



NEW CANAAN MULTIPLE LISTING SERVICE, INC. RULES AND
REGULATIONS

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NEW CANAAN MULTIPLE LISTING SERVICE, INC.
RULES AND REGULATIONS

1. PURPOSE.

The New Canaan Multiple Listing Service, Inc. (hereinafter referred to as the "MLS") provides a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in any other agency or non-agency capacities defined by law); by which cooperation among Participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of a sale (or lease).

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

2. PARTICIPATION.

A. Any REALTOR member of The New Canaan Board of Realtors, Inc. (hereinafter referred to as the "NCBOR") or of any other local board or association, who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Regulations, shall be eligible to participate in the MLS upon agreeing in writing to conform to the By-Laws and the rules and regulations of the MLS and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to MLS "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by the MLS where access to such information is prohibited by law.

B. Application for participation shall be made in such manner and form as may be prescribed by the Board of Directors of the MLS and made available to any Realtor. The application form shall contain a signed statement in which the applicant agrees to abide by the By-Laws and any applicable Rules and Regulations of the MLS as from time to time adopted or amended.

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

The Key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers or cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so. The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants.

3. ADMINISTRATION.

A. The Board of Directors of the MLS shall be the governing body of the MLS and shall have the general management and control of the business, affairs and operations of the MLS.

B. All business of the MLS shall be conducted from the office of the MLS.

C. To assist it in the administration of the MLS, the Board of Directors of the MLS shall appoint a Listing Committee, which shall have such duties, functions and powers as may be assigned to it from time to time by the Board of Directors.

D. The Board of Directors of the MLS shall give consideration to all written complaints from Participants having to do with a violation of these Regulations. If the alleged offense is a violation of these Regulations and does not involve a charge of alleged ethical misconduct or request for arbitration, it may be considered and determined by the Board of Directors of the MLS, and if a violation is determined, the Board of Directors may direct the imposition of sanction, provided that the recipient of such sanction may appeal it to the Professional Standards Committee of the BOR for a hearing by the Professional Standards Committee in accordance with the By-Laws of the BOR. All other complaints of unethical conduct shall be referred to the Secretary of the BOR for appropriate action in accordance with the professional standards procedures established in the BOR's By-Laws. .

4. SERVICE AREA.

Only listings of properties submitted in accordance with the provisions of the Listing Procedures of these Regulations may be accepted for dissemination by the MLS.

LISTING PROCEDURES

SECTION 1 Listings of real or personal property of the following types, which are listed subject to a real estate broker's license, located within the territorial jurisdiction of the New Canaan Multiple Listing Service, Inc. (MLS) taken by Participants on a property data form of the MLS shall be delivered to the Multiple Listing Service within 48 hours. The effective date of a multiple listing shall be the date which appears on the agreement. After all necessary signatures of seller(s) have been obtained:

- a. Single family homes for sale or exchange.
- b. Vacant lots or acreage for sale or exchange.
- c. Multiple family residential buildings for sale or exchange.
- d. Commercial or residential rentals.
- e. Business for sale or exchange
- f. Commercial Property for sale or exchange

1. The MLS may reserve the right to refuse to accept or remove from the service a listing which fails to adequately protect the interests of the public and the Participants.

2. The MLS assures that no listing form filed with the MLS establishes, directly or indirectly, any contractual relationship between the MLS and the client (buyer or seller).

The MLS shall accept exclusive right to sell contracts and exclusive agency listing contracts and may accept other forms of agreement which make it possible for the listing broker to offer cooperation and compensation to the other Participants of the MLS acting as subagents, buyer agents, or both.

The listing agreement must include the seller's authorization to submit the agreement to the MLS.

3. The different types of listing agreements include:

(a) Exclusive right to sell.

(b) Exclusive agency.

The exclusive right to sell listing is the conventional form of listing submitted to the MLS in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

The exclusive agency listing also authorizes the listing broker as exclusive agent, to offer cooperation and compensation on a blanket unilateral basis, but also reserves to the seller the general right to sell the property on an unlimited or restricted basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should clearly be distinguished by a simple designation from exclusive right to sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell listings with no named prospects exempted. Care should be exercised to insure that different codes or symbols are used to denote exclusive agency and exclusive right to sell listings with prospect reservations.

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

A multiple listing service may, as a matter of local option, accept exclusively listed property that is subject to auction. If such listings do not show a listed price, they may be included in a separate section of the MLS compilation of current listings.

SECTION 1.01, 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 sharing networks, and applications available to the general public.

SECTION 1.1 LISTINGS SUBJECT TO THE RULES AND REGULATIONS OF THE SERVICE

Any listing taken on a contract to be filed with the MLS is subject to the rules and regulations of the service upon signature of the seller(s). By submitting a listing to the MLS, a Participant makes a blanket unilateral contractual offer of cooperation and compensation to other participants for their services in selling or leasing the property. If a listing is found to be in violation of the MLS rules and regulations it will be removed from the MLS.

and property data form, when filed with the MLS by the listing broker, shall be complete in every detail which is ascertainable as specified on the property data form. Listing agreements must be signed by the owner(s), the listing agent, and the listing broker/MLS Participant before the listing can be processed. A copy of any listing agreement shall be made available to the MLS upon request.

- a. Listing agent name published in the MLS shall be the name of the person holding a Connecticut salesperson or Connecticut broker license. Trade names and names of legal entities or teams are not allowed.
- b. Listing firm name published in the MLS shall be the name of the firm shown on the Connecticut broker license held by the Realtor Participant. Trade names are not allowed.
- c. "Seller" shall be defined as the owner(s) of record of the property. Notwithstanding the foregoing, if the Seller is not the owner of record of the property, the agent listing the property with the MLS shall provide to the MLS a document signed by the owner(s) of record and the proposed Seller on a form ("Property Owner Authorization") which shall be obtained from the MLS, acknowledging that the owner of record and the individual or entity to be listed as Seller have entered into a legally binding agreement for the purpose of authorizing the individual or entity to be listed as "Seller" on the listing agreement and the published listing to act on behalf of the owner(s) of record. If the Seller is not the owner(s) of record, the name of the Seller as authorized by the owner(s) of record must be noted in UPPERCASE LETTERS in the Public Remarks section of the listing, together with a notice stating that the Seller is NOT the owner of record.
- d. Where more than one listing for the same parcel identification number as appears in the town tax records is filed, each such listing must reference the other listings in UPPERCASE LETTERS in the Public Remarks section, and each such reference must include the corresponding MLS number. For example, "SEE ALSO MLS #140xxx, 140yyy".
- e. All listings for proposed new construction shall, in the first line of the Public Remarks section, state "PROPOSED CONSTRUCTION" in UPPERCASE LETTERS. If the seller is not the owner of record this must also be stated in the public remarks. The Public Remarks section shall also include a statement indicating WHETHER applications have been filed with all required town departments as well as which, if any, applications have been filed and which approvals and/or permits have been obtained, including the dates of any such approvals or permits. (The list of applications and approvals and corresponding dates may be in an attached document which must be referenced in the Public Remarks section as "See attached list of Applications and Permits"). Where sample renderings or photographs of construction built previously by the individual or entity named in the listing as the builder of the proposed new construction are included, it should be clear that the renderings and/or photographs are intended only to show construction built previously by the named individual or entity. Any such rendering or photograph of previous construction completed by the said entity or individual shall have a caption under or on the rendering or photograph stating that it is either a rendering or a

photograph of work previously completed by that entity or individual. Within five (5) days after the substantial completion of the construction of the exterior of the building (i.e. roof, siding and windows installed), an actual photograph of the listed property shall be substituted for the rendering and/or sample photograph.

- f. Listings are not to be used for marketing purposes, and therefore names of PROPOSED builders, construction companies or other related entities may not be included in a listing unless such individual or entity is the owner of record.
- g. All listings for proposed subdivisions must include a statement indicating whether or not the appropriate application(s) has/have been made to all required town departments for the approval of the subdivision(s). In addition, any listing submitted with respect to any of the proposed lots in a proposed subdivision must state in UPPERCASE LETTERS in the Public Remarks section that it is a PROPOSED SUBDIVISION.
- h. The Board of Directors of the MLS reserves the right to review all documents and agreements relating to listings submitted to the MLS to assure that they are in compliance with MLS policies.

