reflect the transaction side represented by the member. A copy of the listing agreement or buyer agency agreement, purchase agreement and settlement statement must be maintained in the company files and can be requested by the Northern Arizona MLS staff to verify the information entered into the MLS system.

*No “For Comps Only” listings that are outside of the NAAR geographic area, as defined by the Arizona REALTORS® MLS map, will be allowed into the MLS system. (6/19)*

- New construction listed as a multiple unit property as defined in Section 1.18. A valid street address must be reported to the MLS as soon as possible and no later than the close of the sale. “Withdrawn” or “Expired” listings if the sale occurs as a result of the property having been listed in the MLS, and the listing brokerage represents the seller in the transaction.

Office Exclusive listings as defined in Section 1.2 #3 cannot be entered into the MLS system by the Listing Brokerage once the listing is under contract.

**Unlisted Buyer Agent Sales:** Buyer agents can report closings of unlisted property (i.e., for sale by owner listings) and closings of withheld listings as defined in Section 1.2#3 within five business days after the closing if the sale and buyer were subject to buyer representation.

**SECTION 3.7: ADVERTISING OF LISTINGS SUBMITTED TO THE SERVICE:** No one shall advertise a listing, other than the Listing Brokerage, without prior written consent of the Listing Brokerage.

**SECTION 3.8: DISCLOSING THE EXISTENCE OF OFFERS:** Listing Brokerages, in response to inquiries from buyers or cooperating brokers shall, with the Sellers' approval, disclose the existence of offers on the property. The Listing Brokerage shall also disclose, if asked, whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a Cooperating Brokerage.

**SECTION 3.9: AVAILABILITY OF LISTED PROPERTY:** Listing Brokerages shall not misrepresent the availability of access to show or inspect listed property.

## **PROHIBITIONS**

**SECTION 5: INFORMATION FOR MEMBER PARTICIPANTS ONLY:** Member Participants and Subscribers may share a listing submitted to the Service with a Nonparticipant only with the prior written consent of the Listing Brokerage.

**SECTION 5.1: "FOR SALE" SIGNS:** No brokerage other than the Listing Brokerage may place a "FOR SALE" sign on the listed property. *(Amended 6-02)*

**SECTION 5.2: "SOLD" SIGNS:** Only the Listing Brokerage may place "Sold, Under Contract, Pending, etc." signs on the property prior to closing, unless the Listing Brokerage authorizes the Cooperating Brokerage to post such a sign.

**SECTION 5.3: SOLICITATION OF LISTING SUBMITTED TO THE SERVICE:** Member Participants and Subscribers must not solicit a listing on property submitted to the Service unless such solicitation is consistent with Article 16 of the REALTORS<sup>®</sup> Code of Ethics.

This rule does not prohibit communications between a Seller who is a party to a Limited Service Listing agreement and a Cooperating Brokerage as long as such communication complies with Section 3: Showings and Negotiations and the Real Estate Commission rules governing agency relationships.

**SECTION 5.4: UNAUTHORIZED DISCLOSURE OF LOGIN NAME AND PASSWORD:**

Only Member Participants and Subscribers may have access to the Service. Each user must use his or her own MLS login name and password, and he or she shall not disclose a MLS login name or password to anyone. An infraction of this rule is a Category IV violation as described in Section 9.4.4 and carries a fine. Administrative Assistants who are authorized by Member Participants may have access to the Service upon execution of the Administrative Personnel application.

**DIVISION OF COMMISSIONS**

**SECTION 6: COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING:** The Listing Brokerage must specify, on each listing submitted to the MLS, the compensation offered to other MLS Member Participants for their services in the sale of such listing. Offers of compensation are unconditional except that the Cooperating Brokerage's performance as the procuring cause of sale determines entitlement to compensation. An arbitration hearing panel may excuse the Listing Brokerage's obligation to compensate any Cooperating Brokerage as the procuring cause of sale if through no fault of the Listing Brokerage and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the Listing Brokerage to collect a commission from the Seller pursuant to the listing agreement. The arbitration hearing panel must determine whether the Cooperating Brokerage is entitled to receive the cooperative compensation offered through the MLS based on all relevant facts and circumstances including, but not limited to:

- why it was impossible or financially unfeasible for the Listing Brokerage to collect some or all of the commission established in the listing agreement;
- at what point in the transaction did the Listing Brokerage know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and
- how promptly did the Listing Brokerage communicate to Cooperating Brokers that the commission established in the listing agreement might not be paid.

**SECTION 6.1: COMPENSATION OFFERS ARE BLANKET, UNILATERAL,**

**UNCONDITIONAL:** In submitting a listing to the MLS, the Member Participant of the MLS is making blanket unilateral offers of compensation to the other MLS Member Participants, and shall therefore specify on each listing submitted to the MLS, the compensation being offered to the other MLS Member Participants. Specifying the compensation on each listing is necessary, because the Cooperating Brokerage has the right to know what his/her compensation shall be prior to his endeavor to sell. The Listing Brokerage retains the right to determine the amount of compensation offered to other Member Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law) which may be the same or different.

**SECTION 6.2: ACCEPTABLE OFFERS OF COMPENSATION:** The compensation specified on listings submitted to the MLS by the Member Participants must appear in one of **three** forms:

1. by showing a percentage of the gross selling price; or
2. by showing a definite dollar amount.
3. by showing percentage of net sale price, with the net sales price defined as the gross price minus buyer upgrades (new construction) and seller concessions (as defined by the MLS unless otherwise defined by state law or regulations) (adopted 5/08)

This shall not preclude the Listing Brokerage from offering any MLS participant compensation other than the compensation indicated on any listing published by the MLS, provided the listing brokerage informs the cooperating brokerage, in writing, in advance of the cooperating brokerage submitting an offer to purchase, and provided that the



modification in the specified compensation is not the result of any agreement among all or any other participants in the service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount.

The Listing Brokerage may adjust the compensation offered to other MLS Member Participants for their services with respect to any listing by advance published notice to the MLS to advise all Member Participants.

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.

**SECTION 6.2.1: SHORT SALES:** "Short Sales" is defined as a transaction where title transfers, where the sales 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. Potential short sales must be disclosed when reasonably known to the Listing Brokerage. Such disclosures must occur at the time of MLS input, if known, or within one (1) business day upon receipt of such knowledge. When disclosed, Listing Brokerages may, at their discretion, advise Cooperating Brokerages whether and how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating brokerages. All confidential disclosures and confidential information related to short sales must be communicated through dedicated fields or confidential "remarks" available only to Member Participants and Subscribers, i.e., the "Agent Remarks" field. Northern Arizona MLS suggests that the following disclosure or any similar language be entered at the time of input if known, or within one (1) business day upon receipt of knowledge.

"Potential short sale. Offers and commission subject to third-party approval. The total commission if reduced by the lender will be split ## percent to the Listing Brokerage and ## percent to the Cooperating Brokerage."

Note: If the Listing Brokerage does not disclose how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between the Listing and Cooperating Brokerage, then the Cooperating Brokerage can reasonably expect to be paid the cooperative compensation as published in the MLS, regardless of any reduction in the total commission to which the Listing Brokerage might agree. *(Revised 11-09)*

**SECTION 6.3: NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY MEMBER PARTICIPANTS:** The MLS must not fix, control, recommend, suggest or maintain commission rates or fees for services to be rendered by Member Participants. Further, the MLS must not fix, control, recommend, suggest or maintain the division of commissions or fees between cooperating Member Participants or between Member Participants and Nonparticipants.

The MLS must not publish the total negotiated commission on a listing that has been submitted to the MLS by a Member Participant. The MLS shall not disclose in any way the total commission negotiated between the Seller and the Listing Brokerage.

**SECTION 6.4: MEMBER PARTICIPANT AS PRINCIPAL:** A Member Participant or Subscriber with an ownership interest in a property must disclose that interest when the listing is submitted to the MLS.

