

**Greater Owensboro Realtor® Association, Inc.**  
**Multiple Listing Service**  
**Rules and Regulations**

(Last Revised by BOD 09/18/2017 & Last Reviewed by NAR 06/18/2015)

**Listing Procedures**

**Section 1. Listing Procedures (Class-A Rule) :** Listings of real property of the following types, which are listed subject to a real estate broker's license, located within the Multiple Listing Service's jurisdiction, which is the Kentucky counties of Daviess, Hancock, McLean, Ohio, Grayson, taken by Participants on exclusive right to sell listings and exclusive agency listings shall be delivered to the MLS within two (2) business days from the date of the listing contract or effective date (whichever is applicable) and after all necessary signatures of seller(s) have been obtained. A violation of this rule shall be subject to a fine according to Section 9.1.1 Infraction Classifications. Exception: Listings of properties located outside the MLS' jurisdiction may, at the discretion of the Broker Participant, be submitted to the MLS. (Amended 06/26/2017)

- (a) Residential properties for sale or exchange.
- (b) Vacant lots and acreage for sale or exchange.
- (c) Multi-unit properties for sale or exchange.
- (d) Farms for sale or exchange.
- (e) Commercial and industrial properties for sale or exchange.

1. **Entering Listings.** (Class-A Rule) Within two (2) business days after the date of the listing and the seller's execution of the listing agreement, the Participant must enter the listings into the MLS. All Non-MLS listings must be faxed, or emailed to the Association Office within (2) business days, or before public promotion, whichever comes first, the MLS must receive a copy of the Non-MLS listing agreement. (Broker and agent owned properties are not exempt from this rule.) Entering a listing after the two (2) business day period is a violation of this rule and shall be fined according to Section 9.1.1 Infraction Classifications. Not entering a listing within two (2) business days will constitute a failure to list within these Rules and Regulations. (Amended 07/17/2017)
2. **Failure to List.** (Class-A Rule) A Participant who fails to enter an MLS listing or submit a Non-MLS listing (under Section 1 and Section 1.3, herein) shall be fined according to Section 9.1.1 Infraction Classifications plus all other fees, dues or assessments that may be owed. (Amended 12/19/2016)

The MLS does not require a Participant to submit listings on a form other than the form the Participant individually chooses to utilize, provided the listing is for a type accepted by the MLS, although an approved "Property Data Form" is required. However, the MLS, through its legal counsel:

1. May reserve the right to refuse to accept a listing form, which fails to adequately protect the interest of the public and the Participants.
2. Assure that no listing entered in 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 listing contracts and exclusive agency listing contracts, and the MLS at its discretion 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 written authorization to submit the agreement to the MLS.

3. The different types of listing agreements include: (Amended 12/19/2016)
  - (a) exclusive right to sell
  - (b) exclusive agency

The MLS shall not accept net listings because (1) they are deemed unethical and prohibited by KY License Law, and (2) by nature they do not permit cooperation and compensation on a blanket unilateral basis. (Amended 12/19/2016)

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.

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 blanket unilateral basis, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis.

Exclusive agency listing and exclusive right to sell listings with named parties exempted should be clearly distinguished by a simple designation such as a code or symbol (Exemption field on MLS) from exclusive right to sell listings with no named parties exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell listings with prospect reservations. **Note:** Exclusive Agency listings shall be disclosed in the agent remarks. (Amended 12/19/2011)

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 MLS to listings of certain kinds of property. The MLS shall decline to accept exclusive right to sell and exclusive agency contracts that involve or are taken by two or more firms, since this can create confusion and leaves unclear, which Participant(s) is/are responsible for the listing and can negotiate with the owner. 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. The MLS may accept exclusively listed property that is to be auctioned. 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 1.1. Listings Subject to Rules and Regulations of the MLS:** Any listing taken on a contract to be filed with the MLS is subject to the Rules and Regulations of the MLS upon signature of the seller(s).

**Section 1.2. Accuracy of Listings Filed with the MLS:**

A listing, when entered in the MLS by the listing agent/broker (Participant), shall be complete and accurate in every detail which is ascertainable as specified in the MLS Property Data Form.

Furthermore, it is the listing agent's responsibility to review and verify the accuracy of the MLS data. (Amended 12/19/2016)

**Section 1.2.1 Authority to List Properties with the MLS: (Class-A Rule)** - Properties for sale in the MLS may only be entered in the MLS after the listing agent/broker (Participant) has first secured a legal, written listing agreement with the owner(s) of the property authorizing such entry into the MLS. MLS participants who publicly advertise property for sale, whether the property is submitted to the MLS or is a Non-MLS listing, are required to have a signed listing agreement prior to publicly advertising, per MLS rule Section 1. Listing procedures Section 1.1 Entering Listings and 1.2 Failure to List. The term "for sale" as used in this paragraph shall include, but is not be limited to, "Coming Soon" or any verbiage or marketing methods indicating the property is for sale or will be available. A fine shall be levied against a listing agent/broker who violates this rule according to Section 9.1.1 Infraction Classifications.

