

MLS RULES AND REGULATIONS

For

Summit MLS, Inc.

**Owned by the
The Summit REALTORS**

Adopted

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RULES AND REGULATIONS FOR THE SUMMIT MLS, INC.

Every Participant of the MLS agrees to follow and be subject to these Rules and Regulations. Every Listing shall conform to these Rules and Regulations.

DEFINITIONS

The following terms shall have the following meanings. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Agreement.

“Agreement” means that certain Compliance Agreement by and among a Participant, Summit MLS, Inc. and a Vendor relating to the use of the MLS. Also referred to as the Three Party Agreement.

“Board” means Summit MLS, Inc. Board of Directors.

“Confidential Information” refers to information submitted to the MLS that is designated as confidential by these Rules and Regulations.

“Confidential MLS Information MLS” means all of the data in the MLS available to Participants and subscribers in compliance with the MLS Rules and Regulations.

“IDX” means Internet Data Exchange as further described in Section 16.

“Listing” means the data and other information regarding certain real property, which is used in connection with the listing, marketing, and sale of real property.

“Listing Agreement” means the contract, as it may be amended from time to time, between a seller and a listing broker who is a Participant of the MLS whereby the broker undertakes to market real property at a particular price (the “List Price”).

“Listing Input Form” means the collection of data entry fields made available by the MLS to Participants for listing input, changes to listings, and similar purposes, whether such form is in printed form or electronic form.

“MLS” means the data collection and dissemination system of the Board, which makes the Confidential MLS Information MLS available to Participants in accordance with these Rules and Regulations.

“MLS Administrator” means the individual or individuals designated by the Board to manage the MLS.

“MLS Compilation” means any format in which property listing data is collected and disseminated to the Participants, including, but not limited to, bound book, loose-leaf binder,

computer database, card file, or any other format determined by the Board.

“Modified Public MLS” means that portion of the Confidential MLS Information MLS that the MLS elects to make available to Participants for use on the Participant’s website, as further defined in Sections 13 and 16 of the MLS Rules and Regulations.

“Participants” means any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.* However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service “membership” or “participation” unless they hold a current, valid real estate broker’s license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.** Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant’s licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “participation” or “membership” or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law.

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

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

“**Public MLS**” means that portion of the Confidential MLS Information MLS that the Board determines to display on the MLS public website. The Summit MLS, Inc. may elect not to have such a website.

A “**Required Field**” is a portion of the Input Form that the Board of Directors has determined must be completed in order for the Listing to be included in the MLS.

“**SAR-MLS**” represents the service of MLS provided by the Summit MLS, Inc.

“**Submit**” means providing data to the MLS for inclusion in the MLS. Submission may be by electronic submission [also known as “broker load”], by providing the MLS Administrator with a completed Listing Input Form, or any other form of data entry authorized by the Board.

Section 1 LISTING PROCEDURES.

Listings of real or personal property of the following types, which are listed subject to a real estate broker’s license, and are located within the service area of the multiple listing service, and are taken by Participants on exclusive-right-to-sell and exclusive agency listing agreements shall be delivered to the multiple listing service within 24 hours after all necessary signatures of seller(s) have been obtained: *(Amended 11/01)*

- a. single family and duplex homes for sale or exchange
- b. vacant lots and acreage for sale or exchange
- c. condominiums, town homes and multi-family structures for sale or exchange
- d. Partial Ownership for sale or exchange
- e. Commercial for sale, for lease, or exchange
- f. Businesses for sale that include the transfer of a lease or sale of real property

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

- may reserve the right to refuse to accept a listing form which fails to adequately protect the interests of the public and the Participants
- may assure that no listing form filed with the multiple listing service establishes, directly or indirectly, any contractual relationship between the multiple listing service and the client (buyer or seller)

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

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

The different types of listing agreements include:

- exclusive right-to-sell
- exclusive agency
- open
- net

The service may not accept net listings because they are deemed unethical and, in most states, illegal. 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 multiple listing service 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 bases, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right-to-sell listings with named prospects exempted should be clearly distinguished by a simple designation such as a code or symbol from exclusive right-to-sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right-to-sell listings with no named prospects exempted. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right-to-sell listings with prospect reservations.