**SECTION 6.5: MEMBER PARTICIPANT AS PURCHASER:** A Member Participant or licensee (including any licensed or certified appraiser or appraiser trainee) affiliated with a Member Participant who wishes to acquire an interest in property listed with another Member Participant must disclose his or her status, in writing, to the Listing Brokerage no later than the time an offer to purchase is submitted. *(New Section Approved 10-97)*

**SECTION 6.6: DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS:** The Listing Brokerage must disclose the existence of a dual or variable rate commission arrangement by entering “yes” in the “Variable Rate Commission” field in the MLS System. Northern Arizona MLS recognizes two types of dual or variable rate commission arrangements:

1. The Seller agrees to pay a specified commission if the Listing Brokerage sells the property without assistance and a different commission if the sale results through the efforts of a Cooperating Brokerage; or
2. The Seller agrees to pay a specified commission if the property is sold by the Listing Brokerage either with or without the assistance of a Cooperating Brokerage and a different commission if the sale results through the efforts of a Seller.

The Listing Brokerage must, in response to inquiries from potential Cooperating Brokerages, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale that results through the efforts of the Seller. If the Cooperating Brokerage represents the buyer, the Cooperating Brokerage must disclose such information to his/her client before the client makes an offer to purchase.

## **MEMBERSHIP POLICIES AND SERVICE FEES**

**SECTION 7: MEMBERSHIP POLICIES AND SERVICE FEES:** Participation in and subscription to Northern Arizona MLS is governed by Article 4 of the *Northern Arizona Association of REALTORS® Bylaws* and subject to payment of these applicable fees. Refer to the *Membership Policies and Procedures* for a full description of all service fees and membership policies.

**SECTION 7.1: SERVICE FEES:** The following Service fees for operation of the MLS are in effect to defray the cost of the Service and are subject to change from time to time in the manner prescribed.

**SECTION 7.1.1: INITIAL PARTICIPATION FEE:** An applicant for Participation in the Service must pay an Initial Participation Fee as determined by the Northern Arizona Association of REALTORS® Directors, with such fee to accompany the application. The Initial Participation Fee approximates the cost of bringing the Service to the Member Participant as determined by the Service from time to time with the approval of the Northern Arizona Association of REALTORS® Board of Directors.

**SECTION 7.1.2: SUBSCRIPTION FEES:** Northern Arizona MLS provides one subscription to the Member Participant upon payment of the Initial Participation Fee and the applicable Subscription Fees assessed on a quarterly basis as determined by the Northern Arizona Association of REALTORS® Board of Directors.

Northern Arizona MLS provides an additional subscription for each individual, employed by or affiliated as an independent contractor (including licensed and certified appraisers and appraiser trainees) with the Member Participant, who has access to and who utilizes the Service. All Subscribers affiliated with a Member Participant must pay a start-up Fee of

\$200, as determined by the Northern Arizona Association of REALTORS® Board of Directors, and the applicable Subscription Fees assessed on a quarterly basis, with such fee to accompany the application signed by the Member Participant.

However, Northern Arizona MLS provides Member Participants the option of a no-cost waiver of MLS fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different where the principal broker participates. Northern Arizona MLS requires that broker participants sign a certification for nonuse of its MLS services by their licensees, which includes penalties and termination of the waiver if violated. (*Amended 2-19*)

**SECTION 7.2: UNAUTHORIZED USE OF THE SYSTEM:** Use of systems and information developed by or published by Northern Arizona MLS is strictly limited to the activities authorized under a Member Participant's licensure(s) or certification and unauthorized uses are prohibited. Examples:

- Appraisers who are not real estate licensees are prohibited from listing property in the MLS, conduct showings for prospective purchasers and viewing properties that they are considering purchasing for themselves. Appraisers who do hold a real estate license must participate or subscribe to the MLS under a broker in charge in order to list property in the MLS or conduct showings to purchase property for themselves or for prospective buyers.
- Appraisers and real estate licensees cannot schedule or conduct showings, or practice real estate or conduct appraisals in state(s) where they are not licensed

## **COMPLIANCE WITH RULES**

**SECTION 8: COMPLIANCE WITH RULES – AUTHORITY TO IMPOSE DISCIPLINE:** By becoming and remaining a Member Participant or Subscriber in this MLS, each Member 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 Member Participant or Subscriber can reasonably attend while taking into consideration cost, location, and duration
- d. Appropriate, reasonable fines not to exceed \$15,000
- e. Suspension of MLS rights, privileges and services for not less than thirty (30) days nor more than one (1) year
- f. Termination of MLS rights, privileges and services with no right to reapply for a specified period not to exceed three (3) years

**Note:** A participant (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or user/subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the MLS rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and

the individual's record will reflect the fulfillment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition or other forms of discipline which will not be held in abeyance.

**SECTION 8.1: APPLICABILITY OF RULES TO USERS AND SUBSCRIBERS:** Member Participants and Subscribers must sign an agreement acknowledging that access to and use of Northern Arizona MLS information is contingent on compliance with the rules and regulations. Individuals authorized to have access to information published by Northern Arizona MLS are subject to these rules and regulations and Northern Arizona MLS may discipline them for violations thereof. Further, failure of any user or Subscriber to abide by the rules or sanction imposed for violations thereof can subject the Member Participant to the same or other discipline. This provision does not eliminate the Member Participant's ultimate responsibility and accountability for all users or Subscribers affiliated with that Member Participant.

## **ENFORCEMENT OF RULES OR DISPUTES**

**SECTION 9: CONSIDERATION OF ALLEGED VIOLATIONS:** Northern Arizona MLS considers all complaints alleging a violation of the Rules and Regulations, including but not limited to complaints initiated by MLS staff or staff of Realtor® Associations. Northern Arizona MLS reserves the right to request complaints be submitted in writing. By becoming and remaining a participant, each participant agrees to be subject to these rules and regulations, the enforcement of which are at the sole discretion of the Committee. All Complaints must be filed within 30 days of known violation.

**SECTION 9.1: VIOLATIONS OF RULES AND REGULATIONS** If the alleged offense is a violation of the rules and regulations of the service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the board of directors of the service, and if a violation is determined, the board of directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the professional standards committee of the association in accordance with the bylaws and rules and regulations of the association of REALTORS® within twenty (20) days following receipt of the directors' decision.

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

**SECTION 9.2: COMPLAINTS OF UNETHICAL CONDUCT:** Northern Arizona MLS refers alleged violations involving complaints of unethical conduct or requests for arbitration to the Grievance Committee of the AAR for appropriate action in accordance with the usual procedures under terms of the AAR Bylaws and the Code of Ethics and Arbitration Manual.

### **SECTION 9.3: COMPLAINTS OF UNAUTHORIZED USE OF LISTING CONTENT:**

Northern Arizona MLS requires the Listing Brokerage to obtain the necessary rights to use and reproduce the photographs, images, PDF documents, text files and artist renderings, audio or video recordings, and virtual tours ("Media") from the copyright holder for use by the MLS and all other authorized entities anywhere the MLS data is intended to appear. The Listing Brokerage indemnifies Northern Arizona MLS in the event of any legal proceeding relating to the reproduction of the Media by Northern Arizona MLS or other authorized entities. By submitting Media to the MLS, the submitting Listing Brokerage grants the MLS and the other Member Participants and Subscribers the right to reproduce and display the Media in accordance with these rules and regulations. Member Participants and Subscribers may use Media from the MLS only for purposes of finding buyers for properties listed in the Service or for the preparation of appraisals, consistent with the rules and regulations. Northern Arizona MLS reserves the right to reject or remove any digital image submitted that includes any embedded, overlaid, or digitally stamped text, personal advertising or promotion as well as people or persons. Before a Member Participant or Subscriber copies the Media submitted by another Listing Brokerage to a new listing, the Member Participant or Subscriber must obtain the written permission of the owner of the Media.

