

**EAST CENTRAL ASSOCIATION OF REALTORS®**

**RESIDENTIAL MULTIPLE LISTING SERVICE  
RULES AND REGULATIONS**

(APPROVED 01/01/09)  
(APPROVED 04/01/09)  
(APPROVED 06/24/09)  
(APPROVED 07/24/09)  
(APPROVED 10/20/09)  
(APPROVED 12/30/09)  
(APPROVED 02/16/10)  
(APPROVED 10/25/10)  
(APPROVED 04/01/11)  
(APPROVED 05/01/11)  
(APPROVED 07/20/11)  
(APPROVED 01/01/12)  
(APPROVED 06/01/12)  
(APPROVED 05/01/13)  
(APPROVED 09/10/13)  
(APPROVED 02/26/14)  
(APPROVED 05/12/14)  
(APPROVED 07/24/14)  
(APPROVED 09/15/14)  
(APPROVED 04/09/15)  
(APPROVED 02/01/16)  
(APPROVED 06/28/16)  
(APPROVED 01/09/17)  
(APPROVED 08/28/19)

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## **FORWARD**

**ALL MEMBERS...** of the East Central Association of Realtors® MLS, Multiple Listing Service, hereafter known and referred to as MLS, who are principals of their real estate firms are governed by the "rules and regulations." All participants agree to be bound by them when they apply for membership in the MLS. MLS Participants, as principals of their firms, are responsible for the actions of all licensees affiliated with their firms as employees or as independent contractors with respect to compliance with the "rules and regulations" of the MLS. As long as non-principal licensees are not considered "Members" of the MLS, they cannot be required, as a matter of MLS policy to comply with the "rules and regulations" of the MLS. However, the MLS Participant as a principal of his firm can be held accountable for the activities of the licensees affiliated with his firm, partnership or corporation. This distinction is important because the licensees working with a MLS Participant are not responsible for the decisions related to the listing agreements establishing an agency relationship with a property owner (seller). This responsibility rests with the listing broker as a principal of his firm.

Through this arrangement, unethical practices, misunderstandings between participants and improper business conduct can be avoided. **PROFESSIONALISM** demands that you study this policy and procedural manual and fully understand the rules. By doing so the Service will work smoothly, our clients will realize a greater service...and our members realize greater prosperity. You are urged to keep this manual with you in your work kit so that you may refer to it when in doubt.

## **MLS**

**REAL ESTATE TRANSACTION STANDARDS (RETS):** The integrity of data is a foundation to the orderly real estate market. The Real Estate Transaction Standards (RETS) provide a vendor neutral, secure approach to exchanging listing information between the broker and the MLS. In order to ensure that the 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 implement the RESO Standards including: the RESO Data Dictionary by January 1, 2016; the RESO Web API by June 30, 2016 and will keep current by implementing new releases of RESO Standards within one (1) year from ratification. Compliance with this requirement can be demonstrated using the Real Estate Standards Organization (RESO) compliance Certification Process.

**MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION:** The information published and disseminated by the Service is communicated verbatim, without change by the Service, as entered into the Service by the participant. The Service does not verify such information provided and disclaims any responsibility for its accuracy. Each participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

**HOLD HARMLESS:** Each Participant agrees to hold the Service harmless and, to the maximum extent permitted by law, defend and indemnify the Service from any and all loss, claim action, demand, penalty, and any liability whatsoever, including attorney's fees and costs, which may arise out of or result from any inaccuracy or inadequacy of the information provided by such participant. Notwithstanding anything in this Agreement to the contrary, the Participant's obligation shall survive the termination of this agreement.

## SYNOPSIS OF THE ECAR MLS DEFINITIONS OF TERMS

<b>Active:</b>	Available, ready to be shown.
<b>Advertising:</b>	Any means of action, paid or unpaid, of marketing or calling attention of the property to the public.
<b>Blind Listing:</b>	A listing in which an MLS subscriber co-lists with one or more non-member subscriber(s).
<b>Bonus:</b>	Consideration above the commission that can be easily relied on.
<b>Conditional Withdrawn:</b>	Any property that does not allow showing must be entered into the MLS as Conditional Withdrawn status and must remain in that status until showings are allowed, at which the status will be changed to active.
<b>Dual:</b>	One in which the seller/lessor 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 Participant, or one in which the seller/lessor agrees to pay a specified commission if the property is sold/leased by the Listing Participant either with or without the assistance of a Cooperating Participant and a different commission if sale/lease results through the efforts of seller/lessor.
<b>Exclusion:</b>	Certain parties (which may include buy-out corporations) are excluded from the listing. No compensation if sold to one of these parties.
<b>Exclusive Agency:</b>	Listing agreement that authorizes the listing broker 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 restrictive basis.
<b>Exclusive Right To Sell:</b>	Listing agreement in which the seller authorizes the listing broker to cooperate with and to compensate other brokers.
<b>Expired:</b>	A listing is expired when the expiration date has passed without the property being sold, leased or withdrawn, and without the seller renewing the listing contract with the REALTOR®/Broker.
<b>Partial Listing</b>	Input information before or directly after obtaining a listing but awaiting remaining information before making the listing “active”.
<b>Keep Showing – Contingency Applies:</b>	For listings that are reported as “K”, the contingency shall only be for the sale of the buyers existing property and the contingency must be noted in the “Agent Remarks” section of the listing.