(Amended 06/26/2017)

**Note:** Listing agents are responsible for displaying in the MLS agent remarks section explicit showing and locking instructions for the property, in accordance with seller instructions. (Amended 11/21/2011)

**Section 1.2A ANSI and Square Footage: (Class-B Rule) Total Finished Square Footage** as used in the MLS is a measurement that includes above and below grade finished living area, but does not include garage, porch or attic space. **Above Grade Finished Square Footage** as used in the MLS is a measurement that includes only above grade finished living area, and does not include garage, porch or attic space. The listing agent and/or broker are responsible to assure all residential listings are measured using the ANSI measurement method. Use of the expression "Square feet per PVA" (or any similar language) based on PVA calculations relating to square footage in this MLS is prohibited. (Amended 02/27/2017)

**Section 1.2B Photographs Required (Class-B Rule)**

All Residential, Townhouse, Farm with House, Multi-Family, and Commercial properties must have an "Exterior View" photo or artist rendering submitted within two (2) business days of the listing agreement "effective date" to the MLS system for the MLS Compilations to insure the photo will be displayed with the new listing. Exception: one-time listing solds, non-member agent solds, for-sale-by-owner solds, and builder-solds, as referenced in Section 2.5, must have an Exterior View photo within two business days of the closing date. A diagram or artistic rendering for unimproved land may be submitted until the property is completed. Once improvements are completed, an exterior view of the improvement is required within two (2) business days. Participants shall be fined according to Section 9.1.1 Infraction Classifications for each Residential, Townhouse, and Farm with House, Multi-Family, and Commercial property submitted without an "Exterior View" photo suitable for publication. Should a participant wish to delete any photos from a listing, an Exterior View photo must remain with the listing in the MLS. Use of watermarks in listing photographs is prohibited. (Amended 12/19/2016)

Sellers may direct that photos or other graphic representations of their property may be withheld from the MLS. The penalty shall not be assessed for any property listing subject to a written request signed by the owner requesting that a photo not be placed on the listing. (Amended 06/30/2010)

**Section 1.2C Prohibition Against Using Another Agent's Photos (Class-A Rule)**

Photos taken and submitted to the MLS by a listing broker or listing agent may not be used by another Listing Broker or listing agent without the written permission of the listing broker or listing agent who submitted said photos. Participants shall be fined according to Section 9.1.1 Infraction Classifications for a violation of this rule. (Amended 12/19/2016)

**Section 1.2D Self-Promotion (Class-B Rule)**

Participants found in violation of this Rule Section shall be fined according to Section 9.1.1 Infraction Classifications. No MLS member shall be permitted to use the MLS system Public Display formats for self-promotion as a listing agent or company, whether in the form of input field data, website address, internet link, QR Code, e-mail address, phone number, mailing address, or any other type of contact information including texting or reference to contacting the listing agent/broker in the public remarks. Use of branded video/virtual tours is permitted in the virtual tours field of the public display format. A fine for each listing infraction shall be automatically imposed for each day such infraction is present in the MLS, commencing the first day after a 24 hour notice is given to the MLS member and the member's broker. This rule does not apply to listing agent information as can be seen by MLS member Participants in the Open House report of the Listing Tools function. (Amended 12/19/2016)

Photos submitted with a listing must be free of any advertising logos or images, or any kind of agent information, including yard signs or yard sign posts, superimposed or inserted in the photo. Any violation of this policy shall be considered a violation of the MLS Rules and Regulations and the Participant will be fined for each photo incident. (Amended 01/18/2016)

Public information may not contain contact information for brokers and their agents who do not participate in the MLS (Amended 12/19/2016)

**Section 1.3. Exempted Listings (Class-A Rule):** If the seller refuses to permit the listing to be disseminated by the MLS, the Participant may then take the listing ("office exclusive" or "non-MLS") and such listing shall be filed with the MLS within the required two (2) business day submission period, but not disseminated to the Participants. Filing of the listing shall be accompanied by certification signed by the seller, or noted in the listing agreement, that he/she does not desire the listing to be disseminated by the MLS. If a listing is taken as an ("office exclusive" or "non-MLS") listing, it may NOT thereafter be entered in the MLS as a comparable or sold property. If an owner later decides the property listing should be in the MLS, then a new listing agreement must be initiated prior to entering it into the MLS. Participants found in violation of this Rule Section shall be fined according to Section 9.1.1 Infraction Classifications (Amended 12/19/2016)

**Section 1.4. Change of Status of Listing (Class-A Rule):** Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the MLS within two (2) business days (excepting weekends, holidays, and postal holidays) after the authorized change is received by the listing broker. Participants found in violation of this Rule Section shall be fined according to Section 9.1.1 Infraction Classifications. (Amended 12/19/2016)

**Section 1.5. Withdrawal of Listing Prior to Expiration:** Listings of properties may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement. (Amended 10/22/2012)

**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 1.6A Right of First Refusal Status Change (Class-A Rule)** Participants found in violation of this Rule Section shall be fined according to Section 9.1.1 Infraction Classifications. Participants who fail to change status in the MLS to “First Right” within 2 business days of sellers acceptance of a contract of this nature shall be found in violation. NOTE: Earnest money shall be deposited in accordance with Kentucky Real Estate License Law. (Amended 12/19/2016)

**Section 1.7. Listing Price Specified:** The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings unless the property is to be auctioned.