Any Member Participant, who believes another Member Participant has engaged in the unauthorized use or display of listing content and Media shall send notice of such alleged unauthorized use to the MLS in writing, specifically identifying the allegedly unauthorized content. Alleged violations will be processed as Category I violations as described in Section 9.4.1 below. No participant may pursue action over the alleged unauthorized use and display of listing content and Media in a court of law without first completing the notice, response, and appeal procedures outlined in this entire Section 9 of the MLS rules. If after (10) days following the final determination by the Executive Committee the alleged violation remains uncured (i.e. the content is not removed or the rules violation remains uncured), then the complaining party may seek action through a court of law.

**SECTION 9.4: MLS VIOLATION REPORT/VIOLATION CATEGORIES:** Anyone may report the discovery of inaccurate or incomplete information in the MLS database. Staff will check the database to confirm the violation. If Staff cannot verify the complaint alleging a violation of the *Northern Arizona MLS Rules and Regulations* by checking the database or tax records, then the complainant must submit the complaint in writing. The complainant may send (mail, fax or email) the MLS Violation Report to Staff.

If Staff is able to independently verify the violation reported by the complainant, then Staff will maintain the confidentiality of the complainant. However, if a complaint goes to a hearing, and the panel requires evidence from a complainant, the respondent is given the opportunity to confront the evidence and the complainant.

MLS Member Participants may not take legal action against another Member Participant for alleged rules violation(s) unless the complaining Member Participant has first exhausted the remedies provided in these rules.

If a violation occurs, it will fall into one of four categories:

**SECTION 9.4.1: CATEGORY I VIOLATIONS:** Considered to be "correctable violations" and do not carry a fine for the first violation.

A. **Staff Action:** Staff will send "Listing Complaint Notification", by email to the attention of the respondent and the respondent's Member Participant.

B. **Fine:** There is no fine for the first Category I violation.

- C. **Compliance:** The Member Participant must correct the violation within 48 hours (excluding weekends and holidays).
- D. **Non-Compliance:** If the respondent does not correct the violation within 48 hours (excluding weekends and holidays), and the respondent has not indicated plans to appeal the alleged violation, Northern Arizona MLS will assess a Category I Non-Compliance Fine as described in Section 9.5: Compliance Fee Schedule.
- E. **Repeat Violations:** Repeat violations carry fines as outlined in Section 9.5: Compliance Fee Schedule.
- F. **Violations Include:** Any violation of the *Northern Arizona MLS Rules and Regulations* not specifically addressed by Category II, III or IV.

**SECTION 9.4.2: CATEGORY II VIOLATIONS:** Considered serious violations. Many are not “correctable” and therefore incur an immediate fine.

- A. **Staff Action:** Staff will confirm whether a violation occurred. If there is no violation, the matter is closed. Staff will contact the person who filed the original complaint if that person requested notification of the alleged violation outcome. When the respondent has violated the “Northern Arizona MLS Rules and Regulations,” Staff will send a "Listing Complaint and Fine Notification" to the attention of the respondent and the respondent’s Member Participant.
- B. **Fine:** See Section 9.5: Compliance Fee Schedule.
- C. **Compliance:** The respondent must correct the violation (if the violation is correctable) within 48 hours (including weekends and holidays).
- D. **Non-Compliance:** If the respondent does not correct the violation (if correction is possible) within 48 hours (including weekends and holidays), and the Member Participant has not indicated plans to appeal the alleged violation, Northern Arizona MLS will assess a Category II Non-Compliance Fine as described in Section 9.5: Compliance Fee Schedule.
- E. **Repeat Violations:** Repeat violations carry fines as outlined in Section 9.5: Compliance Fee Schedule.
- F. **Violations include (but are not limited to):**
  1. Failure to input a new listing required to be entered into the MLS System.
  2. Failure to indicate that a listing is a Limited Service Listing as described under Section 1.5.
  3. Failure to produce a signed listing agreement within 48 hours (including holidays and weekends) when requested by Staff indicating that the Seller refuses to permit the dissemination of the listing by the MLS service.
  4. Failure to report a listing’s change of status as required by Section 1.14 and Section 3.5, or failure to report a listing’s correct status. (*Amended 7-08*)
  5. Failure to comply with any of the Internet Data Exchange (IDX) or the Virtual Office Website (VOW) rules within five days of written notification from Northern Arizona MLS.
  6. Entering a listing in the MLS without a valid, signed listing agreement.
  7. Failure to remove a listing upon termination of a listing agreement.
  8. Making an appointment for a showing or negotiating with the Seller for the purchase of listed property submitted to the Service without the permission of the Listing Brokerage, unless after reasonable effort, the Cooperating Brokerage (subagent or buyer agent) is unable to contact the Listing Brokerage or his or her representative.
  9. Failure to provide Northern Arizona MLS with requested documentation within 48 hours.
  10. Entering a combination lockbox code or security system code in any field of the MLS System.

- 11. Unauthorized copied media
- 12. Failure to submit photo or rendering of actual property within allowed period.

**SECTION 9.4.3: CATEGORY II VIOLATIONS:** These violations pertain to possession and use of the Supra ActiveKEY, eKEY and Lockboxes, and failure to make an appointment with the Listing Brokerage prior to entering a listed property submitted to the Service or adhere to confirmed appointment and time.

- A. **Staff Action:** Staff will confirm whether a violation occurred. If there is no violation, the matter is closed. Staff will contact the person who filed the original complaint if that person requested notification of the alleged violation outcome. When the respondent has violated the *Northern Arizona MLS Rules and Regulations*, Northern Arizona MLS will send a "Listing Complaint and Fine Notification" to the attention of the respondent and the respondent's Member Participant.
- B. **Fine:** See Section 9.5: Compliance Fee Schedule.
- C. **Compliance:** If possible, the respondent must correct the violation within 48 hours (including weekends and holidays).
- D. **Non-Compliance:** If the respondent does not correct the violation within 48 hours (including weekends and holidays), and the respondent has not indicated plans to appeal the alleged violation, Northern Arizona MLS will assess a Category III Non-Compliance Fine as described in Section 9.5: Compliance Fee Schedule.
- E. **Repeat Violations:** Repeat violations carry fines as outlined in Section 9.5: Compliance Fee Schedule.
- F. **Violations include (but are not limited to):**
  - 1. Any violation of Section 2, excluding Section 2 G 3 and 2 G 5.
  - 2. Failure to make an appointment with the Listing Brokerage prior to entering a listed property submitted to the Service. (*Amended 7-14*)

**SECTION 9.4.4: CATEGORY IV VIOLATIONS:** This violation pertains to unauthorized disclosure of login name and password to the MLS System.

- A. **Staff Action:** Staff will confirm whether a violation occurred. If there is no violation the matter is closed. Staff will contact the person who filed the original complaint if that person has requested notification of the alleged violation outcome. When the respondent has violated the "Northern Arizona MLS Rules and Regulations," Northern Arizona MLS will send a "Northern Arizona MLS Listing Complaint and Fine Notification" to the attention of the respondent and the respondent's Member Participant.
- B. **Fine:** See Section 9.5: Compliance Fee Schedule.
- C. **Compliance:** Must change password within 48 hours (excluding weekends and holidays)
- D. **Non-Compliance:** If the respondent does not change the password immediately, a Category IV Non-Compliance Fine as described in the Compliance Fee Schedule will be assessed.
- E. **Repeat Violations:** Repeat violations will be fined as outlined in Section 9.5: Compliance Fee Schedule.
- F. **Violations include (but may not be limited to):**
  - 1. Unauthorized disclosure of login name and password to the MLS System. (Sec. 5.4)
  - 2. Any violation of Section 2 G 1 - 2 G 6

- G. **Compliance:** Must change password within 48 hours (excluding weekends and holidays)
- H. **Non-Compliance:** If the respondent does not change the password immediately, a Category IV Non-Compliance Fine as described in the Compliance Fee Schedule will be assessed.
- I. **Repeat Violations:** Repeat violations will be fined as outlined in Section 9.5: Compliance Fee Schedule.
- J. **Violations include (but may not be limited to):**
  - 1. Unauthorized disclosure of login name and password to the MLS System. (Sec. 5.4)
  - 2. Any violation of Section 2 G 1 - 2 G 6

**SECTION 9.4.5: CATEGORY V VIOLATIONS:** This violation pertains to New Construction

**Staff Action:** Staff will confirm whether a violation occurred. If there is no violation the matter is closed. When the respondent has violated the "Northern Arizona MLS Rules and Regulations," Northern Arizona MLS will send a "Northern Arizona MLS Listing Complaint and Fine Notification" to the attention of the respondent and the respondent's Member Participant.