<b>Leased:</b>	When a piece of property has been rented from somebody under the terms of a contract.
<b>Limited Service:</b>	A listing agreement under which the listing broker will NOT provide one, or more services as outlined in Article II, Section 2, item 8
<b>Listing Content:</b>	Includes but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.
<b>MLS Entry-Only:</b>	A listing is entered into the MLS system, but NONE of the services mentioned in Article II, Section 2, item 8 is provided by the listing broker.
<b>On Internet:</b>	Listings are sent via data feed to REALTOR.com, Flinthomes.net and member IDX websites.
<b>Pending:</b>	If an agreement to purchase a property has been signed, whether it is dependent on The buyer obtaining financing, an inspection or any reason OTHER than the sale Of the purchaser's home, then the listing should be updated to pending.
<b>Real Estate Franchisor:</b>	A company granting real estate brokerage franchises under the franchisor's trademarks pursuant to a franchise disclosure document meeting applicable Federal Trade Commission rules.
<b>Short Sale:</b>	A transaction where title transfer, where the sales price is insufficient to pay the total of all liens and costs of sale, and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies.
<b>Sold:</b>	An exchange of real estate has taken place between a seller and a purchaser.
<b>Variable:</b>	One percentage of compensation is offered on a portion of the final selling price and a different percentage(s) is offered on the remaining portion.
<b>VOW:</b>	Virtual Office Website
<b>Unconditional Withdrawn:</b>	Seller, with Broker approval, has removed the property from the MLS.

**For further information please refer to noted references.**

## **RULES AND REGULATIONS OF THE MLS**

### **ARTICLE I - NAME, AUTHORITY, PURPOSE & OPERATION**

**Section 1. NAME:** The name of the organization shall be the East Central Association of REALTORS® Multiple Listing Service.

**Section 1.1 AUTHORITY:** The Association of REALTORS® shall maintain for the use of its Members a MLS, which shall be subject to the Bylaws of the Association of REALTORS® and such Rules and Regulations as may be hereinafter adopted.

**Section 1.2 PURPOSE:** A MLS is:

A MLS and the MLS Information is a means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents, or in other agency or nonagency 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 or real property for bona fide clients and customers; by which means participants engaging in real estate appraisal contribute to common database; 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 the sale (or lease).

**Section 1.3 PARTICIPANTS:**

**1.** Any REALTOR® of this or any other 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 Bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to MLS "Membership" or "Participation" unless they hold a current, valid real estate 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 an Association MLS 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 an Association MLS where access to such information is prohibited by law. Additionally, the foregoing does not prohibit Association MLS's, at their discretion, from categorizing non-principal brokers, sales licensees, licensed and certified appraisers and others affiliated with the MLS 'Members' or 'Participants' as 'Users' or 'subscribers' and, holding such individuals personally subject to the Rules and Regulations and any other governing provisions of the MLS and to discipline for violations thereof.

Note: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm 'offers 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 of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so.

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

Where the term 'subscriber' or 'user' is used in connection with a MLS owned or operated by an Association of REALTORS®, it refers to non-principal brokers, sales licensees, and licensed and certified real estate appraisers affiliated with an MLS Participant and may, as a matter of local option, also include a Participant's affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers provided that any such individual is under the direct supervision of an MLS Participant or the Participant's licensed designee. If such access is available to unlicensed or uncertified individuals, their access is subject to the Rules and Regulations, the payment of applicable fees and charges (if any), and the limitations and restrictions of state law. None of the foregoing shall diminish the Participant's ultimate responsibility for ensuring compliance with the Rules and Regulations of the MLS by all individuals affiliated with the Participant.

Under the "Board of Choice" policy, MLS Participatory rights shall be available to any REALTOR® (principal) or any firm comprised of REALTORS® (principals) irrespective of where they hold primary membership subject only to their agreement to abide by any MLS rules or regulations; agreement to arbitrate contractual disputes with other Participants; and payment of any MLS dues, fees and charges. The universal access to services component of Board of Choice is to be interpreted as requiring that MLS Participatory rights be available to:

**2. REALTOR® principals, or to firms comprised of REALTOR® principals, irrespective of where primary or secondary membership is held.** This does not preclude an MLS from assessing REALTORS® not holding primary or secondary membership locally, fees, dues, or charges that exceed those or, alternatively, that are less than those charged Participants holding such memberships locally or additional fees to offset actual expenses incurred in providing MLS services such as courier charges, long distance phone charges, etc., or for charging any Participant specific fees for optional additional services.

**3. 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 within thirty (30) days after access has been provided.

**4.** 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 enforcement and/or changes to MLS rules or policies. Participants and subscribers must give the opportunity to complete any mandated additional training remotely.

**Section 1.4 SUPERVISION:** The activity shall be operated under the supervision of the MLS Committee in accordance with the Rules and Regulations, subject to the approval of the Board of Directors.

**Section 1.5 APPOINTMENT OF COMMITTEE:** The President shall appoint, subject to confirmation by the Board of Directors, a MLS Committee of at least five (5) REALTOR® Members. A majority of the Committee shall be Designated REALTORS® (Participants) in Multiple Listing Service except, the Committee Members so named shall serve two-year terms. The Board of Directors shall elect annually, the Chairman of the Committee.

**Section 1.6 VACANCIES:** Vacancies in unexpired terms shall be filled as in the case of original appointees.

**Section 1.7 ATTENDANCE:** Any Committee Member who fails to attend two (2) consecutive regular or special meetings of the Committee, without excuse acceptable to the Chairman of the Committee, shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointments.