SECTION 1.2.1 LIMITED SERVICE LISTINGS Listing agreements under which the listing broker will not provide one, or more, of the following services:

- a. arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s)
- b. accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s)
- c. advise the seller(s) as to the merits of offers to purchase
- d. assist the seller(s) in developing, communicating, or presenting counter-offers
- e. participate on the seller(s) behalf in negotiations leading to the sale of the listed property will be identified with an appropriate code or symbol in MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initiating efforts to show or sell the property.

SECTION 1.2.2 MLS ENTRY-ONLY LISTINGS Listing agreements under which the listing broker will not provide any of the following services:

- a. arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s)
- b. accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s)
- c. advise the seller(s) as to the merits of offers to purchase
- d. assist the seller(s) in developing, communicating, or presenting counter-offers
- e. participate on the seller's(s') behalf in negotiations leading to the sale of the listed property will be identified with an appropriate code or symbol (e.g., EO) in MLS compilations so potential cooperating brokers will be aware of the extent of the services

the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initiating efforts to show or sell the property.

SECTION 1.3 EXEMPTED If a seller refuses to permit the listing to be disseminated by the Service, that listing (office exclusives) may not be entered into the Service. Non-MLS listing information may be forwarded to the Service after closing for entry into the CMA module of the Service and this data will then be fully available to all MLS members for CMA's and custom reports. (Amended 06/12)

SECTION 1.4 CHANGE OF STATUS LISTING Any change in the listed price or other changes in the original listing agreements shall be made only when authorized in writing by the seller/s and co-signed by the listing broker. It shall be filed with the Service within 24 hours (except weekends and holidays) after the authorized change is received by the listing broker.

SECTION 1.5 WITHDRAWAL OF LISTING PRIOR TO EXPIRATION Listings of property may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement provided notice is filed with the Service including a copy of the agreement between the seller and the listing broker, signed by both, which authorizes the withdrawal.

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

SECTION 1.6 CONTINGENCIES APPLICABLE TO LISTINGS Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants.

SECTION 1.7 LISTING PRICE SPECIFIED The full gross listing price will be included in the information published in the MLS compilation of current listings unless the property is subject to auction.

SECTION 1.8 LISTING MULTIPLE UNIT PROPERTIES All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the property data form. When part of a listed property has been sold, proper notification should be given to the MLS.

SECTION 1.9 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS The MLS shall not fix, control, recommend, suggest or maintain commission rates or fees for services to be rendered by Participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non-Participants.

SECTION 1.10 EXPIRATION OF LISTINGS Any listing filed with the Service automatically expires at 12:00 midnight on the date specified in the agreements unless renewed by the listing broker and notice of the renewal or extension is filed with the MLS prior to the expiration. The renewal must be signed by the seller/s, listing broker and listing broker/Participant. It is recommended that expiration dates do not fall on weekends or holidays. If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and filed with the Service.

SECTION 1.11 TERMINATION DATE ON LISTINGS Listings filed with the Service shall bear a definite and final termination date as negotiated between the listing broker and seller(s)

SECTION 1.12 SERVICE AREA Only listings of the designated types of property located within the service area of the MLS are required to be submitted to the service. Listings of property located outside the MLS's service area **ea will** be accepted if submitted voluntarily by a Participant, but cannot be required by the service.

SECTION 1.13 FOREIGN LISTINGS In addition to the foregoing, the MLS shall accept and publish listings from REALTORS which are within the State of Connecticut and which are operated by other Boards of REALTORS, provided:

Any such listing must comply with all rules, regulations and requirements of the MLS, including payment of a fee equivalent to that charged for local listings or, if justified, such higher fee as will be sufficient to cover the cost of processing and publishing such listing.

SECTION 1.14 PROCESSING CHARGE The MLS processing charge must be paid to the MLS at a time designated by the New Canaan Multiple Listing Service, Inc.

SECTION 1.15 LISTINGS OF SUSPENDED PARTICIPANTS When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e. violation of the Code of Ethics, Board Bylaws, MLS rules and regulations, or other membership obligations except failure to pay appropriate dues, fees or charges, all listings currently filed with the MLS by the Participant shall, at the Participant's option, be retained in the Service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Board for failure to pay appropriate dues, fees or charges, a Board MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised in writing of the intended removal so that the suspended Participant may advise

his clients.

SECTION 1.16 LISTINGS OF EXPELLED PARTICIPANTS When a Participant of the Service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS shall, at the expelled Participant's option, be retained in the Service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Board or MLS, or both, for failure to pay appropriate dues, fees or charges, a Board MLS is not obligated to provide MLS Services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised in writing of the intended removal so that the expelled Participants may advise his clients.

SECTIONS 1.17 LISTINGS OF RESIGNED PARTICIPANTS When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings from the MLS, the resigned Participant should be advised in writing of the intended removal so that the resigned Participant may advise his clients.

SELLING PROCEDURES

SECTION 2 SHOWING AND NEGOTIATIONS Appointments for showings and negotiations with the seller for purchase of listed property filed with the Multiple Listing Service shall be conducted with the listing broker, except under the following circumstances:

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

SECTION 2.1 PRESENTATION OF OFFERS The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

SECTION 2.2 SUBMISSION OF WRITTEN OFFERS The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker.

Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer. Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.

SECTION 2.3 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER

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

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 2.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFER

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

SECTION 2.5 REPORTING SALES TO SERVICE Status changes, including final closing of sales shall be reported to the MLS by the listing broker within 24 hours (except weekends and holidays) after they have occurred. If negotiations were carried on under Section 2(a) or (b), hereof the cooperating broker shall report accepted offers to the listing broker within 24 hours (except weekends and holidays) after occurrence and the listing broker shall report them to the MLS within 24 hours after receiving notice from the cooperating broker. (Amended 11/08)

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

information by the MLS to its Participants. As established in the VOW policy, sale prices can only be categorized as confidential in states where the actual sale prices of completed transactions are not accessible from public records.

SECTION 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES The listing broker shall report to the MLS within 24 hours that a contingency on file with the MLS has been fulfilled or renewed, or the agreement canceled.

SECTION 2.7 ADVERTISING OF LISTING FILED WITH THE SERVICE A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker.

SECTION 2.8 REPORTING CANCELLATION OF PENDING SALE The listing broker shall report immediately to the MLS the cancellation of any pending sale and the listing shall be reinstated immediately.

SECTION 2.9 DISCLOSING THE EXISTENCE OF OFFERS Listing brokers, in response to inquiries from buyers or cooperating brokers shall, with the seller's approval, disclose the existence of offers on the property. Where disclosure is authorized, the listing broker shall also disclose, if asked, whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating broker.

SECTION 2.10 AVAILABILITY OF LISTED PROPERTY Listing brokers shall not misrepresent the availability of access to show or inspect listed property.

REFUSAL TO SELL

SECTION 3 REFUSAL TO SELL If the seller of any listed property filed with the MLS refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the Service and all Participants.

PROHIBITIONS

SECTION 4 INFORMATION FOR PARTICIPANTS ONLY Any listing filed with the Service shall not be made available to any broker or firm not a member of the MLS without the prior consent of the listing broker.

SECTION 4.1 FOR SALE SIGNS Only the "FOR SALE" sign of the listing broker may be placed on a property.

SECTION 4.2 SOLD SIGNS Town rules prohibit "SOLD" signs on properties in New Canaan

SECTION 4.3 TOWN RULES Signs placed in the Town of New Canaan must be in

accordance with the New Canaan Zoning Regulation Section 66-18.2D as follows: "One 'For Sale' or 'For Rent' sign per lot, not exceeding three (3) square feet in area. Only the words "for sale" or "for lease" followed by "by broker" or "by owner," followed by a telephone number may appear on the sign. All other identifying words, symbols, logos or characters are prohibited."

SECTION 4.4 SOLICITATION OF LISTINGS FILED WITH THE SERVICE Participants shall not solicit a listing on property filed with the Service unless such solicitation is consistent with Article 16 of REALTOR®'S Code of Ethics, its Standards of Practice and its Case Interpretations.