- A. **Fine:** See Section 9.5: Compliance Fee Schedule.
- B. **Compliance:** Must correct within 48 hours (excluding weekends and holidays)
- C. **Non-Compliance:** If the respondent does not correct the listings with 48-hours, a Category V Non-Compliance Fine as described in the Compliance Fee Schedule will be assessed.
- D. **Repeat Violations:** Repeat violations will be fined as outlined in Section 9.5: Compliance Fee Schedule.
- E. Violations include (but may not be limited to):
  - 1. Unauthorized disclosure of login name and password to the MLS System. (Sec. 5.4)
  - 2. Any violation of Section 2 G 1 - 2 G 6

**SECTION 9.5: COMPLIANCE FEE SCHEDULE** *(Amended 10-19)*

	Category I	Category II	Category III	Category IV
1 <sup>st</sup> Violation	None	\$150	\$500	\$2,000
Additional violations of the same offense by the same individual, whether Member Participant or Subscriber.	2 <sup>nd</sup> \$100 3 <sup>rd</sup> \$150	2 <sup>nd</sup> \$200 3 <sup>rd</sup> \$250	2 <sup>nd</sup> \$550 3 <sup>rd</sup> \$600	2 <sup>nd</sup> \$2,500 3 <sup>rd</sup> 90-day suspension of SupraKey service
	Fine will increase by \$50 for each additional occurrence to a maximum of \$500. Thereafter, fines shall be as determined by the Northern Arizona MLS Board of Directors.			
Non-Compliance	\$100	\$200	\$300	\$500 + Suspension until paid
Non-Payment	\$200	\$200	\$200	N/A



**FEE SCHEDULE: COMPLIANCE FEE SCHEDULE**

	<b>Category V</b>
1 <sup>st</sup> Violation	Written Warning
Additional violations of the same offense by the same individual, whether Member Participant or Subscriber.	2 <sup>nd</sup> \$150/per listing/per day for the first 14 days. Not to exceed \$15,000
	3 <sup>rd</sup> Inactivation of ALL uncorrected listings until correct info sent to NAAR for correction at a fee of \$50 per listing
Non-Compliance	\$100
Non-Payment	\$200

**SECTION 9.6: FAILURE TO PAY FINES:** Failure to pay a fine within 20 days (including weekends and holidays) incurs a Non-payment Fine as described in the Compliance Fee Schedule. Every 30 days thereafter (including weekends and holidays) another Non-payment Fine may be levied if the fines are not paid. Failure to pay accumulated fines of \$500 or more may result in the termination of MLS services. Northern Arizona MLS will send the respondent a "Notification of Intent to Terminate MLS Services." If the respondent does not pay accumulated fines within 10 days (including weekends and holidays) of the "Notification of Intent to Terminate MLS Services" Northern Arizona MLS will terminate the respondent's services, and service will be reinstated when the fine(s) have been paid.

**SECTION 9.7: HEARING REQUEST:** Any respondent, having reason to believe that the fine imposed on that respondent by the MLS is without merit, may file a complaint with "Northern Arizona MLS Committee. The request for a hearing must:

- 1) Include copies of any relevant documents;
- 2) Include payment of assessed fine;
- 3) Include an appearance deposit equal to ½ the assessed fine which will be returned to the respondent as long as the respondent is not deemed "non-appearing"; and
- 4) Be sent to the Northern Arizona Association of REALTORS® Executive Officer within twenty (20) days after the "MLS Complaint and Fine Notification."

If in the opinion of Staff, the respondent is able to show compliance with all Rules and Regulations and that the fine was erroneous, Northern Arizona MLS will refund the assessed fine and the appearance deposit. If the Staff is not satisfied that the respondent was or is in compliance with all Rules and Regulations then the respondent may request a hearing before the NAAR Executive Committee.

Within 15 days of receiving a complaint, Staff will send notice to the respondent requesting a hearing, offering two hearing dates.

The respondent then has 15 days (including weekends and holidays) to notify the Staff of the preferred date.

**SECTION 9.8: MLS HEARINGS:** Staff schedules members of the Executive Committee to serve on the panel.

**SECTION 9.9: REQUESTS FOR DOCUMENTS:** Members of the panel scheduled for a hearing may request any document(s) they deem relevant and necessary to the determination of the hearing, from the parties to the hearing. The parties to the hearing must provide the documents requested by the hearing panel. NAAR deems any failure to provide requested documents a "nonappearance." The hearing will be canceled, and the respondent shall have no further recourse. If the respondent fails to provide requested documents, the respondent must forfeit the appearance deposit.

**SECTION 9.10: CONTINUANCE OF HEARING:** If any party fails to appear at the hearing and has not requested a continuance, the hearing shall proceed as scheduled. If the respondent fails to appear he/she forfeits the appearance deposit. One continuance may be granted if there are extenuating circumstances. The parties to the hearing must request the continuance in writing at least 48 hours prior to the hearing date to the Staff. When a continuance is granted, Staff will coordinate a new date for the hearing. If the respondent fails to appear before the NAAR Executive Committee for the second scheduled hearing pursuant to the continuance, the respondent forever waives the right to contest that fine which is the subject of said hearing.

**SECTION 9.11: CANCELLATION OF HEARING REQUEST:** The respondent who requested the hearing may cancel the request. The request must be in writing and received (mail, fax or email) by noon of the business day preceding the hearing date in order to receive a refund of the appearance deposit in full. The Member Participant forever waives the right to contest the fine that was the subject of said hearing.

**SECTION 9.12: RECORDING THE HEARING:** Staff may tape-record the proceeding. Parties to the hearing may at their own expense have a court reporter present or tape record the proceeding. If transcribed, a transcript shall be sent to Northern Arizona MLS.

**SECTION 9.13: HEARING PROCEDURES:** The Executive Committee is not bound by the rules of evidence applicable in courts of law, but shall afford all parties a full opportunity to be heard, present witnesses, and offer evidence, subject to its judgment as to relevance.

All hearings are conducted in accordance with the NATIONAL ASSOCIATION OF REALTORS® Handbook on Multiple Listing Policy and such Rules as promulgated hereunder.

**SECTION 9.14: AMENDING A COMPLAINT:** At any time during the hearing, the complaint may be amended or upon motion of the Executive Committee Hearing Panel to add previously uncited violations of the *Northern Arizona MLS Rules and Regulations* or additional respondents. In such event the hearing, with the concurrence of the respondent to the complaint, may proceed uninterrupted or be reconvened on a date certain, not less than fifteen (15) or more than thirty (30) days from adjournment. If the respondent knowingly waives his or her right to the adjournment, the record should reflect the fact that the respondent was aware of the right to an adjournment but chose to proceed with the hearing without interruption on the basis of the amended complaint. If the hearing is adjourned to be reconvened at a later time, the amended complaint shall be filed in writing, signed by the President, and shall be promptly served on the respondent as in all other cases provided herein.

**SECTION 9.15: HEARING APPEALS:** The respondent may appeal a Hearing decision for an alleged violation of the “Northern Arizona MLS Rules and Regulations.”

Within twenty (20) days of receipt of the hearing outcome, the respondent may file an appeal with the President for a hearing before the Board of Directors challenging the decision and/or recommendation for discipline. The respondent’s bases for appeal are limited to (1) a misapplication or misinterpretation of the Northern Arizona MLS Rules and Regulations, (2) procedural deficiency or any lack of procedural due process, and (3) the discipline recommended by the Hearing Panel. A summary of the hearing shall be presented to the Board of Directors, and the parties and their counsel (if applicable) may be heard to correct the summary. No new evidence will be received (except such new evidence as may bear upon a claim of deprivation of due process), and the appeal will be decided on the summary.