**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 1.8.A One Property – One Listing:** Individual MLS Participants, MLS Participants who form a team, or MLS Participants who as a group of two or more share listing responsibilities, may only list the same property as one listing in the MLS. A property may only be marketed in the MLS in accordance with current zoning and/or use permits. Exceptions to this rule include: 1) when listing a single property that could be listed as a townhouse/condominium property or a “residential” property; or 2) when entering an unimproved parcel of land in combination with a contiguous improved property; 3) when listing a single property that could be listed as a residential or a farm with house property; 4) when listing a single property that could be listed as a residential, multi-family or commercial property; 5) when entering a single commercial property that could be for sale or for lease. (Amended 12/19/2016)

**Section 1.9. No Control of Commission Rates of Fees Charged by Participants:** The MLS shall not fix, control, recommend, suggest or maintain commission rates or fees for the MLS 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, 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). (Amended 12/19/2016)

**Section 1.11. 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 1.12. Jurisdiction:** The jurisdiction of the Greater Owensboro REALTOR® Association’s MLS is the Kentucky counties of Daviess, Hancock, McLean, Ohio, Grayson. Only listings of the designated types of property located within this jurisdiction are required to be submitted to the MLS. Listings of property located outside the MLS’ jurisdiction will be accepted

if submitted voluntarily by a Participant, but cannot be required by the MLS. (Amended 12/19/2016)

**Section 1.13. Listings of Suspended Participants:** When a Participant is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations or other membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, 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 or MLS (or both) for failure to pay appropriate dues, fees or charges, the Association MLS is not obligated to provide MLS service, 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 should be advised in writing of the intended removal so that the suspended Participant may advise his/her clients.

**Section 1.14. Listings of Expelled Participants:** When a Participant is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations or other membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS shall, at the expelled Participant's option, 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 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, the Association MLS is not obligated to provide MLS service, 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/her clients.

**Section 1.15. 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/her clients.

## **Selling Procedures**

**Section 2. Showing and Negotiations:** (Class-A Rule) Participants found in violation of this Rule Section shall be fined according to Section 9.1.1 Infraction Classifications. Appointments for showings and negotiations with the seller for the purchase of listed property filed with the MLS shall be conducted through the listing broker except under the following circumstances: (Amended 12/19/2016)

- (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/her representative. However, the listing broker, at his/her option, may preclude such direct negotiations by cooperating brokers.

**(Section 2.01 Deleted 02/16/2009)**

**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, regulations or agreed otherwise in writing between the seller and the listing broker. If a 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. (Amended 02/27/2017)

Participants representing buyers or tenants shall submit to the buyer or tenant all written 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/her representative has the right to participate in the presentation to the seller or lessor of any offer he/she secures to purchase or lease. He/She 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 2.4. Right of Listing Broker in Presentation of Counter-Offer:** The listing broker or his/her representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He/She 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 agent 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 and Other Status Changes to the Service:** (Class-A Rule)  
Participants found in violation of this Rule Section shall be fined according to Section 9.1.1 Infraction Classifications. Status changes, including but not limited to pending transactions, Right of First Refusal and final closing of sales, shall be reported to the MLS by the listing broker within two (2) business days (excluding holidays and weekends) 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 two business days (excluding holidays and weekends) after occurrence and the listing broker shall report them to the MLS within two business days (excluding holidays and weekends) after receiving notice from the cooperating broker. (Amended 12/19/2016)

All Participants have the right to know the proper status of listings at all times. Participants may not keep a listing that is under contract in an active status in the MLS, even if there's a chance the contract will fall through or even if so desired by the seller.

**Short Sale Exception:** In accordance with Kentucky law, short sale listings shall remain active until lender approval is received. Once under contract, the listing agent shall place in the agent remarks: *“Accepted contract subject to mortgage holder approval”*. (Added 03/17/2014)

**Right of First Refusal Exception:** A listing under contract with a stipulation providing a right of first refusal may remain in active status until such time the contingency is removed. Thereafter, the status of listing shall be changed to pending. (Added 12/21/2012)

**Section 2.5.1 A Failure to Change Status:** (Class-A Rule) Participants found in violation of this Rule Section shall be fined according to Section 9.1.1 Infraction Classifications. A Participant who fails to change a listing-status within the two (2) business day time limit (excluding holidays and weekends) shall be fined according to Section 9.1.1 Infraction Classifications. (Amended 12/19/2016)

**Section 2.5.2 Relocation, REO and Foreclosure properties:** (Class-A Rule) Relocation, REO and Foreclosure properties that have a verbal acceptance, while waiting for written acceptance and subject to all signatures, must be posted in the agent remarks section in the MLS within two (2) business days(excluding holidays and weekends) or be subject to a fine according to Section 9.1.1 Infraction Classifications. (Amended 12/19/2016)

**Section 2.5.3 Authority to Advertise:** The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its participants. (Amended 09/21/2009)

**Section 2.5.4 “One Time Listing Solds” or “One Party Listing Solds”** listed on a valid listing agreement and/or one time showing agreement may be entered into the MLS upon closing. (Amended 12/19/2016)

**Section 2.5.5 Non-member agent, FSBO and Builder Solds:**

Days-on-market for non-MLS listings (non-member agent, FSBO, One time listing solds and builder solds) should be entered as from 0-2 days on market, and the closing date shall be the pending date. (Amended 12/19/2016)

“Non-GORA member listing” and sold information may be entered into the MLS as a comparable sale. After closing, the listing/selling agent will enter the listing into the MLS as a comparable and will forward a copy of the Closing Disclosure to the MLS Coordinator. The MLS coordinator will code the listing as Non Member Office, 499, Agent 1 as appropriate. The listing/selling agent shall then add photos as required. (Amended 12/19/2016)