**Section 1.8 AGENCY:** In the MLS of an Association of REALTORS®, the cooperating broker in a cooperative real estate transaction is the subagent of the listing broker, the agent of the buyer or acts in another recognized agency or non-agency capacity. Such relationships must be fully disclosed to all parties to the contract and to all brokers involved.

## **ARTICLE II – LISTINGS**

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, graphs, 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 content provided that listing brokers are given adequate prior notice of any intended use related 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.

**Section 2. LISTING PROCEDURES:** Listings of real or personal property of the following types, which are listed subject to a real estate brokers license, taken by Participants on an exclusive right to sell or an exclusive agency listing form must be placed on active status in the MLS system within two (2) business days after all necessary signatures of the seller(s) have been obtained, except as excluded below.

**1.** All listings must be listed by School District. If a listing office wants to also list by county, dual use, etc., a second listing may be submitted.

**2.** Residential properties up to and including four (4) units must be entered into the ECAR MLS. Units including tenant's interest in leased premises or membership in a cooperative are excluded.

**3.** Original Sale of New Homes

**4.** Farms with residences

**5.** Vacant Lots and Vacant Land

**6.** Repossessed (all repossessed homes)

**7.** The following are some of the types of properties that may be published through the Service, including types described in the preceding paragraphs, B, C, D, and E, that are required to be entered into the Service, and other types which may be filed with the Service, at the Participant's option provided, however, that any listing entered into the system is within the scope of the Participant's Licensure as a real estate broker:

- a.)** Business Opportunities
- b.)** Industrial - Commercial
- c.)** Property Management - except when such property is exposed for sale
- d.)** Properties that are for Lease or Rent

**8.** A MLS does not regulate the type of listings its Members may take. This does not mean that a MLS must accept every type of listing. The MLS shall decline to accept open listing (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 MLS. However;

May reserve the right to refuse to accept a listing which fails to adequately protect the interest of the public and the Participants.

The Participants must assure that no listing entered with the MLS establishes, directly or indirectly, any contractual relationship between the MLS and the client (buyer or seller).

- a.) The exclusive right to sell listing** is a contractual agreement under which the listing broker acts as the agent or as the legally recognized non-agency representative of the seller(s), and the seller(s) agrees to pay a commission to the listing broker, regardless of whether the property is sold through the efforts of the listing broker, the seller(s), or anyone else; and a

contractual agreement under which the listing broker acts as the agent or as the legally recognized non-agency representative of the seller(s), and the seller(s) agrees to pay a commission to the listing broker regardless of whether the property is sold through the efforts of the listing broker, the seller(s), or anyone else, except the seller(s) may name one or more individuals or entities as exemptions in the listing agreement and if property is sold to any exempted individual or entity, the seller(s) is not obligated to pay a commission to the listing broker. The conventional form of listing entered into the MLS in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

- b.) The exclusive agency listing** is a contractual agreement under which the listing broker acts as the agent or as the legally recognized non-agency representative of the seller(s), and the seller(s) agrees to pay a commission to the listing broker if the property is sold through the efforts of any real estate broker. If the property is sold solely through efforts of the seller(s), the seller(s) is not obligated to pay a commission to the listing broker. 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 restrictive basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly distinguished by a simple notation in the agent remarks section, 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 ensure that different codes or symbols are used to denote exclusive agency and exclusive right to sell listings with prospect reservations.
- c.) Net listings** may not be entered into the system because they are deemed unethical and, in most states, illegal.
- d.) Open listings** is a contractual agreement under which the listing broker acts as the agent or as the legally recognized non-agency representative of the seller(s), and the seller(s) agrees to pay a commission to the listing broker only if the property is sold through the efforts of the listing broker. Open listings are not accepted except where required by law because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.
- e.) “Blind Listings”** are not allowed. A Blind Listing is defined as a listing in which an MLS subscriber co-lists with one or more non-subscriber(s). The Listing will be considered a non-member listing and the Participant will be charged the non-member listing fee.
- f.) Lease. Lease to own, Rent with Option to Buy, Month to Month Rental** all of these may be entered into the MLS and the seller authorizes the listing broker to cooperate and compensate the procuring broker.
- g.) Limited Service** is a listing agreement under which the listing broker will NOT provide one, or more of the following services:
  1. Arrange appointments for cooperating brokers to show listed property to potential purchases but instead gives cooperating brokers authority to make such appointments directly with the seller(s);

2. 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 seller(s);
3. Advise the seller(s) as to the merits of offers to purchase;
4. Assist the seller(s) in developing, communicating, or presenting counteroffers; or
5. Participate on the seller(s) behalf in negotiations leading to the sale of listed property.

Limited Service listings will be identified by marking the “Limited Service” box in the MLS 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.

**h.) MLS Entry-Only** is a listing where the listing is entered into the MLS system, but NONE of the services mentioned previously are provided by the listing broker.

1. Arrange appointments for cooperating brokers to show listed property to potential purchaser(s) but instead give cooperating brokers authority to make such appointments directly with seller(s)
2. Accept and present to seller(s) offers to purchase procured by cooperating brokers but instead give cooperating brokers authority to present offers directly to seller(s)
3. Advise seller(s) as to the merits of offers to purchase
4. Assist seller(s) in developing, communicating, or presenting counter-offers
5. Participate on seller(s) behalf in negotiations leading to the sale of the listed property

MLS Entry only listings will be identified by marking the MLS Entry Only box in the MLS 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.