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

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

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

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

DIVISION OF COMMISSION

SECTION 5 COMPENSATION SPECIFIED ON EACH LISTING

The listing broker shall specify, on each listing filed with the MLS, the compensation offered to other MLS Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts

and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

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

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

1. by showing a percentage of the gross selling price
2. by showing a definite dollar amount (Amended 11/95)

MLS's may also, as a matter of local discretion, allow Participants to offer cooperative compensation as a percentage of the net sales price, with the net sales price defined as the gross sales price minus buyer upgrades (new construction) and seller concessions (as defined by the MLS unless otherwise defined by state law or regulation).

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

This shall not preclude the listing broker from offering any MLS Participant compensation other than the compensation indicated on any listing published by the MLS provided the listing broker informs the other broker in writing in advance of submitting an offer to purchase and provided that the modification in 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 gross sales price or as a flat dollar amount. (Amended 11/95)

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

Note 2: The listing broker may, from time to time, adjust the compensation offered to other MLS Participants for their services with the respect to any listing by advance published notice to the Service so that all Participants will be advised. (Amended 4/92)

Note 3: The MLS shall make no rule on the division of commissions between Participants and non-Participants. This should remain solely the responsibility of the listing broker.

Note 4: The MLS at its discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval; and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they submit an offer that ultimately results in a successful transaction. (Adopted 11/98)

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

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

SECTION 5.0.1 DISCLOSING POTENTIAL SHORT SALES Participants may, but are not required to, disclose potential short sales to other Participants and Subscribers. When disclosed, Participants may, at their discretion, advise other Participants 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 Participants.

SECTION 5.1 PARTICIPANT AS PRINCIPAL If a Participant or any licensee or licensed or certified appraiser affiliated with a Participant has any ownership interest in property, the listing of which is to be disseminated through the MLS, that person shall disclose that interest when the listing is filed with the Service and such information shall be disseminated to all MLS Participants.

SECTION 5.2 PARTICIPANT AS PURCHASER If a Participant or any licensee (including licensed or certified appraisers) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed in writing to the listing broker prior to the time an offer to purchase is submitted to the listing broker.

SECTION 5.3 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

SERVICE CHARGES

SECTION 6 SERVICE CHARGES AND FEES The following service charges for operation of the MLS are in effect to defray the costs of the Service and are subject to change from time to time in a manner prescribed:

- a. Initial Participation Fee: An applicant for participation in the Service shall pay an application fee of \$300 with such fee to accompany the application.

- b. Recurring Participation Fee: The annual participation fee of each Participant shall be \$750 times each salesperson and licensed or certified appraiser who has access to and use of the Service, whether licensed as a broker, sales licensee or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such Participant. Payment of such fees become due and payable on January first of each year and shall be prorated on a monthly basis. *However, MLSs must provide 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 MLS or CIE where the principal broker participates. MLSs may, at their discretion, require that broker participants sign a certification for nonuse of its MLS services by their licensees which can include penalties and termination of the waiver if violated.*
- c. Servicing Agent Fees: Fees equal to the Initial Participation Fee (application fee) plus the salesperson portion of the Recurring Participation Fee for one year (MLS dues) per Section 6, a and b, shall be charged to a Participant for any "servicing agents" for New Canaan properties given access to and use of the Service by Participant unless fees for such "servicing agent" are already paid by Participant.
- d. Listing Fee: For filing a new listing or renewal of such a listing with the service, a fee of \$35 shall accompany each listing when filed with the service.
- e. The ultimate responsibility for delinquent dues, fees and charges is that of the Participant.

COMPLIANCE WITH RULES

SECTION 7 COMPLIANCE WITH RULES/AUTHORITY TO IMPOSE DISCIPLINE

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

- a. letter of warning
- b. letter of reprimand
- c. attendance at MLS orientation or other appropriate courses or seminars which the Participant or Subscriber can reasonably attend taking into consideration cost, location and duration
- d. appropriate, reasonable fine not to exceed \$15,000
- e. 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 (Adopted 11/07)

Note: A participant can be placed on probation. Probation is not a form of discipline. When a participant 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 MLS rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent and 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 other forms of discipline are held in abeyance during probation does not bar imposition of other discipline.

SECTION 7.1 COMPLIANCE WITH RULES The following action may be taken for noncompliance with the rules:

- a. For failure to pay any service charge or fee within one (1) month of the due date, and provided that at least ten (10) days' notice has been given, the service shall be suspended until service charges or fees are paid in full.
- b. To reinstate MLS service following suspension, a reinstatement fee to be determined by the MLS will apply.
- c. For failure to comply with any other rule, the provisions of Sections 9 and 9.1 shall apply

SECTION 7.2 APPLICABILITY OF RULES TO USERS AND/OR SUBSCRIBERS

Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these rules and regulations and may be disciplined for violations thereof provided that the user or Subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the rules and regulations. Further, failure of any user or Subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or Subscribers affiliated with the Participant.

MEETINGS

SECTION 8 MEETING OF THE Directors of New Canaan Multiple Listing Service, Inc
The New Canaan Multiple Listing Service, Inc shall meet for the transaction of its business at a time and place to be determined by the New Canaan Multiple Listing Service, Inc.

SECTION 8.1 MEETINGS OF THE MLS PARTICIPANTS The Directors of New Canaan Multiple Listing Service, Inc. may call meetings of the Participants in the Service to be known as Meetings of the MLS.

SECTION 8.2 CONDUCT OF MEETINGS The President or President-Elect, shall preside at all meetings, or in their absence, a temporary chairman from the membership of the Board of Directors shall be named chairman.

ENFORCEMENT OF RULES OR DISPUTES

SECTION 9 CONSIDERATION OF ALLEGED VIOLATIONS The Board of Directors of the New Canaan Multiple Listing Service, Inc shall give consideration to all written complaints having to do with violations of the MLS Rules and Regulations. 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 Board of Directors)

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 considered and determined by the Board of Directors of New Canaan Multiple Listing Service, Inc, and if a violation is determined, the Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the New Canaan Board of REALTORS for a hearing by the Professional Standards Committee in accordance with the Bylaws of the New Canaan Board of REALTORS® within twenty days following the receipt of the Board of Directors of the New Canaan Multiple Listing Service, Inc. 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 New Canaan Board 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 New Canaan Board of REALTORS.

SECTION 9.2 COMPLAINTS OF UNETHICAL CONDUCT All other complaints of unethical conduct shall be referred by the Board of Directors of the Service to the New Canaan Board of REALTORS® for appropriate action in accordance with the professional standards procedures established in the association's Bylaws.

SECTION 9.3 COMPLAINTS OF UNAUTHORIZED USE OF LISTING CONTENT

Any participant who believes another participant has engaged in the unauthorized use or display of listing content, including photographs, images, audio or video recordings, and virtual tours, shall send notice of such alleged unauthorized use to the MLS. Such notice shall be in writing, specifically identify the allegedly unauthorized content, and be delivered to the MLS not more than sixty (60) days after the alleged misuse was first identified. No participant may pursue action over the alleged unauthorized use and display of listing content in a court of law without first completing the notice and response procedures outlined in this Section 9.3 of the MLS rules.

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

If the Committee (Board of Directors) determines that the use of the content was unauthorized the Committee (Board of Directors) may issue a sanction pursuant to Section 7 of the MLS rules, including a request to remove and/or stop the use of the unauthorized content within ten (10) days after the transmittal of the decision. If the unauthorized use stems from a violation of the MLS rules, that too will be considered at the time of establishing appropriate sanction.

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

SECTION 9.4 MLS RULES VIOLATIONS

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

CONFIDENTIALITY OF MLS INFORMATION

SECTION 10 CONFIDENTIALITY OF MLS INFORMATION Any information provided by the MLS to the Participants shall be considered official information of the Service. Such information shall be considered confidential and exclusively for the use of Participants and real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate State regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

The following security violations are prohibited:

- a. Misuse or abuse of the MLS computer access codes.
- b. Sharing of user names and/or passwords with unauthorized persons
- c. Failure to adequately protect security access to MLS data and systems.

SECTION 10.1 MLS RESPONSIBILITY FOR ACCURACY OF INFORMATION The information published and disseminated by the Service is communicated verbatim, without change by the Service, as filed with the Service by the Participant. The Service does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Service harmless against any liability arising from inaccuracy or inadequacy of the information such Participant provides.

SECTION 10.2 ACCESS TO COMPARABLE AND STATISTICAL INFORMATION Board Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, 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, "sold" information, and statistical reports. This information is provided for the exclusive use of Board Members and individuals affiliated with Board Members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office, or firm except as otherwise provided in these Rules and Regulations.