“For Sale By Owner - Solds” without an MLS Listing Agreement may, with the written consent of the buyer, be entered into the MLS only as a comparable listing upon closing. The Participant will notify the MLS Coordinator only who, after the data is entered, will change the listing side of the “For Sale By Owner Solds” to Non-Member Office 499, Agent 2. (Amended 08/15/2017)



“Builder - Solds” without an MLS Listing Agreement may, with the written consent of the buyer, be entered into the MLS only as a comparable listing upon closing. The Participant will notify the MLS Coordinator only who, after the data is entered, will change the listing side of the “Builder Solds” to Non-Member Office 499, Agent 3. (Amended 08/15/2017)

(Class-A Rule): If a Participant chooses to enter a Non-GORA member listing and fails to report a change to a “pending” status, or if a Participant chooses to enter Non-member agent, FSBO or Builder Sold listing and fails to report a change to a “sold” status within the two (2) business day time limit (excluding holidays and weekends) the Participant shall be subject to Section 9.1.1 Infraction Classifications (Class A Rule Infraction). (Amended 12/19/2016)

**Section 2.6. Reporting Resolutions of Contingencies** (Class-A Rule): The listing broker shall report to the MLS within two (2) business days (excluding holidays and weekends) that a contingency on file with the MLS has been fulfilled or renewed or the agreement canceled. Participants failing to comply with this rule shall be subject to Section 9.1.1 Infraction Classifications. (Amended 12/19/2016)

**Section 2.7. Advertising [including yard signs] of Listings Filed with the MLS:** A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker except as indicated in Internet Data Exchange (IDX) Section 18. Consistent with Section 1 of these MLS Rules, multiple brokers may not advertise, nor display their for-sale yard signs on the same property, relating to the same listing in the MLS. (Added 09/18/2017)

**Section 2.8. Reporting Cancellation of Pending Sale** (Class-A Rule): The listing broker shall report immediately to the MLS the cancellation of any pending sale and the listing shall be reinstated immediately. Participants failing to comply with this rule shall be subject to Section 9.1.1 Infraction Classifications. (Amended 12/19/2016)

### **Refusal to Sell**

**Section 3. 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 MLS and to all Participants.

### **Prohibitions**

**Section 4. Information for Participants Only:** Any listing entered into the MLS shall not be made available to any broker or firm not a Member of the MLS without the prior consent of the listing brokers.

**Section 4.1. “For Sale” Signs:** Only the “For Sale” signs of the listing broker may be placed on the property.

**Section 4.2. “Sold” Signs:** Prior to closing, only the sold sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign. (Added by NAR 05/20/2013)

**Section 4.3 Withdrawn Listings** (Deleted NAR 05/20/2013)

**Section 4.4. Solicitation of Listing Filed with the MLS:** Participants shall not solicit a listing on property filed with the MLS unless such solicitation is consistent with Article 16 of the REALTORS®’ Code of Ethics, its Standards of Practice, and its Case Interpretations.

(Amended NAR 05/20/2013)

## **Division of Commissions**

**Section 5. Cooperative 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 cooperating 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 NAR 06/30/2010)

In filing a property with the MLS of the Association, the Participant of the MLS is making blanket unilateral offers of compensation to other MLS Participants, and shall therefore specify on each listing filed with the MLS, 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. (Amended NAR 06/30/2010)

The compensation specified on listings filed with the MLS shall appear in one of two forms. The essential and appropriate requirement 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 submitting 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)

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 non-agency capacities defined by law) which may be the same or different. (Amended 11/96)

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 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)

**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, and the MLS shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a participant. The MLS shall not disclose in any way the total commission negotiated between the seller and the listing broker.

**Note 2:** The listing broker may, from time to time, adjust the compensation offered to other MLS participants for their services with respect to any listing by advance published notice to the service so that all participants will be advised. (Amended NAR 06/30/2010)

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

**Note 4:** Brokers must 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. (NAR approved 03/04/2014 and amended 03/17/2014 by the Board)

**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. (Adopted NAR 06/30/2010)

**Section 5.0.1 Disclosure of Short Sales:** (Class B rule) Participants must disclose potential short sales (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) when reasonably known to the listing participants. Listing agents shall fulfill this disclosure requirement by entering in the agent remarks field the words – “short sale”.

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.

Where participants 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 the listing and cooperating participants, listing participants shall disclose to cooperating participants in writing the total reduction in the gross commission and the amount by which the compensation payable to the cooperating broker will be reduced within two (2) business days of receipt of notification from the lender. (Amended 02/17/2017)

**Section 5.1. Participant as Principal:** If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any ownership interest in a property, the listing of which is to be disseminated through the MLS, that person shall disclose that interest when the listing is filed with the MLS 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 appraiser) affiliated with a Participant wishes to acquire an interest in property listed with

another Participant, such contemplated interest shall be disclosed in writing to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

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

### **Service Charges** (Amended 2/22/2010)

**Section 6. Service Fees and Charges:** The following service charges for operation of the MLS are in effect to defray the costs of the MLS and are set, and subject to change from time to time, by the Board of Directors in the manner prescribed in the Article X of the Association Bylaws.  
(Amended 06/21/2010)

- a) **Brokerage Company Application Fee:** A brokerage company that joins the MLS shall pay an initial application fee to join the MLS.
- b) **Brokerage Company Recurring Fee:** The annual participation fee shall be charged all Brokerage companies and shall be paid quarterly. The fee is due on the first day of the first month of each quarter.
- c) **REALTOR® Participation Recurring Fee:** The annual participation fee shall be charged all REALTOR® members for access to the MLS.
- d) **Affiliates with MLS Access Fee:** Affiliate members with MLS access shall pay an annual fee for MLS services in addition to the fee charged for membership in the Association.