**SECTION 9.16: HEARING OUTCOME:** Northern Arizona MLS shall return the respondent’s appearance deposit in full if the respondent has appeared. The Executive Committee will submit their decision in writing, signed by all members to the Staff and the parties to the hearing, within 10 days. If a majority of the Executive Committee finds that the respondent violated a rule or regulation the fine stands. If a majority of the Executive Committee finds that the respondent’s appeal prevails on its merits, the panel may revoke the fine that is the subject of the respondent’s appeal. Staff will mail a fine refund to the respondent within three weeks of the notification of the fine revocation.

**SECTION 9.17: RECORDS:** Staff will retain records of all complaints and their disposition and tapes from MLS compliance hearings for seven years.

## **CONFIDENTIALITY OF MLS INFORMATION**

**SECTION 10: CONFIDENTIALITY OF Northern Arizona MLS INFORMATION:** Any formation provided by the MLS to the Member Participants is confidential and exclusively for the use of Member Participants and for each individual, employed by or affiliated as an independent contractor (including licensed and certified appraisers and appraiser trainees) with the Member Participant, who has access to and who utilizes the Service.

### **SECTION 10.1: Northern Arizona MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION:**

Northern Arizona MLS publishes and disseminates information verbatim, without change by the Service, as submitted to the Service by the Member Participant. The Service does not verify the information provided and disclaims any responsibility for its accuracy. Each Member Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Member Participant provides.

### **SECTION 10.2: ACCESS TO COMPARABLE AND STATISTICAL INFORMATION:**

REALTOR<sup>®</sup> associations where Northern Arizona MLS is the primary MLS are the Gaston Association of REALTORS<sup>®</sup>, Central Northern Arizona Association of REALTORS<sup>®</sup>, Union County Association of REALTORS<sup>®</sup>, Lincoln County Board of REALTORS<sup>®</sup>, and CRRA. Members of these REALTOR<sup>®</sup> Associations who are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, or building, developing or subdividing real estate but who do not participate in the MLS, 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, “closed” information, and statistical reports. This information is provided for the exclusive use of REALTOR<sup>®</sup> Association members and

individuals affiliated with REALTOR® Association members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to unauthorized individual, office, or firm, except as otherwise provided in these rules and regulations.

## **OWNERSHIP OF NORTHERN ARIZONA MLS COMPILATION AND COPYRIGHTS**

### **SECTION 11: OWNERSHIP OF NORTHERN ARIZONA MLS COMPILATION AND**

**COPYRIGHTS:** By the act of submitting property listing content to the MLS, the Member Participant represents and warrants that he/she is fully authorized to license the property listing content as contemplated by and in compliance with this section and these rules and regulations, and also, thereby, does grant to the MLS license to include the property listing content in the copyrighted Northern Arizona 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 listing property.

Each participant who submits listing content to the MLS agrees to defend and hold the MLS and every other participant harmless from and against any liability or claim arising from any inaccuracy of the submitted listing content or any inadequacy of ownership, license, or title to the submitted listing content.

"Northern Arizona MLS Compilation" shall mean any format in which the Service collects property-listing data including, but not limited to, computer database, card file, or any other format

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

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

**To qualify for this safe harbor, the OSP must:**

- (1) Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, participant, subscriber, or other individual or entity.**
- (2) Develop and post a DMCA-compliant website policy that addresses repeat offenders.**
- (3) Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the**

copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.

(4) Have no actual knowledge of any complained-of infringing activity.

(5) Not be aware of facts or circumstances from which complained-of infringing activity is apparent.

(6) Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

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

**SECTION 11.1: OWNERSHIP:** All right, title and interest in each copy of every Northern Arizona MLS Compilation created and copyrighted, and the copyrights therein shall, at all times, remain vested in the copyright holder.

**SECTION 11.2: SUBSCRIPTION LIMITATIONS:** Each Member Participant is entitled to a number of subscriptions to the Service sufficient to provide the Member Participant and each licensed or certified person affiliated as a licensee with such Member Participant with one subscription. The Member Participant shall pay, for each such subscription, the Subscription Fee described in Section 7 and in the Membership Policies and Procedures.\*\*

Member Participants and Subscribers acquire by such subscription only the right to use the Northern Arizona MLS Compilation in accordance with these rules.

*\*\*This section does not require the Member Participant to pay for a subscription to the MLS for any licensee (or licensed or certified appraiser) affiliated with the Member 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 submitted to the MLS and who does not, at any time, have access to or use of the MLS information.*

## **USE OF COPYRIGHTED NORTHERN ARIZONA MLS COMPILATIONS**

**SECTION 12: DISTRIBUTION:** At all times, Member Participants must maintain control over and responsibility for:

- A. each copy of any Northern Arizona MLS Compilation (including the Comparables Book and any digital form of the Northern Arizona MLS Compilation) provided to them by Northern Arizona MLS, and
  
- B. the information accessed from the online database as allowed by the MLS and shall not distribute any such copies or information to persons other than Subscribers who are affiliated with such Member 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 the MLS is strictly limited to the activities authorized under a Member Participant's licensure(s) or certification, and Northern Arizona MLS prohibits unauthorized uses. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed or published by the MLS where access to such information is prohibited by law.

**SECTION 12.1: DISPLAY:** Northern Arizona MLS permits Member Participants, and those persons affiliated as licensees with such Member Participants, to display the Northern Arizona 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 Northern Arizona MLS Compilation.

**SECTION 12.2: REPRODUCTION:** Member Participants or their affiliated licensees shall not reproduce any Northern Arizona MLS Compilation, any information originating from the Northern Arizona MLS database or any portion thereof except in the following listed circumstances:

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

*\* It is intended that the Member 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 Member Participant is seeking to promote interest. The term reasonable, as used herein, permits only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors Northern Arizona MLS must consider in deciding whether the reproductions made are consistent with this intent and thus reasonable in number, 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.*

Provided, however, that nothing precludes any Member 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 Member 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 Member Participant and those licensees affiliated with the Member 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 prevents any individual legitimately in possession of current listing information, sold information, comparables, or statistical information from utilizing such information to support valuations on particular properties for clients and customers. While any Northern Arizona MLS content in data feeds available to Member Participants for real estate brokerage purposes is also available to Member Participants for valuation purposes, including automated valuations, such use for valuations is provided via a separate data feed. Northern Arizona MLS provides a separate data feed and requires execution of the Northern Arizona MLS Participant License Agreement for Valuations to satisfy this requirement.

Northern Arizona MLS requires Member Participants who will use such data feeds for valuation purposes, including automated valuations, to pay the reasonably estimated costs incurred by Northern Arizona MLS in adding or enhancing its downloading capacity for this purpose.

Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by the rules and regulations.

**SECTION 12.3: PROPRIETARY DATA AND CONFIDENTIALITY:** The property data provided to Northern Arizona MLS is proprietary and confidential. All such data is copyrighted by Northern Arizona MLS and Northern Arizona MLS does not relinquish to any party any of the proprietary or copyright privileges vested in it by law or equity. All such information shall be treated as proprietary and confidential and shall not be disclosed to any third party whatsoever except by Northern Arizona MLS or as otherwise approved by Northern Arizona MLS. Such listing data may be sold, transferred, licensed, conveyed, accessed, leased or shared by a Northern Arizona MLS approved third party. *(New Section Approved 12-96)*

**SECTION 12.4: DISPOSAL:** Upon the end of its useful life, any Northern Arizona MLS Compilations or information accessed from the online data base shall be archived or disposed of in a fashion that would not allow third parties to gain access to this information.

**SECTION 12.5: USE OF THE TERM MLS:** Member Participants and Subscribers shall not use the term “MLS” “multiple listing service” or any derivatives to represent or imply that the public will have access to the MLS on their own websites or on any advertising in any media. The only acceptable use of the term MLS is for a Member Participant or Subscriber to indicate they are a member of the MLS or to describe the services they provide.