OWNERSHIP OF MLS COMPILATIONS AND COPYRIGHTS

SECTION 11

• **Section 11, Ownership of MLS Compilation and Copyright**

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

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

SECTION 11.1 All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the New Canaan Multiple Listing Service, Inc and in the copyrights herein, shall at all times remain vested in the New Canaan Multiple Listing Service, Inc.

SECTION 11.2 Each Participant shall be entitled to lease from the New Canaan Multiple Listing Service, Inc a number of copies of each MLS Compilation sufficient to

provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such Compilation. The

Participant shall pay, for each such copy, the rental fee set by the New Canaan Multiple Listing Service, Inc.

This section should not be construed to require the Participant to lease a copy of the MLS Compilation for any licensee (or licensed or certified appraiser) affiliated with the Participant who is engaged exclusively in a specialty of the real estate business other than listing, selling or appraising the types of properties which are required to be filed with the MLS, and who does not, at any time, have access to nor use of the MLS information or MLS facility.

Participants shall acquire by such lease only the right to use the MLS compilation in accordance with these rules.

USE OF COPYRIGHTS MLS COMPILATIONS

SECTION 12 DISTRIBUTION Participants shall at all times maintain control over and responsibility for each copy of any MLS Compilation and shall not distribute any such copies to persons other than persons affiliated with such Participant as licensees or 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 a Board MLS is strictly limited to the activities authorized under the Participant's licensure(s) or certification and unauthorized use is prohibited. Further, none of the foregoing is intended to convey "participation," or "membership" or any right of access to information developed by or published by a Board MLS where access to such information is prohibited by law.

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

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

SECTION 12.1 DISPLAY Participants, and those persons affiliated as licensees with such Participants, shall be permitted to display MLS Compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS Compilation.

SECTION 12.2 REPRODUCTION Participants or their affiliated licensees shall not

reproduce any MLS Compilation or any portion thereof except in the following limited circumstances: Participants or their affiliated licensees may reproduce from the MLS compilation, and distribute to prospective purchasers, a reasonable* number of single copies of property listing data contained in the MLS Compilation which relate to any properties in which the prospective purchasers are or may, in the judgment of the Participant or their affiliated licensees, be interested.

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

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

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

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, "sold" information, "comparables," or statistical information from utilizing such information to support an estimate of value on a particular property for a particular client. However, only such information that a Board or a Board-owned MLS has deemed to be non-confidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules and Regulations.

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

USE OF MLS INFORMATION

SECTION 13 LIMITATION ON USE OF MLS INFORMATION Use of information from the MLS Compilation of current listing information, from the Board's "Statistical Report," or from any "sold" or "comparable" report of the Board or MLS for public-mass media advertising by an MLS Participant or in other public representatives may not be prohibited. However, any print or non-print forms of advertisement or other forms of public representations based in whole or in part on information supplied by the Board or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following notice:

“Based on the information from the New Canaan Multiple Listing Service for the period (date) through (date).”

CHANGES IN RULES AND REGULATIONS

SECTION 14 Amendments to the rules and regulations of the service shall be by consideration and approval of the Board of Directors of the New Canaan Multiple Listing Service, Inc., subject to final approval by Board of Directors of the New Canaan Board of REALTORS® (the sole and exclusive shareholder of the stock of the service corporation).

ADMINISTRATION

SECTION 15 The Service shall be administered by a Board of Directors comprised of the officers and directors nominated and elected as described in Article 6 of the Bylaws of the Service.

LOCKBOXES AND LOCKBOX KEYS

Section 16.1 Lock Box System. NCMLS shall provide an optional lockbox system to Participants and their affiliated Subscribers for the purpose of providing access to listed properties on the NCMLS, subject to the execution of either a Lockbox Sublease Agreement between the Participant and the MLS and an eKEY or ActiveKEY Sub-License Agreement with the lockbox vendor. These agreements shall provide that: (a) ActiveKeys or eKEYs may not under any circumstances be used by anyone other than the keyholder; b) Electronic Lockboxes may only be placed on properties that are listed by a Subscriber to the MLS System and the Electronic Lockbox program; (c) Electronic Lockboxes shall not be placed on any property that is not filed in the MLS System. The Lockbox system shall be provided by a recognized Lockbox vendor.

Section 16.2 Lockbox System Fees and Charges.

- a) The lockbox lease fee is set by the MLS Board of Directors annually.
- b) Lockboxes are leased to the NCMLS by the vendor, and sub-leased to Participants. Additional lockboxes beyond the original inventory assigned to each Participant as of Sept. 28, 2011 must be purchased at the rate established by the lockbox vendor. No reduction in participant inventory is permitted.
- c) Lockboxes are leased to Participants for a six-year term commencing Sept. 28, 2011, ending Sept. 28, 2017.

Section 16.3 The New Canaan Multiple Listing Service, Inc. may impose fines up to five thousand dollars (\$5,000) for reported misuse or abuse of NCMLS Lockbox Keys. Lockbox keys registered to a Subscriber or Participant of the NCMLS may not be shared with, loaned to or otherwise given to any other person, whether or not that person is also a Subscriber or Participant of the NCMLS. If such action is confirmed, a fine as determined by the New Canaan Multiple Listing Service, Inc. will be imposed immediately. Only one lockbox device, either an ActiveKey or an eKey may be registered to any one keyholder.

Upon resignation or suspension from the NCMLS, any and all lockbox keys registered to a Participant or Subscriber must be returned immediately to the NCMLS Executive Officer or a fine as determined by the New Canaan Multiple Listing Service, Inc may be imposed.

The New Canaan Multiple Listing Service complies with all provisions of the Lockbox Security Requirements as provided by NAR in Policy Statement 7.31 adopted and incorporated in the Policy Statement Section of these Rules and Regulations. Section 16.4 Storing the PIN with a ActiveKey or eKEY is Prohibited. Each ActiveKey or eKEY will not function unless a unique PIN code has been entered via its keypad. This feature is critical in restricting an unauthorized individual's ability to open Electronic Lockboxes. Therefore PIN codes are never to be attached to or stored with an ActiveKey or eKEY in any way. Any violation of Section 16.4 is subject to the imposition of a fine determined by the Board of Directors. After the first violation, if a Participant or Subscriber again violates this Section, the Service shall impose a thirty (30) day suspension of all Lockbox services and privileges.

Section 16.5 Requirement to Immediately Report a Lost or Stolen ActiveKey or eKEY. When a Subscriber becomes aware that their ActiveKey or eKEY has been lost, stolen or is otherwise unaccounted for, the Subscriber must immediately notify the NCMLS and the NCMLS shall immediately deactivate the ActiveKey or eKEY.

Section 16.6 NMLS May Suspend or Terminate Lockbox Services. The Service may: (a) deny, suspend or terminate all Lockbox Services; and/or (b) refuse to lease ActiveKeys, eKEYs or Lockboxes to any individual: (1) convicted of a felony or misdemeanor if, in the sole determination of the NCMLS, the conviction relates to the conduct of real estate brokerage business or if clients, customers, or other real estate professionals would be placed at risk by allowing the convicted individual access to

Lockbox Services. The NCMLS may suspend the right of a Lockbox keyholder to use an ActiveKey or eKEY following his/her arrest for any felony or misdemeanor, and pending judicial resolution of such charge, if the crime that the keyholder is accused of, in the sole determination of the NCMLS, relates to the conduct of real estate brokerage business or if clients, customers, or other real estate professionals would be placed at risk by allowing the accused individual continued access to Lockbox Services.

ORIENTATION

SECTION 17 ORIENTATION

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within thirty (30) days after access has been provided.

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

SECTION 17.1 OPEN HOUSE POLICY Participants and Subscribers of the MLS shall comply with the Open House Policy as established by the New Canaan Multiple Listing Service, Inc.

INTERNET DATA EXCHANGE (IDX)

SECTION 18 IDX DEFINED

IDX affords 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.