\* **Fines:** Failure to comply with the time frames listed, will result in a fine levied against the broker for each offense. \*see appendix a

**Section 2.1 LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE:** Any listing taken on a contract to be entered into the MLS is subject to the Rules and Regulations of the Service upon signature of the sellers(s), and, in the event the property is sold before entering it into the MLS, the appropriate data must be entered into the MLS in order that the data may be included in such statistical information as the Association, from time to time, may compile.

**Section 2.2 DETAIL ON LISTINGS ENTERED INTO THE SERVICE:** The original copy of the Listing Agreement shall be retained by the listing office and one copy of the Listing Agreement shall be retained by the owner.

**Section 2.3 LOCK BOX SECURITY:** ECAR may require placement of an MLS 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. This policy is to ensure cooperating participants and subscribers have timely access to listed properties.

**Section 2.4 EXEMPTED LISTINGS:** If the seller refuses to permit the listings to be disseminated by the Service, the REALTOR® must have the seller(s) sign an MLS Exclusion Letter. The listing broker shall forward a copy of the Seller Exemption letter, copy of the Listing Agreement and a completed MLS profile form to ECAR MLS within two (2) business days of a signed Listing Agreement. This will be kept on file and reported only when sold or inputted as a listing in the MLS database.

**Section 2.5 CHANGE IN STATUS OF LISTING AGENT:** All active and pending listings automatically revert back to the Broker when licensee's status changes.

**Section 2.6 CHANGE OF STATUS OF LISTING:** Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be entered into the Service within three business days after the authorized change is received by the listing broker.

**Section 2.7 POSSESSION:** All listings must have a specific time period indicated for "Possession". Any listing which indicates possession as "Negotiable" will be prohibited.

**Section 2.8 WITHDRAWAL OF LISTING PRIOR TO EXPIRATION:** Listings of property may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement, provided the seller and the listing broker have authorized 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(s) 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. When a property is withdrawn from the MLS that same property cannot be entered back into the MLS by the same broker for 30 days.

**Section 2.9 CONTINGENCIES APPLICABLE TO LISTINGS:** Any contingency must be reported in the MLS and participants must then call the listing broker for more information. The listing broker shall enter immediately into the MLS within three (3) business days, that a contingency on file with the MLS has been fulfilled or renewed, or the agreement canceled.

**Section 2.10 LISTING PRICE SPECIFIED:** The full gross listing/rental price should be stated in the listing contract will be included in the information published in the MLS Compilation of current listings.

**Section 2.11 SQUARE FOOTAGE SPECIFIED:** Square Footage must be indicated on all listings, or action will be taken by the MLS Committee. Deliberately/incorrectly reporting above grade square footage, in violation of the ANSI Standards Z765-1996, will be a violation of the MLS Rules and Regulations.

**Section 2.12 YEAR BUILT SPECIFIED:** Approximate Year Built must be indicated on ALL properties.

**Section 2.13 TAX I.D. SPECIFIED:** All listings are required to have correct Tax I.D. Number entered.

**Section 2.14 PUBLIC REMARKS:** Information included in the Public and Agent Remarks is limited to the sale or promotion of real estate. It is a violation of the MLS Rules and Regulations to place any website address in public remarks and all references to third party companies. The Above policy will be

exempt if the property is Government owned. It is also in violation to place an agent's name, and/or telephone number into the public remarks section.

**Section 2.15 AGENT REMARKS:** Information included in the Agent Remarks is limited to the sale or promotion of real estate. Agent's personal contact information can only appear in the Agent Remarks Section in the MLS, with the only exemption being the Agent's Real Estate sign allowed in the main photo in accordance with section 2.25.

**Section 2.16 PARTIAL SALE OF LISTED PROPERTY:** When part of a listed property has been sold, proper notification should be entered into the MLS.

**Section 2.17 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS:** The MLS does not now and shall not hereafter 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 2.18 EXPIRATION, EXTENSION, AND RENEWAL OF LISTINGS:** Listings filed with the MLS will automatically be removed from the compilation of current listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed.

If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and filed with the MLS.

**Section 2.19 TERMINATION DATE ON LISTINGS:** Listings filed with the MLS shall bear a definite and final termination date as negotiated between the listing broker and the seller.

**Section 2.20 LISTINGS OF SUSPENDED PARTICIPANTS:** When a Participant of the MLS is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Rules and Regulations, or other membership obligations EXCEPT failures to pay appropriate dues, fees or charges), all listings currently entered into the MLS by the suspended Participant shall, at the Participant's option, if paid in advance, be retained in the MLS 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 Association (except where MLS participation without Association Membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, an Association

MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of the current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant and all Licensees affiliated with the Participant will be advised in writing of the intended removal so that the suspended Participant may advise his clients.

**Section 2.21 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., violations of the Code of Ethics, Association Bylaws, MLS Rules and Regulations, or other membership obligations EXCEPT failures to pay appropriate dues, fees, or charges) all listings currently entered into the MLS by the expelled Participant shall, at the Participant's option, if paid in advance, be retained in the Service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of

the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Association (except where MLS participation without Association Membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, an Association MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised in writing of the intended removal so that the expelled Participant may advise his clients. Listings in the MLS will be withdrawn 10 days after a participant has been suspended or terminated.

**Section 2.22 LISTING OF RESIGNED PARTICIPANTS:** When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the Resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings from the MLS, the resigned Participant should be advised in writing of the intended removal so that the resigned Participant may advise his clients.