**SECTION 12.6: CONFIDENTIAL DATA FIELDS:** The service has classified as confidential the following data fields. A Member Participant or Subscriber shall not disclose confidential data fields to any consumer, whether orally, on a VOW, IDX website, or via any other means, unless the Member Participant or Subscriber is the Listing Brokerage.

COMPANY REMARKS

EXPIRATION DATE (unless the listing is Expired)

OCCUPANT TYPE

SELLING OFFICE (unless the listing is Closed)

SELLING AGENT (unless the listing is Closed)

## **USE OF NORTHERN ARIZONA MLS INFORMATION**

**SECTION 13: LIMITATIONS ON USE OF Northern Arizona MLS INFORMATION:** Use of information from the Northern Arizona MLS compilation of current listing information, from Northern Arizona MLS' statistical report, or from any sold or comparable report of Northern Arizona MLS for public mass-media advertising by a Member Participant or in other public representations, may not be prohibited.

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by Northern Arizona 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 Northern Arizona Multiple Listing Services, Inc. for the period (date) through (date) (and the area covered).” (Amended 3-06)*

## **CHANGES IN RULES AND REGULATIONS**

**SECTION 14: CHANGES IN RULES AND REGULATIONS:** Changes in Rules and Regulations of the MLS require a simple majority vote of the MLS Committee members present and voting, subject to approval by the NAAR Board of Directors.

**SECTION 15: MEETINGS:** The MLS Committee shall meet for the transaction of its business the first Wednesday of each month at 9:00 am at the Northern Arizona Association of REALTORS®. Absence from two regular meeting within a calendar year, without an excuse deemed valid by the committee members, shall be constructed as resignation from the committee. These meetings are open to all members.

## **APPENDIX A: MLS IDX RULES**

All capitalized terms carry the same definitions given in the MLS IDX Master Data License Agreement.

### **1. IDX DATA USAGE**

IDX or Broker Reciprocity is defined as a cooperative program where the Member Participant grants permission to display their listings on the websites of other Member Participants, and receives the same permissions in return. The use of MLS Data for IDX grants MLS participants the ability to authorize limited electronic display and delivery of their listings by other participants via the following authorized mediums under the participant's control: websites, mobile apps, and audio devices. As used throughout these rules, “display” includes “delivery” of such listings. Electronic display subject to these IDX Rules means displays on public websites and displays using applications for mobile devices that the Member Participant controls. In order to use MLS Data a Member Participant must be actively engaged in listing properties for sale and/or assisting and negotiating on behalf of buyers or sellers in real estate transactions.

### **2. CONSENT TO IDX DISPLAY**

The Member Participant's consent for display of their listings by other Member Participants may be presumed unless a Member Participant affirmatively notifies MLS or their MLS that they refuse to permit display on a listing-by-listing basis or a Member Participant affirmatively notifies MLS or their MLS that they refuse to permit display on a blanket basis. An MLS may require a Member Participant to affirmatively Opt-In their listings on a listing-by-listing basis to consent for display of their listings by other Member Participants. Any Member Participant may at any time,



by written notice to MLS, request that no data from their listings be included in MLS Data for IDX and an IDX Opt-Out Form may be required. Within ten (10) Business Days after receipt of such notice, MLS shall discontinue including any data from the Member Participant's listings in the MLS Data for IDX.

### **3. PARTICIPATION**

Participation in IDX is available to all Member Participants who are authorized by their applicable MLS's Governing Documents and who consent to the display of their listings by other Member Participants.

### **4. NOTICE OF INTENT**

Each Member Participant must notify MLS or their applicable MLS of their intention to establish a website, an application, or provide services involving the use and/or display of MLS Data, and must give MLS direct access for purposes of monitoring and ensuring compliance with applicable policies and license agreements, including these IDX Rules.

### **5. USE OF MLS DATA**

Member Participants may not use IDX provided listings for any purpose other than display as provided for in these IDX Rules. This does not require the Member Participant to prevent indexing of listings by recognized search engines. Member Participants and Subscribers may not use MLS Content which was originally submitted by another Member Participant or other sources authorized by the listing's Member Participant, for the purpose of creating a referral prospect to a different Member Participant, or for creating a buyer/tenant relationships with Member Participant's clients. Please note this rule does not apply where prohibited by local legal requirements, specifically in Washington.

### **6. CONTROL AND BRANDING**

Any IDX display must be under the actual and apparent control of a single Member Participant who has executed a MLS IDX Master Data License Agreement. Actual control means that the Member Participant has either built the website for their own use with internal resources, or obtained technology for the website under an agreement with a Vendor that provides the Member Participant final control over the operations of the website. Additionally, "actual control" means the ability to add, delete, modify and update information as required by MLS and their applicable MLS's Governing Documents. Apparent control means that a reasonable consumer viewing the website would conclude that it is under the control of the Member Participant. The following are currently conclusively deemed to be evidence of apparent control: that the Member Participant's branding is equal to or more prominent than that of any other entity, and that the domain name and branding on the website distinguish the Member Participant from non-participating firms, e.g., from other franchisees of the same franchise, if applicable.

### **7. WITHHOLDING PROPERTY ADDRESS FROM DISPLAY**

Listings, including property addresses, can be included in displays of MLS Data except where a seller has directed their Member Participant to withhold their listing or the listing's property address from all public display on the Internet (including, but not limited to, publicly-accessible websites or VOWs) or other electronic forms of display or distribution.

### **8. SELLER WITHHOLDING IDX LISTING FROM DISPLAY**

A Member 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 or other electronic forms of display or distribution shall cause the seller to execute a document that includes such a provision, in accordance with their applicable MLS Governing Documents.

#### **9. CRITERIA FOR IDX DISPLAY**

Member Participants may select the listings they choose to display through IDX based solely on objective criteria, including but not limited to factors such as geography or location, list price, type of property, cooperative compensation offered, type of listing or the level of service being provided by the listing Member Participant. Selection of listings displayed through IDX must be independently made by each Member Participant. If the Member Participant chooses to limit the display of any listings based on objective criteria, the Member Participant's IDX site must include a disclosure to consumers that clearly states "Some IDX listings have been excluded from this website."

#### **10. CONTROL AND BRANDING**

Any IDX display must be under the actual and apparent control of a single Member Participant who has executed a MLS IDX Master Data License Agreement. Actual control means that the Member Participant has either built the website for their own use with internal resources, or obtained technology for the website under an agreement with a Vendor that provides the Member Participant final control over the operations of the website. Additionally, "actual control" means the ability to add, delete, modify and update information as required by MLS and their applicable MLS's Governing Documents. Apparent control means that a reasonable consumer viewing the website would conclude that it is under the control of the Member Participant. The following are currently conclusively deemed to be evidence of apparent control: that the Member Participant's branding is equal to or more prominent than that of any other entity, and that the domain name and branding on the website distinguish the Member Participant from non-participating firms, e.g., from other franchisees of the same franchise, if applicable.

#### **11. WITHHOLDING PROPERTY ADDRESS FROM DISPLAY**

Listings, including property addresses, can be included in displays of MLS Data except where a seller has directed their Member Participant to withhold their listing or the listing's property address from all public display on the Internet (including, but not limited to, publicly-accessible websites or VOWs) or other electronic forms of display or distribution.

#### **12. SELLER WITHHOLDING IDX LISTING FROM DISPLAY**

A Member 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 or other electronic forms of display or distribution shall cause the seller to execute a document that includes such a provision, in accordance with their applicable MLS Governing Documents.

#### **13. CRITERIA FOR IDX DISPLAY**

Member Participants may select the listings they choose to display through IDX based solely on objective criteria, including but not limited to factors such as geography or location, list price, type of property, cooperative compensation offered, type of listing or the level of service being provided by the listing Member Participant. Selection of listings displayed through IDX must be independently made by each Member Participant. If the Member Participant chooses to limit the display of any listings based on objective criteria, the Member Participant's IDX site must

include a disclosure to consumers that clearly states “Some IDX listings have been excluded from this website.”