Participants' consent for display of their listings by other participants pursuant to these rules and regulations is presumed unless a participant affirmatively notifies the MLS that

the participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit the display of that participant's listings, that participant may not download, frame or display the aggregated MLS data of other participants

SECTION 18.1 AUTHORIZATION

Participants' consent for display of their listings by other participants pursuant to these rules and regulations is presumed unless a participant affirmatively notifies the MLS that the participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit the display of that participant's listings, that participant may not download, frame or display the aggregated MLS data of other participants

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

SECTION 18.2 PARTICIPATION

Participation in IDX is available to all MLS Participants who are REALTORS® and who consent to display of their listings by other Participants.

SECTION 18.2.1

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

SECTION 18.2.2

MLS Participants may not use IDX-provided listings for any purpose other than display on their websites. This does not require Participants to prevent indexing of IDX listings by recognized search engines.

Section 18.2.3 of the Internet Data Exchange (IDX) Rules

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

SECTION 18.2.4

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

SECTION 18.2.5

Participants must refresh all MLS downloads and refresh all MLS data at least once every twelve (12) hours.

SECTION 18.2.6

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

SECTION 18.2.7

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

SECTION 18.2.8

Any IDX site that:

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

shall disable or discontinue either or both of those features as to the seller's listings at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Except for the foregoing and subject to Section 18.2.9, a Participant's IDX site may communicate the Participant's professional judgment concerning any listing. Nothing shall prevent an IDX site from notifying its customers that a particular feature has been disabled at the request of the seller.

SECTION 18.2.9

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

SECTION 18.2.10

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

SECTION 18.2.11

Participants shall not modify or manipulate information relating to other participants listings. MLS participants may augment their IDX display of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated bby the date supplied by the MLS. The source(s) of the information must be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized fields.

SECTION 18.2.12

All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. (Amended 05/17)

* 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. (Amended 5/17)

SECTION 18.3 DISPLAY

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

SECTION 18.3.1

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

SECTION 18.3.1.1

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

SECTION 18.3.2

Participants shall not modify or manipulate information relating to other Participants' listings. (This is not a limitation on site design but refers to changes to actual listing data.) MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields.

SECTION 18.3.4

Listing information downloaded and/or otherwise displayed pursuant to IDX shall be limited to properties listed on an exclusive right to sell basis.

SECTION 18.3.5

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

SECTION 18.3.6

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

SECTION 18.3.7

The data consumers can retrieve or download in response to an inquiry shall be determined by the MLS but in no instance shall be limited to fewer than one hundred (100) listings or five percent (5%) of the listings available for IDX display, whichever is fewer.

SECTION 18.3.8

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

SECTION 18.3.9

The data consumers can retrieve or download in response to an inquiry shall be determined by the MLS but in no instance shall be limited to fewer than five hundred (500) listings or fifty percent (50%) of the listings available for IDX display, whichever is fewer. (Amended 11/17)

Listings obtained through IDX must be displayed separately from listings obtained from other sources, including information provided by other MLSs. Listings obtained from other sources (e.g., from other MLSs, from non-participating brokers, etc.) must display the source from which each such listing was obtained.

SECTION 18.3.10

Display of expired, withdrawn, pending, and sold listings is prohibited.

SECTION 18.3.11

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

SECTION 18.4 SERVICE FEES AND CHARGES

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

VIRTUAL OFFICE WEBSITES (VOWs)

SECTION 19.1 VOW DEFINED

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

(b) As used in Section 19 of these Rules, the term “Participant” includes a Participant’s affiliated non-principal brokers and sales licensees - except when the term is used in the phrases “Participant’s consent” and “Participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner (“AVP”) on behalf of a Participant.

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

(d) As used in Section 19 of these Rules, the term “MLS Listing Information” refers to active listing information and sold data provided by Participants to the MLS and aggregated and distributed by the MLS to Participants.

SECTION 19.2

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

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

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

SECTION 19.3

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

(i) The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.

(ii) The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.

(iii) The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.

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

(c) If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user

name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.

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

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

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

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

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

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

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

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

Section 19.4

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

SECTION 19.5

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

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

SECTION 19.6

(a) A Participant's VOW shall not display 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 or of any listing broker who has not granted permission, in accordance with Connecticut law, for the display of that broker's listings. The listing broker shall also communicate to the MLS that the seller or listing broker 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 or listing broker 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 (1) year from the date they are signed or one (1) year from the date the listing goes off the market, whichever is greater.

SECTION 19.7

(a) Subject to subsection (b), a Participant's VOW may allow third-parties:

(i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or

(ii) to display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing

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

SECTION 19.8

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

SECTION 19.9

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

SECTION 19.10

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

SECTION 19.11

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

SECTION 19.12

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

SECTION 19.13

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

SECTION 19.14

A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the

AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the Participant.

SECTION 19.15

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

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

SECTION 19.16

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

SECTION 19.17

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

SECTION 19.18

A Participant shall cause any listing that is displayed on his or her VOW to identify the name of the listing firm and the listing broker or agent in a readily visible color, in a reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.

SECTION 19.19

A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not fewer than 500 current listings or 50% of the listings in the MLS, whichever is less.

SECTION 19.20

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

Statements of Multiple Listing Policy

- **MLS Policy Statement 7.33, Information Related to Listings of Commercial and Industrial Property**

Policy Statement 7.33: Information Related to Listings of Commercial and Industrial Property

An association or association MLS may also publish a compilation of commercial and industrial properties listed with association or MLS members so that prospective cooperating brokers will have the opportunity to contact the listing broker to learn the terms of any cooperative relationship the listing broker wishes to establish. Such a mechanism is not a multiple listing service. If an association or association MLS provides this type of informational function (commonly referred to as a commercial information exchange or CIE) to its members, it shall not publish either the total commission negotiated between the listing broker and the seller or any offers of compensation to cooperating brokers. If a relationship is established between the listing broker and a prospective cooperating broker, it is strongly recommended that the terms and conditions be established in writing prior to the time the cooperating broker commences any efforts to produce a prospective purchaser or lessee. None of the foregoing is intended to preclude a CIE from providing, as a matter of local determination, access to information from CIE compilations to affiliate members of associations or to others engaged in recognized fields of real estate practice or in related fields. (Revised 11/04)

CIE fees, dues and charges: CIE participants must be given the option of a no-cost waiver for any licensee or licensed or certified appraiser who does not use the service and who can demonstrate subscription to a different CIE or MLS where their principal is a participant. CIEs may, at local discretion, require that broker participants sign a certification for nonuse of the CIE's services by their licensees, which can include penalties and termination of the waiver if violated.

Note: This policy became effective in August 2018 when adopted by the National Association's Leadership Team.

- **MLS Policy Statement 7.43: Waivers of MLS Fees, Dues, and Charges**

Recurring MLS fees, dues, and charges may be based upon the total number of real estate brokers, sales licensees, and licensed or certified real estate appraisers affiliated with or employed by an MLS participant.

However, MLSs must provide 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 MLS or CIE where the principal broker participants. MLSs may, at their discretion, require that broker participants sign a certificate of nonuse of its MLS services by their licensees, which can include penalties and termination of the waiver if violated.

Note: This policy became effective August 2018 when adopted by the National Association's Leadership Team.

- **MLS Policy Statement 7.73, Rights of Cooperating Brokers in Presentation of Offers**

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.

- **MLS Policy Statement 7.85, Ownership of Listing and Listing Content is amended as follows:**

The listing broker owns the listing agreement. Prior to submitting a listing to the MLS, the listing broker should own, or have the authority to license all listing content (e.g., photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property) to be published in the MLS compilation of listing information.

Use of listings and listing information by MLSs for purposes other than the defined purposes of MLS requires participants' consent. Such consent cannot be required as a condition of obtaining or maintaining MLS participatory rights. MLSs may presume such consent provided that listing brokers are given adequate prior notice of any intended use unrelated to the defined purpose of MLS, and given the opportunity to affirmatively withhold consent for that use.

Participants cannot be required to transfer ownership rights (including intellectual property rights) in their listings or listing content to MLS to obtain or maintain participatory rights except that MLSs may require participants to grant the licenses necessary for storage, reproduction, compiling, and distribution of

listings and listing information to the extent necessary to fulfill the defined purposes of MLS. MLSs may also require participants to warrant that they have the rights in submitted information necessary to grant these rights to MLS.