**Section 2.23 BONUS:** Any specific amount of agent bonus offered in a listing shall be circulated in the Compensation Arrangement field only.

**Section 2.24 PHOTOS:** All Residential and Multi-Family listings entered in the MLS must have a front exterior street view of home as the first/main photo or water view side if waterfront property. The main photo must be entered at time of listing input in order for the listing to be activated and cannot contain multiple images made into one and must not include any text, or graphics. The main exterior photo of the property must be within a year old of the listing contract. Any Off Market listings must have a main exterior photo per the guidelines as outlined in this section. Promotions, offerings or advertising is not allowed anywhere in the photobook. The main subject must be the home or property listed and any photos or virtual tours containing a sign on the property shall not be "legible". It is in violation to display people in the photographs anywhere in the document book. A seller however can expressly direct that photographs of their property not appear in the MLS. If this is indeed the case a letter must be forwarded to the MLS indicating the seller's request to withhold photos. Upon ECAR receiving the written request from the seller to withhold photos, ECAR staff will activate the listing. No photos will be removed from the MLS once the listing is no longer in the active status. Photos or surveys of the property are the only things allowed in the photobook. No photos, virtual tour or any electronic media may be used from other Agent's/Broker's previous listings unless written permission has been granted from the prior listing Broker.

**Section 2.25 REQUIRED DOCUMENTS:** For each property type any and all legally-required documents are required to be uploaded into the MLS. A seller however can expressly direct that such disclosure documents not be disseminated through the MLS.

**Section 2.26 OUT OF AREA LISTINGS:** All out of area listings entered into the MLS must include township, county and school district.

**Section 2.27 MULTI-MEDIA:** Agents are not allowed to enter any website or URL address in any field except for Agent Remarks and Virtual Tour Field. Multimedia links will be allowed in the Virtual Tour field excluding images of people except for listing agent and or broker. A Virtual Tour cannot contain any branding.

**Section 2.28 DUPLICATED LISTINGS DISPLAYED IN THE MLS:** When multiple listings of the same property are entered into Rapattoni the listings will be put on hold and the following will take place: the listing agents, brokers, listing office and ECAR staff will be notified via email of the duplication. The brokers will have three business days to resolve the issue and send ECAR a signed

Listing Agreement or signed extension or a fine will be assessed. If they are still active at the end three business days then ECAR staff will remove all duplicate listings from the MLS.

**Section 2.29 SHORT SALES:** When reasonably known to the listing participant, if a property listed in the MLS is a Short Sale then it must be disclosed in the “Short Sale” field. All confidential disclosures and confidential information related to short sales, must be communicated through the Agent Remarks section only.

**Section 2.30 PHONE NUMBERS:** Agent must have a valid contact phone number in their personal profile and displayed on listings within the MLS other than the office phone number.

**Section 2.31 JURISDICTION OF THE MLS:** 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 will be accepted if submitted voluntarily by a participant, but cannot be required by the service.

### **ARTICLE III - SELLING PROCEDURES**

**Section 3 SHOWINGS AND NEGOTIATIONS:** Appointments for showings and negotiations with the seller for the purchase of listed property entered into the MLS shall be conducted through the listing broker except under the following circumstances:

1. The listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or
2. 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.
3. Any licensee to be excluded from showing/selling a property in the MLS SHALL NOT be published in the MLS but shall be handled by letter from listing broker with a copy to the Licensee and the East Central Association of REALTORS®.

**Section 3.1 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 3.2 SUBMISSION OF WRITTEN OFFERS AND COUNTER-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 3.3 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.

**Section 3.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFERS:** The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (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 3.5 ENTERING PENDING AND CONTINGENT TRANSACTION TO THE SERVICE:** All Pending, Contingent Transactions shall be entered within 48 hours into the MLS by the listing broker.

**Section 3.6 ENTERING SOLD TRANSACTIONS TO THE SERVICE:** All Sold Transactions shall be entered within two (2) business days of close into the MLS by the Listing Broker. If negotiations were carried on under Section 3(1) or (2) hereof, the cooperating broker shall report accepted offers and prices to the listing broker within 24 hours after occurrence and the listing broker shall report them to the MLS within 3 business days after receiving notice from the cooperating brokers. Sold Transactions shall correctly indicate the name of the selling office and selling agent, sale price, and sale date.

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

**Section 3.7 REPORTING CANCELLATION OF PENDING SALES:** The listing broker shall report within 48 hours the cancellation of any pending sale to the MLS and the listing shall be reinstated immediately.

## **ARTICLE IV - REFUSAL TO SELL**

**Section 4 REFUSAL TO SELL:** If the seller of any listed property entered into 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 to all Participants.

## **ARTICLE V - PROHIBITIONS**

**Section 5 ADVERTISING OF LISTING ENTERED INTO THE SERVICE:** Any listing filed with the service shall not be made available to any broker or firm not a Member of the MLS without the prior

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

**Section 5.1 "FOR SALE" SIGNS:** Only the "For Sale" signs of the listing broker may be placed on the property.

**Section 5.2 "SOLD SIGNS":** Prior to closing only the "Sold" sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

**Section 5.3 SOLICITATION OF LISTING ENTERED INTO THE SERVICE:-** Participants shall not solicit a listing on property filed with the service unless such solicitation is consistent with article 16 of the REALTORS® Code of Ethics, its Standards of Practice, and its Case Interpretations.