### **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. (Revised by NAR 11/14 and added 12/19/2016)

**Section 7.1 Compliance with Rules:** The following action may be taken for noncompliance with the rules:

- (a) Unless otherwise stipulated in these rules, fines must be paid to the MLS within 30 calendar days from the date a notice of a fine assessment is provided to the MLS member. For failure to timely pay any MLS charges, or for reinstatement of services for failure to timely pay MLS Service charges, Article X of the Board Bylaws shall apply. (Amended 07/17/2017)
- (b) For failure to comply with any other rule, the provisions of Sections 9 and 9.1 shall apply. (Revised 4/18/2016)

**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. 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. Meetings 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 Chair.

**Section 8.1. Meetings of MLS Participants:** The Committee may call meetings of the Participants in the Service to be known as meetings of the MLS.

**Section 8.2. Conduct of the Meetings:** The Chair shall preside at all meetings or, in his/her absence, a temporary Chair from the membership of the Committee shall be named by the Chair or, upon his failure to do so, by the Committee.

## **Enforcement of Rules or Disputes**

**Section 9. Consideration of Alleged Violations:** The Committee shall consider all written complaints having to do with violations of the MLS Rules and Regulations whether filed by REALTOR® member or consumer. (Amended 12/19/2016)

Complaints by REALTOR® members must be filed on the Association approved complaint form or by using the “Report A Listing Button”. The complaint information must cite by number the MLS rule violated, include details or proof of the infraction, and be signed by the complainant (e-mail or the NAVICA “report a listing” function suffices for a signature). In order to use the “Report-A-Listing” button in NAVICA MLS, the Complainant must be a Realtor® Member and, the rule allegedly being violated must be cited in order to investigate and must meet requirements of the complaint form. (Amended 12/19/2016)

After submitting the complaint form to the MLS, the MLS Committee may choose to allow the complainant to appear at a meeting to explain the details. (Amended 01/18/2016)

In the event the MLS Committee discovers additional infractions that were contained in confidential documents (purchase agreements, listing agreements, etc.) that the complainant would not have access to or knowledge of when they filed the complaint, then the committee is authorized to do further investigation and cite any additional infractions. (Amended 12/19/2016)

**Withdrawing a Rule Violation Complaint-** Once a formal rule violation complaint has been received by the MLS, if the complainant wishes to withdraw the complaint a written notice must be submitted to the MLS. Failing which, MLS staff and the Committee must process the complaint as required under this rule. (Added 09/18/2017)

**Section 9.1. Notification of Alleged Rule Violations:** Upon receipt of a written complaint, the MLS staff shall notify the alleged rule violator of the complaint, and the notice shall reference the enforcement process according to rules Sections 9 through 9.2. MLS staff may request any and all necessary documentation, including electronic, to be provided to MLS within one (1) business day. The end of the following business day is defined as 5:00 p.m. The alleged violator may be asked to provide a written response to the alleged violation within five (5) business days for MLS Committee review. (Amended 06/26/2016)

If the alleged offense is a violation of the Rules and Regulations of the MLS, it may be administratively considered and determined by the MLS Committee. If there are questions about the written complaint, or questions that arise from the administrative consideration regarding the complainant and/or the respondent, the MLS Committee or staff may ask for additional information (including transaction documentation) from the complainant and/or the respondent. Any additional information requested must be provided within five (5) business days from the date of the request. (Amended 12/19/2016)

Participants found in violation of this Rule Section shall be fined according to Section 9.1.1 Infraction Classifications.

(Class-B Rule) It is the responsibility of each MLS Subscriber to provide and maintain (keep current) their current email, telephone, and US mail, contact information with the MLS administration so the MLS can timely communicate with the Subscriber. (Added 02/27/2017)

Communication of an alleged violation shall consist of contacting the Subscriber and Broker through two or more of the following methods: email, regular or certified mail to the respondent, and the respondent’s principle broker. (Revised 06/26/2017)

If a violation is determined, the Committee or staff may direct the imposition of a fine based upon Section 9.1.1, and/or a sanction. The respondent may request a due process hearing before the Professional Standards Committee of the Kentucky Association of REALTORS® within 20 days of the finding, and the respondent may appeal the KAR hearing panel's decision to the Board of Directors of the Kentucky Association of REALTORS® within 20 days of the hearing panel's decision. In the event of an appeal by a respondent, the Complainant will be required to testify in person at the appeals hearing. (Amended 12/19/2016)

### **9.1.1 Infraction Classifications (Added 01/18/2016)**

**Class- A Infractions** Based on Calendar Year Starting January 1. (Note: Offenses in which there is not the opportunity to correct.)

\$500 1<sup>st</sup> Offense

\$1000 2<sup>nd</sup> Offense

\$1500 3<sup>rd</sup> Offense and automatic 30 day MLS suspension with \$100 reinstatement fee.

**Class-B Infractions** Based on Calendar Year Starting January 1. (Note: Offenses in which there is an opportunity to correct without fine on first occurrence. If repeated - automatic fine.)