- Multiple Listing Policy Statement 7.88, Removal of Listings when Participant Refuses/fails to Timely Report Status Changes

Notwithstanding the limitations established in the Code of Ethics and Arbitration Manual or in other National Association of REALTORS® policy, multiple listings services operated as committees of associations of REALTORS® or as separate, wholly-owned subsidiaries of one or more associations of REALTORS® are authorized to remove any listing from the MLS compilation of current listing where the Participant has refused or failed to timely report status changes. Prior to the removal of any listings from the MLS, the Participant shall be advised of the intended removal so the Participant can advise his or her clients(s). (Adopted 11/07)

- Multiple Listing Policy Statement 7.89, Financial Penalty not to Exceed \$15,000

Notwithstanding the limitations established in the National Association of REALTORS® Code of Ethics and Arbitration Manual or in other National Association policy, multiple listings services operated as committees of associations of REALTORS® or as separate, wholly-owned subsidiaries of one or more associations of REALTORS® are authorized to impose financial penalties on Participants or Subscribers as discipline for violations of MLS rule or other MLS governance provisions not greater than fifteen thousand (\$15,000) dollars. (Adopted 11/07)

- Multiple Listing Policy Statement 7.90, Real Estate Transaction Standards

The integrity of data is a foundation to the orderly real estate market. The Real Estate Transactions Standards (RETS) provides a vendor neutral, secure approach to exchanging listing information between the broker and the MLS. In order to ensure that goal of maintaining an orderly marketplace is maintained, and to further establish REALTOR® information as the trusted data source, MLS organizations owned and operated by associations of REALTORS® will comply with the RETS standards by June 2009, and keep current with the standard's new versions by implementing new releases of RETS within one (1) year from ratification. (Adopted 11/07)

- .Multiple Listing Policy Statement....7.23, Information Specifying the Compensation on Each Listing with a Multiple Listing Service of an Association of REALTORS®

In filing property with the multiple listing service, Participants make blanket unilateral offers of compensation to the other MLS Participants and shall therefore specify on each listing filed with the service the compensation being offered by the listing broker to the other MLS Participants. This is necessary because cooperating Participants have the right to know what their compensation will be prior to commencing their efforts to sell.* (Revised 11/04)

The listing broker retains the right to determine the amount of compensation offers to subagents, buyer agents, or to brokers acting in other agency or non-agency capacities, which may be the same or different. (Revised 11/96)

This shall not preclude the listing broker from offering any MLS Participant compensation other than the compensation indicated on his listings as published by the MLS, provided the listing broker informs the other broker in writing in advance of their producing an offer to purchase and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants in the service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount. (Amended 11/95)

While offers on compensation made by listing brokers to cooperating brokers through MLS are unconditional (except where MLS rules create specific exceptions specified elsewhere in this policy statement), a listing broker's obligation to compensate a cooperating broker who was the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid. (Amended 11/98)

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

Note 1: The compensation specified on listings filed with the multiple listing service by the Participants of the service shall appear in one of two forms. The essential and appropriate requirement by a multiple listing service is the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions unless advised otherwise by the listing broker in writing in advance of their producing an offer to purchase. The compensation specified on listings published by the MLS shall be shown in on of the following forms:

1. by showing a percentage of the gross selling price
2. by showing a definite dollar amount (Revised 11/95)

Multiple Listing services shall not publish listings that do not include an offer of compensation expressed as a percentage of the gross selling price or as a definite dollar amount, not shall they include general invitations by listing brokers to other Participants to discuss terms and conditions of possible cooperative relationships. (Amended 11/96)

Note 2: Multiple listing services at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval; and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperation brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they produce an offer that ultimately results in a successful transaction. (adopted 11/98)

Note 3: Multiple Listing Services must give Participants the ability to

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

*Relates to Point No. 2 of the MLS antitrust compliance policy.

Multiple Listing Policy Statement 7.31 Lock Box Security Requirements

Eligibility for coverage under NAR's blanket errors and omissions insurance program is contingent on compliance with the following security measures whether the system is operated by the association or MLS.

1. Types of keys. Any physical or electronic key, programmer, or other device (hereinafter referred to as key) by which a lock box can be opened must be nonduplicative. Being nonduplicative means that it cannot be readily copied in the manner that other types of keys ordinarily are.

A mobile device (such as a smart phone, tablet, fob, etc.) can transmit a key to access a lockbox using standard protocols, including Bluetooth, Zigbee, infrared technology, and others. The applications and software used by mobile devices must contain security controls to allow only authorized users access to the lockbox.

As a matter of local discretion, the listing broker or agent can issue temporary codes/access to the lockbox and property on terms and conditions agreed to in advance by the seller. Temporary codes/access must expire with seventy-two (972) hours after being issued or must be under the control of the listing broker or agent. Temporary codes must be a minimum field size of five (5) characters.

2. Security protocols. Keys must be obtained from the original manufacturer, from a recognized vendor of lock box systems or from any other legitimate source. Prior to utilizing previously used keys, lids, or boxes, as s oci ati ons and M L S s m ust obtai n sufficient information from the original manufacturer and surrounding associations and MLSs in order to determine whether the key's pattern, code, or configuration is already in use.

Electronic lockboxes and electronic keys running on mobile devices must incorporate security protocols to prevent the following types of cyber-attacks:

- where an unauthorized user can override or escalate their security credentials
- where the communication session between the electronic lockbox and key are recorded and played back later to gain unauthorized access
- forging of electronic credentials that could allow an unauthorized user the ability to masquerade as an authorized user
- digitally signed updates to electronic keys running on mobile devices or electronic lockbox firmware plus a secured update process to prevent unauthorized software from being introduced into the lockbox system
- transmission(s) of frequencies to deceive the lockbox electronics into opening (Adopted 05/17)

3. Availability of lockbox system and keys. Any lock-box system must be designated as either an activity of an association of Realtors® or an association-owned and operated MLS. (Amended 05/17)

If the lock-box system is an activity of an association of Realtors®, then every Realtor® and Realtor-Associate® and every non-principal broker, sales licensee and licensed or certified appraiser affiliated with a Realtor®, shall be eligible to hold a key subject to their execution of a lease agreement with the association. (Amended 11/96)

If the lock-box system is an activity of an association-owned and operated MLS, then every MLS participant and every non-principal broker, sales licensee and licensed or certified appraiser who is affiliated with an MLS participant and who is legally eligible for MLS access shall be eligible to hold a key subject to their execution of a lease agreement with the MLS.

As a matter of local discretion, associations and MLSs can determine that key lease agreements executed by non-principal brokers, sales licensees, unlicensed personal assistants, administrative and clerical staff, and licensed, certified, or those seeking to be licensed or certified as appraisers, must also be cosigned by the designated Realtor® or the office's broker of record. Lease agreements shall spell out the responsibilities of the parties and shall incorporate by reference any applicable rules or regulations or other governing provisions of the association or MLS that relate to the operation of the lock box system. The lease agreement shall also provide that keys may not be used under any circumstances by anyone other than the keyholder except as provided elsewhere in this statement of policy. (Amended 05/17)

Associations and MLSs may, at their discretion, lease keys to affiliate members of associations who are actively engaged in a recognized field of real estate practice or in related fields. In such instances, the lease agreement shall be signed by the keyholder and by a principal, partner, or corporate officer of the keyholder's firm. (Amended 05/17)

Individuals may be required to pay lockbox costs as part of association dues or as part of MLS participation fees pursuant to MLS Policy Statement 7.57, Categorization of MLS Services, Information, and Products and pursuant to NAR Bylaws Official Interpretation #32. No one shall be required to lease a key from the association except on a voluntary basis. (Adopted 5/17)

Associations and MLSs may refuse to sell or lease lock-box keys, may terminate existing key lease agreements, and may refuse to activate or reactivate any key held by an individual who has been convicted of a crime within the past seven (7) years under the following circumstances: (Amended 5/17)

- A. The association or MLS determines that the conviction(s) relates to the real estate business or puts clients, customers, other real estate professionals, or property at risk, for example through dishonest, deceptive, or violent acts; and (Amended 5/17)

- B. The association or MLS gives the individual an opportunity to provide and the association or MLS must consider mitigating factors related to the individual's criminal history, including, but not limited to, factors such as:
 - i. the individual's age at the time of the conviction(s);
 - ii. nature and seriousness of the crime;
 - iii. extent and nature of past criminal activity;
 - iv. time elapsed since criminal activity was engaged in;
 - v. rehabilitative efforts undertaken by the applicant since the conviction(s);
 - vi. facts and circumstances surrounding the conviction(s); and
 - vii. evidence of current fitness to practice real estate. (Amended 5/17)