#### **14. CRITERIA FOR THUMBNAIL DISPLAY**

“Thumbnail” refers to a summary of listing information containing no more than five selection criteria describing the property (e.g. address, bedrooms, baths, square footage, and list price). Any search result identifying another Member Participant’s listing in a thumbnail format may not include contact information or branding of the Member Participant’s IDX site, or brokerage.

#### **15. REFRESH OF MLS DATA DOWNLOADS**

Each Member Participant must refresh all MLS Data downloads and IDX displays automatically fed by those downloads at least once every twelve (12) hours to include new data and exclude data that has been removed from the MLS Data.

#### **16. SHARING OF MLS DATA COMPILATION**

Sharing of the MLS Data compilation with any third party not authorized by MLS is prohibited.

#### **17. IDENTIFYING MEMBER PARTICIPANT’S BROKERAGE FIRM**

All IDX displays must be under the actual and apparent control of a Member Participant and must clearly identify the name of the brokerage firm under which the Member Participant operates in a readily visible color and typeface. Displays of minimum information (e.g. a one-line or “thumbnail,” text messages, “tweets”, etc. of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

#### **18. LOCATION OF CONTACT INFORMATION**

All IDX displays of another Member Participant’s listings may not include in the body of the listing any contact information or branding of the Member Participant operating the IDX site, or any third party. The body of the listing is defined as the rectangular space the borders of which are delimited by the utmost extent in each direction of the listing text and photo data.

#### **19. THIRD PARTY COMMENTS AND AUTOMATED VALUE ESTIMATES**

Any IDX display controlled by a Member Participant that (a) allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (b) displays an automated estimate of the market value of the listing (or hyperlink to such estimate); in immediate conjunction with the listing, shall disable or discontinue either or both of those features as to the seller’s listing at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all displays controlled by the Member Participant. Except for the foregoing and subject to the section below, a Member Participant’s IDX display may communicate the Member Participant’s professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying its viewers that a particular feature has been disabled at the request of the seller.

## **20. COMMENTS ON IDX LISTINGS**

Member Participant 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 Member Participant beyond that supplied by MLS and that relates to a specific property. Member Participant shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing Member Participant for the property explaining why the data or information is false. However, Member Participant shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment of the Member Participant controlling the IDX display.

## **21. CO-MINGLING OF DATA**

Member Participant may co-mingle listings through IDX provided by MLS with listings from other MLS sources on its IDX display, provided all such displays are consistent with these IDX Rules. Co-mingling is (a) the ability for a visitor to the website to execute a single search that searches any portion of MLS Data for IDX display 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 MLS Data for IDX display and listing data from any other source. Listings obtained from non-MLS MLSs must display the source from which each such listing was obtained. Display of minimum information (e.g. a one-line or "thumbnail," text messages, "tweets", etc. of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. Co-mingling of listings with properties not exclusively represented by a licensed real estate agent or broker is prohibited.

## **22. SUSPENSION OR TERMINATION OF ACCESS TO MLS DATA**

In the event of any default by the Member Participant, or the occurrence of any event which MLS believes may constitute an event of default by the Vendor under these IDX Rules, including any violation of or noncompliance with the MLS IDX Master Data License Agreement, or failure by the Member Participant to pay any fees or fines owing to MLS, MLS may at its option and without prior notice to the Member Participant, and in its sole discretion temporarily suspend, or terminate, the license granted to Member Participant to access the MLS Data until all outstanding fees have been paid in full or the default has been cured.

## **23. UNAUTHORIZED IDX ADVERTISING**

No display or use of the listings, or any portion of the listings, shall be used in connection with sending unsolicited or unauthorized advertising, spam, promotional materials, or any other form of unsolicited message, whether commercial or otherwise.

## **24. DISPLAY OF FIELDS OF DATA**

Listings displayed pursuant to IDX shall contain only those fields of data designated by MLS. Display of confidential fields intended only for other Member Participants (e.g., cooperative compensation offers, showing instructions, property security information, etc.) is prohibited.

## **25. LISTING AGREEMENT TYPE**

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

displayed.

## **26. PROHIBITION OF LISTING MODIFICATION**

No MLS Data made available to a Member Participant for IDX display shall be modified by such Member Participant; except that the display of IDX listings or other data may be augmented with additional data not otherwise prohibited from display so long as the source of the other data is clearly identified. This requirement does not restrict the modification of the listing using RESO-approved synonyms for normalization purposes. This requirement does not restrict the format of the display of the IDX listings or display of fewer than all of the IDX listings or display of fewer than the authorized data fields.

## **27. IDENTIFYING THE LISTING BROKERAGE**

With the display of any IDX listings, all listings displayed pursuant to IDX shall identify the listing brokerage name, the listing number, and the status of the listing adjacent to the property information, primary photo or group of prominent photos. When displaying a sold listing, the name of the cooperating brokerage OR the following disclaimer must also appear as established by the applicable MLS Governing Documents. Required items must be displayed in a readily visible color and typeface not smaller than the median used in the display of listing data. For example, no tiny text or gray text displayed on a gray background. Displays of minimal information (e.g., “thumbnails, text messages, “tweets”, etc. of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the devices application.

## **28. IDENTIFYING THE SOURCE OF IDX LISTINGS**

The display of any IDX listings shall clearly and conspicuously identify MLS and the applicable Multiple Listing Service (MLS) or Broker Listings Cooperative (BLC) as the source of the listings in accordance with these IDX Rules. MLS approved icons or logos identifying MLS as the source of IDX listings must appear on the first page where any listings are displayed. Displays of minimal information (e.g. “thumbnails”, text messages, “tweets”, etc., or two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the devices application.

## **29. CONSUMER USE OF IDX LISTINGS**

Member Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information is provided exclusively for consumers’ personal non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, that the data is deemed reliable but is not guaranteed by MLS , and that the use of the MLS Data may be subject to an end user license agreement prescribed by the Member Participant’s applicable MLS if any and as amended from time to time. MLS may, at its discretion, require use of other disclaimers as necessary to protect Member Participant, and/or their MLS from liability.

Each display or use of the IDX Listings, or any portion of the IDX Listings shall include the conspicuous display of the following:

“Based on information submitted to the MLS as of \_\_\_\_\_(date and time MLS Data was

obtained). All data is obtained from various sources and may not have been verified by broker or MLS. Supplied Open House Information is subject to change without notice. All information should be independently reviewed and verified for accuracy. Properties may or may not be listed by the office/agent presenting the information.”

Displays of minimal information (e.g. “thumbnails”, text messages, “tweets,” etc., of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the devices application.

### **30. MAP DISPLAY OF IDX LISTINGS**

With a map display on an IDX website showing the locations of the listings matching a consumer’s search with icons or pins, where a consumer may display a “pop-up” or “balloon” over the icon or pin by clicking or holding the mouse over it, required elements need not be displayed provided that (a) the consumer can click on the pop-up or balloon and view a page, including the listing information and the required elements; or (b) there is a display elsewhere on the page on which the map appears that includes the listing information and the required elements for all such listings on the map.

### **31. LIMIT ON NUMBER OF LISTINGS DISPLAYED**

The display of any IDX listings in response to a query from a consumer shall not be limited to fewer than five hundred (500) listings or fifty percent (50%), whichever is fewer, and no more than two thousand-five hundred (2,500) listings per search. This does not apply to displays showing mapping pins and no other listing data.

### **32. DISPLAY OF LISTINGS FROM OTHER SOURCES**

Listings obtained through IDX feeds from Realtor® Association MLSs where the Member Participant holds participatory rights must be displayed separately from listings obtained from other sources. Listings obtained from other sources (e.g., from non-MLS sources, from non-participating brokers, etc.) must display the source from which each such listing was obtained. Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the devices application.

### **33. DISPLAY OF OFF-MARKET OR SOLD LISTINGS**

The display of expired, withdrawn, and sold listings may be prohibited by the Member Participant’s applicable Governing Documents, and may be excluded from MLS Data. If expired, withdrawn, or sold listings are available in MLS Data for IDX, the display of those listings for a minimum of thirty-six (36) months prior to the current date is authorized.