The value of the MLS system is in the accuracy of the data. Realtors® add value because they have the most accurate market data. The accuracy of the data does make a difference. The MLS membership monitors the system. When an error is reported, the agent and agent's principal broker is not fined immediately. The listing agent receives a phone call and an email message, and/or optionally a text message. The listing agent's broker is copied on all communications. As long as the error is corrected within two (2) business days, there is no fine assessed. The only time a fine is assessed is if no correction is made or if the agent has made the same mistake before in the same calendar year. For example, if in June you mistakenly classify a room in the basement as a bedroom and you fix the error within two (2) business days of notification, no fine is assessed. However, if in November you make that same exact mistake on another listing a \$250 fine is assessed. The assumption is that the member is now aware of the rules regarding classification of rooms as bedrooms, so the member should not make that same mistake again. The slate of previous error notification is wiped clean every January 1. (Amended 12/19/2016)

1<sup>st</sup> Offense - No fine if corrected in two (2) business days  
(\$250 fine if not corrected in two business days)

2<sup>nd</sup> Offense - Automatic \$500 fine

3<sup>rd</sup> Offense - Automatic \$1000 fine and 30 days MLS suspension with \$100 reinstatement fee  
(Amended 12/19/2016)

**Section 9.1.3 Notice to Broker:** The Principal Broker will be notified when a complaint has been filed relating to listings or sales, and/or a fine has not been paid by an agent. (Amended 12/19/2016)

**Section 9.1.5 One Day Notice: (Deleted 01/18/2016)**

**Section 9.2. Complaints of Unethical Conduct:** All complaints of unethical conduct shall be referred to the Kentucky Association of REALTORS® for appropriate action in accordance with the regional professional standards procedures established in the Association's Bylaws.

**Section 9.3 False Advertising:** Deleted by NAR (03/18/2013)

## **Confidentiality of MLS Information**

**Section 10. Confidentiality of MLS Information:** (Class-A Rule) Any information provided by the MLS to the Participants shall be considered official information of the MLS. 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. Only Participants, or licensees affiliated with a Participant, or Affiliate members with MLS access, or their administrative assistants are authorized access to the MLS system. Subscribers who disclose password or pass code information to an unauthorized individual or entity and who are found in violation of this Rule Section shall be fined according to Section 9.1.1 Infraction Classifications. (Amended 12/19/2016)

**Section 10.1. MLS not Responsible for Accuracy of Information:** The information published and disseminated by the MLS is communicated verbatim, without change by the MLS, as filed with the MLS by the Participant. The MLS does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the MLS harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

### **Ownership of MLS Compilations\* and Copyrights**

**Section 11.** By the act of submission of any property listing content to the MLS the Participant represents that he/she 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. (Revised 02/16/2009)

**Section 11.1.** All rights, title and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Association, and in the copyrights therein, shall at all times remain vested in the Association.

#### **Section 11.2.**

Each participant shall be entitled to lease from the Greater Owensboro Realtor® 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.\*

*\*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.*

Participants shall acquire by such lease only the right to use the MLS compilation in accordance with these rules. (Amended 12/19/2016)

### **Use of Copyrighted MLS Compilations**

Participants shall, at all times, maintain control over and responsibility for each copy of any MLS compilation leased to them by the association of REALTORS®, and shall not distribute any such copies to persons other than subscribers who are affiliated with such participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the

appraisal of real property, and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification, and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed or published by an association multiple listing service where access to such information is prohibited by law. (Amended by NAR 4/92)

**Section 12.1. Display (Mandatory NAR):** 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.

**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 a fashion that the property listing data of properties other than that in which the prospective purchaser has expressed interest, or in which the participant or the affiliated licensees are seeking to promote interest, does not appear on such reproduction.

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

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

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparables, or statistical information from utilizing such information to support 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 confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations. (Amended 08/17/15)

\*It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable", as used herein should

therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus reasonable in number, shall include, but are not limited to, the total number of listings in the MLS Compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

### **Use of MLS Information**

**Section 13. 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 the Association or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar notice: (Revised 03/18/2013)

"Based on information from the Greater Owensboro REALTOR® Association for the period (date) through (date)."

### **Changes in Rules and Regulations**

**Section 14. Changes in Rules and Regulations:** Amendments to the Rules and Regulations of the MLS shall be by a two-thirds (2/3) vote of the Members of the MLS Committee at a meeting (noticed for that purpose) at which a quorum is present, subject to approval by the Board of Directors of the Association.

### **Orientation**

**Section 17. Orientation:** Any applicant for MLS participation and any sales associate licensee affiliated with an MLS Participant who lists and sells property in the MLS shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS Rules and Regulations, within ninety (90) days after access has been provided. Applicants failing to complete the required orientation within ninety (90) days of membership must pay a reinstatement fee of one hundred dollars (\$100) and complete the course within the next ninety (90) days. Failure to pay one hundred dollars (\$100) and complete the course within said time will terminate current membership. (Amended 12/19/2016)

## **Internet Data Exchange ("IDX")**

**Section 18. IDX Defined:** IDX affords MLS Participants the ability to authorize limited electronic display of their listings by other participants. (Amended 03/18/2013)

**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. 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. (Amended 03/13/2013)

**Section 18.2. Participation:** Participation in IDX is available to all MLS Participants who are REALTORS® who are engaged in real estate brokerage and who consent to display of their listings by other Participants.