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

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

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

## **ARTICLE VI - DIVISION OF COMMISSION**

**Section 6 COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING:** The listing broker shall specify, on each listing entered into the MLS, the compensation offered to other MLS Participants and participants of data share partners for their services in the sale of such listing. This will appear in one of two (2) ways as 1) As a percentage of the gross sales price or 2) By showing a definite dollar amount.

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 might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

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

**Section 6.1** The listing broker retains the right to determine the amount of compensation offered to other participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law) which may be the same or different.

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

**Section 6.2** The Association MLS shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the Association MLS shall not publish the total negotiated commission on a listing which has been entered into the MLS by a Participant. The Association MLS shall not disclose in any way the total commission negotiated between the seller and the listing broker.

**Section 6.3** The listing broker may, from time to time, adjust the compensation offered to other Multiple Listing Service Participants for their services with respect to any listing. MLS Participants shall be able to rely upon the compensation offered, based upon the amount published, as of the date of the Purchase Agreement.

**Section 6.4** The MLS should make no rule on the division of commissions between Participants and non-participants. This should remain solely the responsibility of the listing broker.

**Section 6.5** MLS 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, nor shall they include general invitations by listing brokers to other Participants to discuss terms and conditions or possible cooperative relationships.

**Section 6.6 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS:** The existence of a dual or variable rate commission arrangement (i.e., one in which the seller agrees to pay a specified commission if the property is sold by the listing broker without assistance and a different commission if the sale results through the efforts of a cooperating broker; or one in which the seller agrees to pay a specified commission if the property is sold by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale results through the efforts of a seller), shall be disclosed by the listing broker within the agent remarks section. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a

cooperative transaction or, alternatively, in a sale that results through the efforts of the seller. If the cooperating broker is a buyer representative, the buyer representative must disclose such information to their client before the client makes an offer to purchase or lease.

**Section 6.7 PARTICIPANT AS PRINCIPAL:** If a participant or any licensee (or licensed or certified appraiser) affiliated with a participant has any ownership interest in a property, the listing of which is to be disseminated through the MLS, that person shall disclose that interest when the listing is filed with the MLS and such information shall be disseminated to MLS participants.

**Section 6.8 PARTICIPANT AS PURCHASER:** If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed in writing to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

## **ARTICLE VII - SERVICE CHARGES**

**Section 7 CHARGES:** The following charges are in effect to defray costs of operation of the MLS, subject to change from time to time in the following manner:

- 1.** An initiation fee, as set by the ECAR Board of Directors.
- 2.** A recurring fee for each Designated Realtor®, Realtor®, Licensed Appraiser, Administrative/Clerical Staff and Personal Assistant shall be set by the ECAR Board of Directors. All MLS fees, dues and charges are the ultimate responsibility of the Designated Realtor® but may be billed initially to individual members with notification and final billing to the Designated Realtor® for payment. None of the foregoing is intended to preclude the Designated Realtor® from being reimbursed by any member for which he/she is responsible nor is any language meant to control the business model chosen by the Designated Realtor®.
- 3.** All MLS fees and charges shall be NON-REFUNDABLE.
- 4.** 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 where the principal broker participates. MLSs may, at their discretion, require waiver recipients and their participants to sign a certification for nonuse of its MLS services, which can include penalties and termination of the waiver if violated.\* (Adopted 11/17)

## **ARTICLE VIII - COMPLIANCE WITH RULES AND ENFORCEMENT OF THE RULES**

**Section 8 COMPLIANCE WITH RULES/AUTHORITY TO IMPOSE DISCIPLINE:** By becoming and remaining a participant or subscriber in the 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:

- 1.** Letter of warning

2. Letter of reprimand
3. Attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration
4. Appropriate, reasonable fine not to exceed \$10,000
5. Probation for a stated period of time not less than thirty (30) days nor more than one (1) year
6. Suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
7. Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years

**Section 8.1 COMPLIANCE WITH RULES:** ECAR staff is not allowed to disclose the identity of an agent who is reporting a MLS violation and/or concern regarding another agent's listing within the MLS. The following action may be taken for noncompliance with the rules:

1. For failure to pay any service charge or fee within one (1) month of the date due, and provided that at least ten (10) days' notice has been given, the service shall be suspended until service charges or fees are paid in full.
2. For failure to comply with any other rule, pursuant to the provisions of ARTICLE VIII, Section 8.2 and 8.3 shall apply. \*Additionally, Refer to Appendix A.

**Section 8.2 CONSIDERATION OF ALLEGED VIOLATIONS:** The Committee shall be given consideration to all written complaints having to do with violations of the Rules and Regulations and not be limited to complaints filed by other MLS participants.

**Section 8.3 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 unethical conduct or request for arbitration, it may be Administratively considered and determined by the MLS Committee, and if a violation is determined, the Committee may direct the imposition of sanction provided the recipient of such sanction may request a Hearing Panel before the Professional Standards Committee of the Association in accordance with the Bylaws and Rules and Regulations of the East Central Association of REALTORS® within twenty (20) days following receipt of the committee's decision. If the MLS Committee has a procedure established to conduct Hearings, the decision of the MLS Committee tribunal may be appealed to the Board of Directors within twenty (20) days of the Tribunal's decision being rendered.

**Section 8.4 COMPLAINTS OF UNETHICAL CONDUCT:** All other complaints of unethical conduct shall be referred by the Committee to the Secretary of the Association of REALTORS® for appropriate action in accordance with the Professional Standards procedures established in the Association's Bylaws.