Associations and MLSs should be sure to evaluate individuals uniformly, and avoid making exceptions for one individual while denying an exception to another individual with

a similar criminal history. (Amended 5/17)

Associations or MLSs may suspend the right of lock-box keyholders to use lock-box keys following their arrest and prior to a final determination on any such charge if, in the determination of the association or MLS, the charge relates to a crime that relates to the real estate business or puts clients, customers, other real estate professionals, or property at risk. (Amended 5/17)

4. Audit requirement. Associations or MLSs shall maintain current records as to all keys issued and in inventory, including registered users accessing lockboxes through applications and software used by mobile devices. *There shall be an audit, at least annually, of all keys, whether issued or in inventory. This requirement may be satisfied by a physical inventory or, alternatively, by receipt of a statement signed by the keyholder and the designated Realtor®, broker of record, or, in the case of an affiliate member, by a principal, partner, or corporate officer of the keyholder's firm, attesting that the key is currently in possession of the keyholder. (Amended 05/17)*

5. Seller authority required. *Lock-boxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or any other written document.-Inclusion in MLS compilations cannot be required as a condition of placing lockboxes on listed property. (Amended 05/17)*

6. Reporting missing keys. *Associations and MLSs shall charge keyholders and their cosignatories with the joint obligation of immediately reporting lost, stolen, or otherwise unaccountable for keys to the association or MLS. Upon receipt of notice, the association or MLS must take any steps deemed necessary to re-secure the system. (Amended 05/17)*

7. Rules and procedures governing lockbox systems. *Associations and MLSs must adopt written, reasonable, and appropriate rules and procedures for administration of lock-box systems which may include appropriate fines, not to exceed \$15,000. Any issuing fees, recurring fees, or other administrative costs shall be established at the discretion of the association or MLS and set forth in the rules and procedures. All keyholders, whether or not they are association members or MLS participants ~~not~~, shall agree, as a condition of the key lease agreement, to be bound by the rules and procedures governing the operation of the lockbox system. (Amended 05/17)*

Key lease agreements may contain a liquidated damages provision to offset some or all of the costs in reestablishing the security of the system if it is determined that the security has been compromised through the negligence or fault of the keyholder. (Amended 11/97)

*8. Issuing electronic programmers or keypads on temporary basis. In the event electronic lock-box programmers or keypads are sold or leased, a designated Realtor® principal or an office's broker of record may purchase or lease additional programmers or keypads to be issued on a temporary basis to other keyholders in the same office in the event their programmer or keypad becomes non-functional outside normal business hours or under circumstances where a replacement programmer or keypad is not reasonably available from the issuing association or MLS. When a programmer or keypad is issued on a temporary basis, it shall be the responsibility of the Realtor® principal or the broker of record to advise the association or MLS in writing that the programmer or keypad has been issued, to whom, and the date and time of issuance within forty-eight (48) hours. It shall also be the responsibility of the Realtor® principal or the broker of record to advise the association or MLS in writing within two (2) business days after possession of the previously issued programmer or keypad has been reassumed. (Adopted 05/17) **M***

*9. Requiring "approved" lockbox systems. As a matter of local discretion, associations and MLSs may require placement of an "approved" lock-box on listed properties if any device giving access to real estate professionals and/or service providers is authorized by the seller and occupant and is placed on the property. The purpose of this requirement, if adopted by an association and MLS, is to ensure cooperating participants and subscribers have timely access to listed properties. Requiring that a lock-box or other access device be "approved" does not limit the devices that satisfy the requirement to lock-boxes leased or sold by an association or MLS. The association or MLS may require that the devices be submitted in advance for approval, and the access device may be any lock-box or other access device that provides reasonable, timely access to listed property. The association or MLS 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. (Adopted 05/17) **M***

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

I. Definitions and Scope of Policy.

1. For purposes of this Policy, the term Virtual Office Website ("VOW") refers to a Participant's Internet website, or a feature of a Participant's Internet website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS data, subject to the Participant's oversight, supervision, and accountability.

a. A Participant may designate an Affiliated VOW Partner ("AVP") to operate a VOW on behalf of the Participant, subject to the Participant's

supervision and accountability and the terms of this Policy.

b. A non-principal broker or sales licensee, affiliated with a Participant, may, with the Participant's consent, operate a VOW or have a VOW operated on its behalf by an AVP. Such a VOW is subject to the Participant's supervision and accountability and the terms of this Policy.

c. Each use of the term "Participant" in this Policy shall also include a Participant's non-principal brokers and sales licensees (with the exception of references in this section to the "Participant's consent" and the "Participant's supervision and accountability," and in section III.10.a, below, to the "Participant acknowledges"). Each reference to "VOW" or "VOWs" herein refers to all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an AVP.

2. The right to display listings in response to consumer searches is limited to display of MLS data supplied by the MLS(s) in which the Participant has participatory rights. This does not preclude a firm with offices participating in different MLSs from operating a master website with links to such offices' VOWs.

3. Participants' Internet websites, including those operated for Participants by AVPs, may also provide other features, information, or services in addition to VOWs (including the Internet Data Exchange ("IDX") function).

4. The display of listing information on a VOW does not require separate permission from the Participant whose listings will be available on the VOW.

5. Except as permitted in Sections III and IV, MLSs may not adopt rules or regulations that conflict with this Policy or that otherwise restrict the operation of VOWs by Participants.

II. Policies Applicable to Participants' VOWs.

1.A Participant may provide brokerage services via a VOW that include making MLS active listing data available, but only to consumers with whom the Participant has first established a lawful consumer-broker relationship, including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreement(s).

2.A Participant's VOW must obtain the identity of each Registrant and obtain each Registrant's agreement to Terms of Use of the VOW, as follows:

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

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

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

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

After the Registrant has opened for viewing the Terms of Use agreement, a "mouse click" is sufficient to acknowledge agreement to those terms. The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant.

The Terms of Use agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the VOW.

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

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

4. A Participant's VOW must protect the MLS data from misappropriation by employing reasonable efforts to monitor for and prevent "scraping" or other unauthorized accessing, reproduction, or use of the MLS database.

5. A Participant's VOW must comply with the following additional requirements:

a. No VOW shall display listing or property address of any seller who have affirmatively directed its listing broker to withhold its listing or property address from display on the Internet. The listing broker or agent shall communicate to the MLS that a seller has elected not to permit display of the listing or property address on the

Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listing or property address of a seller who has determined not to have the listing or address for its property displayed on the Internet.

b. A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that conforms to the form attached to this Policy as Appendix A. The Participant shall retain such forms for at least one year from the date they are signed.

c. With respect to any VOW that:

(i) allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or

(ii) displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, the VOW shall disable or discontinue either or both of those features as to the seller's

listing at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of

these features disabled or discontinued on all Participants' websites. Except

for the foregoing and subject to subparagraph (d), a Participant's VOW may communicate the Participant's professional judgment concerning any listing. Nothing shall prevent a VOW from notifying its customers that a particular feature has been disabled "at the request of the seller."

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

e. Each VOW shall refresh MLS data available on the VOW not less frequently than every 72 hours.

f. Except as provided elsewhere in this Policy or in MLS rules and regulations, no portion of the MLS database may be distributed, provided, or made accessible to any person or entity.

g. Every VOW must display a privacy Policy that informs Registrants of the ways in

which information obtained from them will be used.

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

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

7. A Participant may operate more than one VOW itself or through an AVP. A Participant who operates a VOW itself shall not be precluded from also operating VOWs in conjunction with AVPs.

II. Policies Applicable to Multiple Listing Services.

1. A Multiple Listing Service shall permit MLS Participants to operate VOWs, or to have

VOWs operated for them by AVPs, subject to the requirements of state law and this Policy.

2. An MLS shall, if requested by a Participant, provide basic “downloading” of all MLS non-confidential listing data, including without limitation address fields, listings types, photographs, and links to virtual tours. Confidential data includes only that which Participants are prohibited from providing to customers orally and by all other delivery mechanisms. They include fields containing the information described in paragraph IV(1) of this Policy, provided that sold data (i.e., listing information relating to properties that have sold) shall be deemed confidential and withheld from a download only if the actual sales prices of completed transactions are not accessible from public records. For purposes of this Policy, “downloading” means electronic transmission of data from MLS servers to a Participant’s or AVP’s server on a persistent basis. An MLS may also offer a transient download. In such case, it shall also, if requested, provide a persistent download, provided that it may impose on users of such download the approximate additional costs incurred by it to do so.