**Section 18.2.1.** Participants must notify the MLS of their intention to display IDX information and must give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies. (Amended 03/18/2013)

**Section 18.2.2** MLS Participants may not use IDX-provided listings for any purpose other than display as provided for in these rules. This does not require Participants to prevent indexing of IDX listings by recognized search engines. (Amended 03/18/2013)

**Section 18.2.3** 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) (Amended 03/18/2013)

**Section 18.2.4** Participants may select the listings they choose to display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography, or location ("uptown", "downtown", etc.), list price, type of property, (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right to sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed on any IDX site must be independently made by each Participant. (Amended 03/18/2013)

**Section 18.2.5** Participants must refresh all MLS downloads and displays automatically fed by those downloads not less frequently than every 12 hours. (Amended 08/17/2015)

**Section 18.2.6.** Except as provided in the IDX policy and these rules, an IDX site or a participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity. (Amended 03/18/2013)

**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. (Amended 03/18/2013)

**Section 18.2.8** Any IDX display controlled by a participant or subscriber 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,

either or both of those features shall be disabled or discontinued for 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 displays controlled by participants. Except for the foregoing and subject to Section 18.2.9, a participant’s IDX display may communicate the participant’s professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying its customers that a particular feature has been disabled at the request of the seller. (Amended 03/18/2013)

**Section 18.2.9** Participants 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 Participant beyond that supplied by the MLS and that relates to a specific. 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. (Adopted 03/18/2013)

**Section 18.2.10**

An MLS Participant (or where permitted locally, an MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) 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 data 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. (Adopted 08/17/2015)

**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. (Amended 2/22/2010)

**Section 18.3.1.1** The type of listing agreement (e.g., exclusive right to sell, exclusive agency, etc.) may not be displayed. (Amended 03/18/2013)

**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. (Amended 2/22/2010)

**Section 18.3.3.** 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. 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. (Amended 03/18/2013)

**Section 18.3.4** –All listings displayed pursuant to IDX shall identify the listing agent. (Added 03/18/2013)

**Section 18.3.5** Non-principal brokers and sales licensees affiliated with IDX Participants may display information available through IDX on their own websites subject to their Participant's consent and control, and the requirements of state law and/or regulation.

**Section 18.3.6** (Deleted November 2006)

**Section 18.3.7** All listings displayed pursuant to IDX shall show the MLS as the source of the information. Displays of minimal information (e.g. "thumbnails", text messages, "tweets", etc., of two hundred (200) characters or less are exempt from this requirement but only when linked directly to a display that includes all required disclosures. (Amended 03/18/2013)

**Section 18.3.8** Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information is provided exclusively for consumers' personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that the data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect Participants and/or the MLS from liability. 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 (Amended 03/18/2013)

**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 one hundred (100) listings or five percent (5%) of the listings available for IDX display, whichever is fewer. (Amended 2/22/2010)

**Section 18.3.10** 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 18.3.11** Listings obtained through IDX feeds from REALTOR® Association MLSs where the MLS Participant holds participatory rights must be displayed separately from listings obtained from other sources. 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. 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. (Amended 08/17/2015)

Note: An MLS Participant (or where permitted locally, an MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) 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 data 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. (Added 08/17/2015)

**Section 18.3.12** Display of expired, withdrawn, pending, and sold listings\* is prohibited. \* Note: If “sold” information is publicly accessible, display of “sold” listings may not be prohibited. (Amended 08/17/2015)

**Section 18.3.13** Display of seller’s(s’) and/or occupant’s(s’) name(s), phone number(s), and e-mail address(es) is prohibited. (Amended 2/22/2010)

**Section 18.3.14** Participants are required to employ appropriate security protection such as firewalls on their websites and displays provided that any security measures required may not be greater than those employed by the MLS. (Amended 03/18/2013)

**Section 18.3.15** Participants must maintain an audit trail of consumer activity on their website and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers. (Amended 03/18/2013)

**Section 18.3.16:** Deceptive or misleading advertising (including co-branding) on pages displaying IDX-provided listings is prohibited. For purposes of these rules, co-branding will be presumed not to be deceptive or misleading if the participant’s logo and contact information is larger than that of any third party. (Amended 04/22/2013)

**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.

## **Section 19 Virtual Office Website Rules (Adopted January 19, 2009)**

**Section 19.1 (a):** A Virtual Office Website (“VOW”) is a Participant’s Internet website, or a feature of a Participant’s website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant’s oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant 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.

**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. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.

**(b)** A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision:

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**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

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

**Section 19.7:**

**(a)** Subject to subsection (b), a Participant’s VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate

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

(b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 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 more than 100% current listings and not more than 100% sold listings in response to any inquiry.

**Section 19.20:** A Participant shall require that Registrants’ passwords be reconfirmed or changed every 90 days.

(Note: The number of days passwords remain valid before being changed or reconfirmed must be specified by the MLS in the context of this rule and cannot be shorter than 90 days. Participants may, at their option, require Registrants to reconfirm or change passwords more frequently.)

**Section 19.21:** A Participant may display advertising and the identification of other entities (“co-branding”) on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant’s logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

**Section 19.22:** A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

**Section 19.23:** A Participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to be searched separately from listings in the MLS.