## **ARTICLE IX – MEETING S**

**Section 9 MEETING OF MLS COMMITTEE:** The MLS Committee shall meet for the transaction of its business at a time and place to be determined by the Committee or at the call of the Chairman.

**Section 9.1 MEETINGS OF MLS PARTICIPANTS:** The Committee may call meetings of the Participants in the Service to be known as meetings of the MLS.

**Section 9.2 CONDUCT OF THE MEETINGS:** The Chairman, or Vice Chairman, shall preside at all meetings or, in their absence; a temporary Chairman from the membership of the Committee shall be named by the Chairman or, upon his failure to do so, by the Committee.

## ARTICLE X - 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 and is so copyrighted. 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.

## ARTICLE XI - OWNERSHIP OF THE MLS COMPILATIONS AND COPYRIGHTS

**Section 11 OWNERSHIP OF THE MLS COMPILATIONS AND COPYRIGHTS:** By the act of submitting any property listing content to the MLS, the Participant represents that he has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on "Comparables". Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

**Note:** The Digital Millennium Copyright Act (DMCA) is a federal copyright law that enhances the penalties for copyright infringement occurring on the internet. The law provides exemptions or "safe harbors" from copyright infringement liability for online service providers (OSP) that satisfy certain criteria. Courts construe the definition of "online service providers" broadly, which would likely include MLSs as well as participants and subscribers hosting an IDX display. One safe harbor limits the liability of an OSP that hosts a system, network or website on which Internet users may post user-generated content. If an OSP complies with the provisions of this DMCA safe harbor, it cannot be liable for copyright infringement if a user posts infringing material on its website. This protects an OSP from incurring significant sums in copyright infringement damages, as statutory damages are as high as \$150,000 per work. For this reason, it is highly recommended that MLSs, participants and subscribers comply with the DMCA safe harbor provisions discussed herein.

To qualify for this safe harbor, the OSP must:

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

- copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.
4. Have no actual knowledge of any complained-of infringing activity.
  5. Not be aware of facts or circumstances from which complained-of infringing activity is apparent.
  6. Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

Full compliance with these DMCA safe harbor criteria will mitigate an OSP's copyright infringement liability.

## ARTICLE XII- USE OF COPYRIGHTED MLS COMPILATIONS

**Section 12 DISTRIBUTION:** Participants shall at all times maintain responsibility for any MLS Compilation created by the East Central Association of REALTORS®. Use of information developed by or published by an Association MLS 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 an Association MLS where access to such information is prohibited by law. This extends to the publishing of MLS data, electronically.

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

Each participant shall be entitled to lease from the East Central Association of REALTORS® a number of copies of each MLS compilation sufficient to provide the participant and each person affiliated as a licensee (including licensed or certified appraisers) with such participant with one copy of such compilation. The participant shall pay for each such copy the rental fee set by the association.

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

**Section 12.2 REPRODUCTIONS:** 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 Participants or their affiliated licensees, be interested.

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

Any MLS information, whether provided in written or printed form, electronically, or in any other form or format, is 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, except as may otherwise be provided for in these rules.

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 valuations on particular properties for clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. MLSs must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used 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 a prospective purchaser with listing data relating to properties which the prospective Purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable", as used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchasers' decision making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus "reasonable" in number, shall include, but are not limited to, the total number of listings in the MLS compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective buyer.

## **ARTICLE XIII - USE OF MLS INFORMATION**

**Section 14 LIMITATIONS ON USE OF MLS INFORMATION:** Use of information from the MLS compilation of current listing information, from the Association's 'Statistical Report', or from any 'Sold or Comparable' report of the Association or MLS for public mass-media advertising by an MLS Participant or in other public representations may not be prohibited. However any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by Association or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

**NOTE:** Based on information from the East Central Association of REALTORS® (alternatively, from the East Central Association of REALTORS® MLS) for the period of \_\_(date) through \_\_(date). Neither the Association nor its MLS guarantees or is in any way responsible for its accuracy.

**Section 14.1 CHANGES IN RULES AND REGULATIONS:** Amendments to the Rules and Regulations of the Service shall be by a majority vote of the Members of the MLS Committee, subject to approval by the Board of Directors of the East Central Association of REALTORS®.

## **ARTICLE XIV - ELECTRONIC MAIL POLICIES**

**Section 14 GENERAL RULES:** REALTORS® using Paragon e-mail are representing our Industry. All communications should be for professional reasons and used in an effective, ethical and lawful manner. The Association maintains the ability and the right to monitor electronic mail use by any member or staff.

## **Section 14.1 ADDITIONAL REQUIREMENTS**

- 1.** The East Central Association of REALTORS® MLS maintains an electronic mail system to assist in the conduct of the Real Estate business by participants of the MLS and Association staff. The electronic mail hardware and software are the property of the Association. Additionally, all messages composed, sent, or received on the electronic mail system are and remain the property of the Association's MLS. They are not the private property of any member.
- 2.** Electronic mail must not be used to create and send any offensive or disruptive messages. This includes any messages which contain sexual implications, racial slurs or any other comment that offensively addresses someone's age, sex, race, color, religion, height, weight, marital status, national origin or disability. Electronic mail is subject to all of the Association's harassment policies and procedures. Electronic mail is subject to the National Association of REALTORS® Code of Ethics, the East Central Association of REALTORS® Bylaws and MLS Rules and Regulations. Any violation is prohibited.
- 3.** Electronic mail should not be used to send (upload) or receive (download) copyrighted materials, trade secrets, or similar materials.
- 4.** Electronic mail should not be used to propagate any type of electronic chain letter or pyramid scheme.
- 5.** Electronic mail should not be used for any purpose that violates any local, state, national or international laws.
- 6.** The confidentiality of any message should not be assumed. Even when a message is erased, it is still possible to retrieve and read that message. Further, the use of passwords for security does not guarantee confidentiality.
- 7.** Any member or staff has the right to request to be removed from mailing lists. A member, who receives a request for the removal of an individual from a mailing list, must remove the individual from the list, within 48 hours of the request or be found in violation of this policy.
- 8.** Any member or employee who violates this policy or uses the electronic mail system for improper purposes will be subject to discipline, up to and including loss of MLS participation privileges.