### **34. DISPLAY OF SELLER INFORMATION**

The display of the seller’s and/or occupant’s name(s), phone number(s), and email address(es) is prohibited.

### **35. SECURITY OF IDX LISTINGS**

Each Member Participant is required to employ appropriate security protection such as firewalls on their websites and displays, provided that any security measures required by MLS may not be greater than those employed by MLS. Each Member Participant shall make reasonable

efforts to avoid “scraping” of the MLS Data by third parties or displaying of that data on any other website. Reasonable efforts shall include but not be limited to (a) Monitoring the website for signs that a third party is “scraping” data and (b) Prominently posting notice that any use search of data on the website, other than by a consumer looking to purchase real estate, is prohibited. If a Member Participant suspects “scraping” of the data has occurred, the suspicion and any evidence must be reported to MLS or their applicable MLS immediately.

### **36. REQUIRED DMCA NOTICE**

Member Participant’s IDX site must comply with The Digital Millennium Copyright Act of 1998 by including appropriate notification instructions to users. A Vendor or Member Participant that receives a DMCA notice of infringement must immediately (no later than 24 hours after receipt) notify MLS at [naarflag@nazrealtor.com](mailto:naarflag@nazrealtor.com) A Member Participant’s IDX site must include the conspicuous display of the following two paragraphs:

The Digital Millennium Copyright Act of 1998, 17 U.S.C. § 512 (the “DMCA”) provides recourse for copyright owners who believe that material appearing on the Internet infringes their rights under U.S. copyright law. If you believe in good faith that any content or material made available in connection with our website or services infringes your copyright, you (or your agent) may send us a notice requesting that the content or material be removed, or access to it blocked. Notices must be sent in writing by email to [naarflag@nazrealtor.com](mailto:naarflag@nazrealtor.com).

“The DMCA requires that your notice of alleged copyright infringement include the following information: (1) description of the copyrighted work that is the subject of claimed infringement; (2) description of the alleged infringing content and information sufficient to permit us to locate the content; (3) contact information for you, including your address, telephone number and email address; (4) a statement by you that you have a good faith belief that the content in the manner complained of is not authorized by the copyright owner, or its agent, or by the operation of any law; (5) a statement by you, signed under penalty of perjury, that the information in the notification is accurate and that you have the authority to enforce the copyrights that are claimed to be infringed; and (6) a physical or electronic signature of the copyright owner or a person authorized to act on the copyright owner’s behalf. Failure to include all of the above information may result in the delay of the processing of your complaint.

### **37. FALSE OR MISLEADING ADVERTISING AND REPRESENTATIONS**

Member Participant may not engage in false or misleading advertising, including, but not limited to, advertisements or representations regarding the Member Participant's relationship to their applicable MLS, about the applicable MLS itself, or about any property listed with their applicable MLS. Co-branding may be permitted if the Member Participant’s brokerage firm logo and contact information is larger than that of any third party. Member Participant shall present a true picture in their advertising and representations to the public, including the URLs and domain names they use, and Member Participant may not: (a) Engage in deceptive or unauthorized framing of real estate brokerage websites; (b) Manipulate (e.g., presenting content developed by others) listing content in any way that produces a deceptive or misleading result; or (c) Deceptively use metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic, or to otherwise mislead consumers.

### **38. PROHIBITED LANGUAGE**

Member Participant shall not indicate or imply in any manner that the Member Participant is a multiple listing service or broker listing cooperative, or that the consumer has access to or may

search Member Participant's applicable MLS. For example Member Participant shall not state that the consumer may "search the MLS"/"search the BLC" or "access the MLS"/"access the BLC," or similar language. MLS reserves the right to object to any Member Participant's company name or domain name, if MLS believes in its sole discretion the name used is confusingly similar to any name used in commerce by MLS or its MLS members. MLS similarly reserves the right to object to the use of any combination of the words "Multiple" (or "Multi"), "Listing" (or "List"), or "Service" (or "System"). Member Participants using prohibited language will not be granted access to MLS Data for IDX display.

### **39. THIRD PARTY ADHERENCE TO RULES**

Member Participants will take steps to ensure that any consultant and/or third party hired to help Member Participant setup and maintain Member Participant's IDX display reads, understands and executes the MLS IDX Master Data License Agreement and adheres to these IDX Rules.

### **40. SERVICE FEES, CHARGES AND FINES**

Fees and charges for participation in IDX services from MLS shall be as established by Member Participant's applicable MLS. Costs incurred by MLS in providing MLS Data to Member Participant may be assessed by MLS to the Member Participant at its sole discretion.

Failure to adhere to these IDX Rules may result in a fine in an amount specified by the Member Participant's applicable MLS. MLS or the applicable MLS will notify the Member Participant of any violation of these IDX Rules, and the amount of the corresponding fine for non-compliance. Member Participants who have received more than one notification from MLS for the same infraction within 180-day period, a \$250 habitual fine will be levied. This fine will increase to \$500 upon the third notification, and \$1000 and possible termination of the MLS IDX Master Data License Agreement upon fourth notification.

### **APPENDIX B: MLS VOW RULES**

All capitalized terms carry the same definitions given in the MLS VOW Master Data License Agreement.

#### **1. VOW DEFINED**

- a. A Virtual Office Website ("VOW") is a Member Participant's ("Participant") 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 Data, 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 these Rules, the term "Participant" includes a Participant's affiliated non-principal brokers and sales licensees – except when the term is used in the phrases "Participant's consent" and "Participant's oversight, supervision, and accountability". References to "VOW" and "VOWs" include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner ("AVP") on behalf of a Participant.
- c. Affiliated VOW Partner ("AVP") refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to the Participant's supervision,



accountability and compliance with the VOW Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use MLS Data except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to MLS Data is derivative of the rights of the Participant on whose behalf the AVP operates a VOW.

- d. As used in these Rules, the term “MLS Data” refers to active listing information and closed data provided by Participants to their applicable MLS and aggregated and distributed by the MLS to Participants.

## **2. SCOPE OF POLICY**

- a. The right of a Participant’s VOW to display MLS Data 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.

## **3. CONSUMER REGISTRATION VOW REQUIREMENTS**

- a. Before permitting any consumer to search for or retrieve any MLS Data 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 MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Data or a violation of MLS rules, the Participant shall, upon request of 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 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 their applicable MLS's ownership of, and the validity of their applicable MLS's copyright in, their applicable 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 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.

#### **4. CONTACT INFORMATION**

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.

#### **5. MONITORING**

A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of MLS Data. 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 MLS.

## 6. LISTINGS OR PROPERTY ADDRESSES

- 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 their applicable MLS, or 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.

## 7. COMMENTS AND REVIEWS

- 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 their applicable MLS, or 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 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."

## **8. ACCURACY OF PROPERTY INFORMATION**

A Participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the Broker Listing Cooperative® listing service 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.

## **9. UPDATING OF INFORMATION**

A Participant shall cause MLS Data available on its VOW to be refreshed at least once every twelve (12) hours.

## **10. DISTRIBUTION OF INFORMATION**

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

## **11. PRIVACY POLICY**

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

## **12. EXCLUSION OF LISTINGS**

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®.

## **13. INTENTION TO OPERATE VOW**

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

## **14. MULTIPLE VOWS**

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

## **15. LICENSE AGREEMENT**

Participants and the AVPs operating VOWs on their behalf must execute the MLS VOW MASTER DATA LICENSE AGREEMENT required by MLS.

## **16. EXCLUSION FROM SEARCHES**

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

- a. expired and withdrawn listings

- 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

#### **17. CHANGING OR AUGMENTING CONTENT**

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

#### **18. LIMITATION ON NUMBER OF LISTINGS**

A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to no fewer than five hundred (500) listings or fifty percent (50%) of the listings available for display, whichever is fewer.

#### **19. PASSWORD CHANGE**

A Participant shall require that Registrants' passwords be reconfirmed or changed every 180 days.

#### **20. ADVERTISING**

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

#### **21. SOURCE OF LISTINGS**

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 MLS, to identify the source of the listing.

#### **22. VOW NOTICE**

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