3. This Policy does not require an MLS to establish publicly accessible sites displaying Participants’ listings.

4. If an MLS provides a VOW-specific feed, that feed must include all of the non-confidential data included in the feed described in paragraph 2 above except for listings or property addresses of sellers who have elected not to have their listings or addresses displayed on the Internet.

5. An MLS may pass on to those Participants who will download listing information the reasonably estimated costs incurred by the MLS in adding or enhancing its “downloading” capacity to enable such Participants to operate VOWs.

6. An MLS may require that Participants (1) utilize appropriate security protection, such as firewalls, as long as such requirement does not impose security obligations greater than those employed concurrently by the MLS, and/or (2) maintain an audit trail of Registrants' activity on the VOW and make that information available to the MLS if the MLS has reason to believe that any VOW has caused or permitted a breach in the security of the data or a violation of applicable MLS rules.

7.

An MLS may not prohibit or regulate display of advertising or the identification of entities on VOWs ("branding" or "co-branding"), except to prohibit deceptive or misleading advertising or co-branding. For purposes of this provision, co-branding will be presumed not to be deceptive or misleading if the Participant's logo and contact information (or that of at least one Participant, in the case of a VOW established and operated by or for more than one

Participant) is displayed in immediate conjunction with that of every other party, and the

logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

8. Except as provided in this Policy, an MLS may not prohibit Participants from enhancing their VOWs by providing information obtained from sources other than the MLS, additional technological services (such as mapping functionality), or information derived from non-confidential MLS data (such as an estimated monthly payment derived from the listed price), or regulate the use or display of such information or technological services on any VOW.

9. Except as provided in generally applicable rules or policies (such as the Realtor® Code of Ethics), an MLS may not restrict the format of data display on a VOW or regulate the appearance of VOWs.

10. Subject to the provisions below, an MLS shall make MLS listing data available to an AVP for the exclusive purpose of operating a VOW on behalf of a Participant. An MLS shall make MLS listing data available to an AVP under the same terms and conditions as those applicable to Participants. No AVP has independent participation rights in the MLS by virtue of its right to receive data on behalf of a Participant, or the right to use MLS data except in connection with operation of a VOW for a Participant. AVP access to MLS data is derivative of the rights of the Participant on whose behalf the AVP is downloading data.

a. A Participant, non-principal broker or sales licensee, or AVP may establish the AVP's right to receive and use MLS data by providing to the MLS a writing in which the Participant acknowledges its or its non-principal broker's or sales licensee's selection of the AVP to operate a VOW on its behalf.

b. An MLS may not charge an AVP, or a Participant on whose behalf an AVP operates a VOW, more than a Participant that chooses to operate a VOW itself (including any fees or costs associated with a license to receive MLS data, as described in (g), below), except to the extent that the MLS incurs greater costs in providing listing data to the AVP than the MLS incurs in providing listing data to a

Participant

- c. An MLS may not place data security requirements or restrictions on use of MLS listing data by an AVP that are not also imposed on Participants.
- d. An MLS must permit an AVP to download listing information in the same manner (e.g., via a RETS feed or via an FTP download), at the same times and with the same frequency that the MLS permits Participants to download listing information.
- e. An MLS may not refuse to deal directly with an AVP in order to resolve technical problems with the data feed. However, the MLS may require that the Participant on whose behalf the AVP is operating the VOW participate in such communications if the MLS reasonably believes that the involvement of the Participant would be helpful in order to resolve the problem.
- f. An MLS may not condition an AVP's access to a data feed on the financial terms on which the AVP provides the site for the Participant.
- g. An MLS may require Participants and AVPs to execute license or similar agreements sufficient to ensure that Participants and AVPs understand and agree that data provided by the MLS may be used only to establish and operate a VOW on behalf of the Participant and not for any other purpose.
- h. An MLS may not (i) prohibit an AVP from operating VOWs on behalf of more than one Participant, and several Participants may designate an AVP to operate a single VOW for them collectively, (ii) limit the number of entities that Participants may designate as AVPs for purposes of operating VOWs, or (iii) prohibit Participants from designating particular entities as AVPs except that, if an AVP's access has been suspended or terminated by an MLS, that MLS may prevent an entity from being designated an AVP by another Participant during the period of the AVP's suspension or termination.
- i. Except as stated below, an MLS may not suspend or terminate an AVP's access to data (a) for reasons other than those that would allow an MLS to suspend or terminate a Participant's access to data, or (b) without giving the AVP and the associated Participant(s) prior notice and the process set forth in the applicable provisions of the MLS rules for suspension or termination of a Participant's access. Notwithstanding the foregoing, an MLS may immediately terminate an AVP's access to data (a) if the AVP is no longer designated to provide VOW services to any Participant, (b) if the Participant for whom the AVP operates a VOW ceases to maintain its status with the MLS, (c) if the AVP has downloaded data in a manner not authorized for Participants and that hinders the ability of Participants to download data, or (d) if the associated Participant or AVP has failed to make required payments to the MLS in accordance with the MLS's generally applicable payment policies and practices.

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

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

1. An MLS may impose any, all, or none of the following requirements on VOWs but may impose them only to the extent that equivalent requirements are imposed on Participants' use of MLS listing data in providing brokerage services via all other delivery mechanisms:

a. A Participant's VOW may not make available for search by or display to Registrants the following data intended exclusively for other MLS Participants and their affiliated licensees:

i. Expired, withdrawn, or pending listings.

ii. Sold data unless the actual sales price of completed transactions is accessible from public records.

iii. The compensation offered to other MLS Participants.

iv. The type of listing agreement, i.e., exclusive right to sell or exclusive agency.

v. The seller(s) and occupant(s) name(s), phone number(s) and email address(es), where available.

vi. Instructions or remarks intended for cooperating brokers only, such as those regarding showing or security of the listed property.

b. The content of MLS data that is displayed on a VOW may not be changed from the content as it is provided in the MLS. MLS data may be augmented with additional data or information not otherwise prohibited from display as long as the source of such other data or information is clearly identified. This requirement does not restrict the format of MLS data display on VOWs or display of fewer than all of the listings or fewer authorized data fields.

c. There shall be a notice on all MLS data displayed indicating that the data is deemed reliable but is not guaranteed accurate by the MLS. A Participant's VOW may also include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

d. Any listing displayed on a VOW shall identify the name of the listing firm in a readily visible color, and reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.

e. The number of current or, if permitted, sold listings that Registrants may view, retrieve, or download on or from a VOW in response to an inquiry may be limited to a reasonable number. Such number shall be determined by the MLS, but in no event may the limit be fewer than 100 listings or 5% of the listings in the MLS, whichever is less.

f. Any listing displayed on a VOW shall identify the name of the listing agent.

2. An MLS may also impose the following other requirements on the operation of VOWs:

a. Participants displaying other brokers' listings obtained from other sources, e.g., other MLSs, non-participating brokers, etc. shall display the source from which each such listing was obtained.

b. A maximum period, no shorter than 90 days and determined by the MLS, during which Registrants' passwords are valid, after which such passwords must be changed or reconfirmed.

3. An MLS may not prohibit Participants from downloading and displaying or framing listings obtained from other sources, e.g., other MLSs or from brokers not participating in that MLS, etc., but may require either that (i) such information be searched separately from listings obtained from other sources, including other MLSs, or (ii) if such other sources are searched in conjunction with searches of the listings available on the VOW, require that any display of listings from other sources identify such other source.

EFFECTIVE DATE:

MLSs have until not later than [90 DAYS AFTER ENTRY OF THE FINAL JUDGMENT] to adopt rules implementing the foregoing policies and to comply with the provisions of section III above, and (2) Participants shall have until not later than 180 days following adoption and implementation of rules by an MLS in which they participate to cause their VOW to comply with such rules.

See Appendix A for Seller Opt-Out Form 10

**Appendix A
Seller Opt-Out Form**

1.[Check one]

a.[Check here] I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet; or

b.[Check here] 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