## APPENDIX A:

When a violation is found staff will send a notice to the listing agent that they are in violation of the MLS Rules and Regulations. Upon receiving the notification the agent will have 24 hours to correct the violation and notify ECAR. Failure to correct and notify ECAR the fine indicated on the statement will then be assessed and due upon date stated on invoice. Second offense for the same violation will result in an automatic fine doubled the amount of the previous fine. Third offense for the same violation will result in an automatic fine doubled the amount of the previous fine. Fourth offense for the same violation will result in attending an MLS meeting where you could be fined up to \$1000.00. Please see fine breakdown below:

Fine amount \$25.00:

1<sup>st</sup> offense \$25.00

2<sup>nd</sup> offense for same violation \$50.00

3<sup>rd</sup> offense for same violation \$100.00

4<sup>th</sup> offense appearance at the MLS meeting and up to a \$1000.00 fine

Fine amount \$50.00:

1<sup>st</sup> offense \$50.00

2<sup>nd</sup> offense for same violation \$100.00

3<sup>rd</sup> offense for same violation \$200.00

4<sup>th</sup> offense appearance at the MLS meeting and up to a \$1000.00 fine

The fines for the following MLS violations will be charged accordingly.

### Current Fines:

- |   |       |
|---|-------|
| 1. All Property types “Ownership” incorrectly specified   | \$ 25 |
| 2. Incorrectly reporting above grade square footage   | \$ 50 |
| 3. Incorrectly reporting below grade square footage   | \$ 50 |
| 4. SAC, BBC, TRANSACTION-one of these must be >0  | \$ 25 |
| 5. Incorrect “Building Style” of home reported  | \$ 25 |
| 6. TAX ID must be filled in with something, if commercial business opportunity, exempt  | \$ 25 |
| 7. No street number, exempt if vacant land  | \$ 25 |
| 8. North/South/East/West fields not completed   | \$ 25 |
| 9. No Legal-at least 10 characters long. If commercial business opportunity, exempt   | \$ 25 |
| 10. Winter and Summer taxes missing-exempt if Non-Profit i.e.: Land Bank, NSP, and Churches   | \$ 25 |
| 11. Incorrect School District   | \$ 50 |
| 12. Failure to submit a ECAR Exclusion Letter   | \$100 |
| 13. Fair housing guidelines potential violation   | \$ 50 |
| 14. Garage features chosen, yet the number of garages =0, except “car port”   | \$ 25 |
| 15. Agent phone number, website, email and any reference to a third party in Public Remarks. Reference to third party will be exempt if it is a government owned property | \$ 50 |

16. Basement features specified with no basement checked	\$ 25
17. Failure to report status change	\$ 50
18. Word "Lister" in public remarks	\$ 25
19. Room sizes not given	\$ 25
20. Failure to provide a front exterior street view of home as the first/main photo, golf course view if on a golf course or water view if waterfront property in the MLS	\$ 50
21. Photos or Virtual Tours displaying any legible text, and graphics anywhere in the MLS except watermarks	\$ 50
22. Photographs displaying people or domestic animals	\$ 25
23. Failure to disclose the property is a Short Sale in the Short Sale field.	\$ 50
24. Failure to provide a valid phone number in agent profile other than the office phone number.	\$50
25. Branded Virtual Tour	\$50
26. Deliberately entering false information into the MLS	\$100

Any MLS violation that currently does not carry a fine be assessed a fine of \$50.00 pending BOD approval. This fine will be assessed following notification by ECAR staff with failure to correct within 24 hours allotted time frame.

Staff to send courtesy emails regarding signs left on properties that are expired.

The following 14 fines below will be found in violation immediately and the fine that is assessed will be due upon date stated on invoice.

1. Late Listing Fee	\$100
2. Failure to report seller's costs	\$ 25
3. Violating the Anti-Spam Act	\$ 25
4. Selling office-ECAR	\$ 25
5. Incorrect sold date	\$ 25
6. Incorrect or no - sales price	\$ 25
7. Sold property with incorrect or no terms of sale specified	\$ 25
8. Failure to provide requested paperwork from ECAR	\$100
9. Withdrawing a property and re-entering the same property within 30 days by the same broker	\$100
10. Incorrectly reporting listing withdrawn when it is actually sold	\$ 50
11. Incorrectly reporting listing withdrawn when it is actually expired	\$ 50
12. Failure to report a property Pending within allotted time frame as outlined in Article III Section 3.5 before reporting the property as sold	\$50

**Note: Fines pertaining to non-compliance of MLS Rules and Regulations are listed in ARTICLE VIII. Section 8 (b). Refer to Article VIII for procedures on disputing a MLS violation.**