**Section 19.24:** Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

**Section 19.25:** Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within two business days. (Amended 11/23/2015)

## **Section 20.0 Lock Box and Key Services (Added 05/17/2010)**

**Introduction** - Administration of a lock box and Key system is an activity of the MLS. A lock box is a container affixed to property containing a device to gain access to the property being marketed by a participant in the MLS. Participants in the MLS or their salespersons (and licensed or certified appraisers affiliated with the Participants) are authorized under certain conditions to open these lock boxes under terms specified by the listing broker. Cooperating brokers and sales licensees, whether functioning as subagents of the listing broker or as agents of potential purchasers, must contact the listing broker to disclose their agency status and to arrange appointments to show listed property even if the property has a lock box affixed to it unless the listing broker has given specific permission (through information published in the MLS or otherwise) to show the property without first contacting the listing broker. All actions of the MLS regarding lock box and Key services shall be reviewed and approved by the Board of Directors.

**Note 1:** Listing agents are responsible for displaying in the MLS agent remarks section explicit showing and locking instructions for the property, in accordance with seller instructions. (Added 11/21/2011)

**Note 2:** The principal broker to whom a lock box is assigned is responsible for returning a complete lockbox to the MLS. If the key holder tray is missing, the replacement cost will be the responsibility of the broker. (Amended 02/20/2012)

**Section 20.1 Securing Properties: (Class-A Rule)** It is considered an act of professional negligence for an MLS Participant or his/her agent to enter a house or building (property) listed in the MLS, and to leave the property without first securing (locking) exterior doors. The lockbox key must be replaced in the lockbox prior to leaving the property. The MLS may impose a fine according to Section 9.1.1 Infraction Classifications for an infraction of this rule. (Amended 12/19/2016)

**Section 20.11 Do Not Duplicate** Any Electronic Key, programmer, or other device (hereinafter referred to as Key) by which a lock box can be opened shall be non-duplicative. By non-duplicative it is not meant that the Key is necessarily covered by a current patent, but that it cannot be readily copied in the manner that other types of keys ordinarily are.

**Section 20.12 Source of Keys** must be obtained from the original manufacturer, from a recognized vendor of lock box systems or from any other legitimate source authorized by the MLS. Prior to utilizing previously used Keys, lids, or boxes, information shall be obtained from the original manufacturer to determine whether the Key's pattern, code, or configuration is already in use by

other associations, MLSs, or other users in the vicinity. Surrounding associations and MLSs shall also be contacted to determine whether the Key's pattern, code, or configuration is currently in use.

**Section 20.13 Eligibility of User** Because the lock box and Key system is an activity of the MLS, every MLS Participant and every non-principal broker, sales licensee, licensed or certified appraiser or other authorized individual who is affiliated with an MLS participant and who is legally eligible for MLS access shall be eligible to hold a Key subject to their execution of a lease agreement with the lockbox vendor and a Key-holder agreement with the Association.

**Section 20.14 Terms of Use** Participants shall be bound by the terms of the lock box and Key lease agreements which include responsibilities of the Participants and which incorporate by reference any applicable rules or regulations or other governing provisions of the MLS that relate to the operation of the lock box system.

**Section 20.15 Unauthorized Use (Class-A Rule)** Lock box Keys may not be used under any circumstances by anyone other than the Key holder except as provided elsewhere in this statement of policy. A violation of this rule may result in a fine according to Section 9.1.1 Infraction Classifications for use of an MLS lockbox Key by anyone other than the Key-holder as established in the lockbox vendor lease agreement. (Amended 01/18/2016)

**Section 20.16 Supervised Use** The MLS may, at its discretion, authorize unlicensed personal assistants, administrative and clerical staff, and individuals seeking licensure as real estate appraisers, who are under the direct supervision of a designated REALTOR<sup>®</sup>, or MLS Participant, or their licensed designee, to hold a lock box Key on the same terms and conditions as non-principal brokers and sales licensees.

**Section 20.17 Right of Refusal** The MLS maintains the right to refuse to sell or lease lock box Keys, may terminate existing Key lease agreements, and may refuse to activate or reactivate any Key held by an individual convicted of a felony or misdemeanor if the crime, in the determination of the MLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

**Section 20.18 Suspension of Use** The MLS may suspend the right of lock box Key holders to use lock box Keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the MLS, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk.

Factors that can be considered in making such determinations include, but are not limited to: 1) the nature and seriousness of the crime, 2) the relationship of the crime to the purposes for limiting lock box access, 3) the extent to which access (or continued access) might afford opportunities to engage in similar criminal activity, 4) the extent and nature of past criminal activity, 5) time since criminal activity was engaged in, 6) evidence of rehabilitation while incarcerated or following release, 7) evidence of present fitness.

**Section 20.19 Key Lease** No one shall be required to lease a Key from the MLS except on a voluntary basis. The MLS may, at its 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 Key holder and by a principal, partner, or corporate officer of the Key holder's firm. 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 Key holder.

**Section 20.20 Sellers Authorization** Lock boxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or in a separate document created specifically for the purpose.

**Section 20.21 Lost or Stolen Keys** Key holders and/or their cosignatories are responsible to immediately (not later than one (1) business day) report to the MLS lost, stolen, or otherwise unaccountable keys. Upon receipt of notice, the MLS shall take any steps deemed necessary to secure the lock box and Key system.

**Section 20.22 Fines** The MLS may impose a fine, in accordance with Section 9.1.1(Class A Violation) for violation of any rule in this section. Any issuing fees, recurring fees, or other administrative costs shall be established at the discretion of the MLS and set forth in the rules and procedures. All Key holders, whether Association members or not, shall agree, as a condition of the Key lease agreement, to be bound by the rules and procedures governing the operation of the lock box system. (Amended 12/19/2016)