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

Note 3: A multiple listing service may, as a matter of local option, accept exclusively listed property that is subject to auction. If such listings do not show a listed price, they may be included in a separate section of the MLS compilation of current listings.

Section 1.01 Clear Cooperation. Within one (1) business day of marketing a property to the public, the listing broker must submit the listing to the MLS for cooperation with other MLS participants. Public marketing includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public. (*Adopted 11/19*)

Note: Exclusive listing information for required property types must be filed and distributed to other MLS Participants for cooperation under the Clear Cooperation Policy. This applies to

listings filed under Section 1 and listings exempt from distribution under Section 1.3 of the NAR model MLS rules, and any other situation where the listing broker is publicly marketing an exclusive listing that is required to be filed with the service and is not currently available to other MLS Participants.

Section 1.1 Listings Subject to Rules and Regulations of the MLS. Any listing taken on a property to be filed with the MLS is subject to these Rules and Regulations.

Section 1.2 Detail on Listings Filed with the MLS. A Listing Agreement or Computer Data Input Form, when filed with the MLS electronically or in written form by the listing broker, shall be complete with all data fields completely and accurately filled in. The Participant is responsible for the accuracy of all data entered into the MLS system and shall revise inaccurate data as soon as Participant becomes aware of any inaccuracy. Inaccurate data not corrected within the prescribed time designated in these Rules and Regulations will subject Participant to fines and/or suspension. Participants shall be responsible for complying with all standards of practice for data entry as outlined in Exhibit B.

DATA. The following data categories are relevant to the effective operation of the MLS. “Active” signifies that a property is listed in the MLS and is being actively marketed. “Pending” signifies that a property is under contract. “Withdrawn” signifies that a listing is withdrawn from the MLS and is no longer being marketed. “Sold” signifies that a property has sold and closed. “Active or Pending” are as follows: A property is to remain ACTIVE if the Seller of the property is able to accept one or more offers that will immediately become “Primary” upon acceptance. A property is to remain “PENDING” if the seller of the property is not able to accept subsequent offers that will become “Primary” upon acceptance.” Only one listing (MLS#) per tax schedule number is allowed with the following exceptions: 1. Residential properties being offered as whole or partial ownership at the same time; and 2. Commercial properties being offered for sale or lease at the same time. 3. Where a seller is to market a property before the seller has closed on the acquisition of the property so long as the seller has a contract to buy the property.

TIMING. Relevant data for the active status categories must be entered into the MLS by the Participant no later than 24 hours or seller’s requested time of entry after the Effective Date, which is defined as the Contract Date or the Listing Date or the date on which the last required signature on the relevant document is received by the Participant, whichever is later. Receipt of the last signature may be evidenced by facsimile transmission heading, by mailing envelope showing the date of receipt of same, or if delivered in person, by signed acknowledgement by the deliverer. The “Sold Date” is the date the property was actually closed and title transferred. The “Contract Date” is defined as the date at the top of the Contract to Buy and Sell Real Estate. The “Listing Date” is defined as the date at the top of the Listing Contract or, if later, the first day of the Listing Period, as defined in the Listing Agreement.

Section 1.2.1 Limited Services Listings. Participants shall comply with all applicable state and federal laws regarding the provision of brokerage services for all Listings.

Section 1.2.2 Accuracy of Listing Data. Participants and subscribers are required to submit accurate listing data and required to correct any known errors.

Section 1.3 Exempt Listings. If the seller refuses to permit the listing to be disseminated by the service, the Participant may then take the listing (office exclusive) and such listing shall be filed with the service but not disseminated to the Participants. Filing of the listing should be accompanied by certification signed by the seller that they do not desire the listing to be disseminated by the service. NOTE: MLS Participants must distribute exempt listings to the MLS system within (1) business day once the listing is publicly marketed. See Section 1.01 Clear Cooperation

Section 1.4 Change of Status of Listing. Any change in the List Price, listing status, or other change in the original Listing Agreement shall be entered into the MLS in a timely manner. Changes in List Price may be made only when authorized in writing by the seller. All changes shall be entered or submitted to the MLS within 24 hours (excepting weekends, holidays and postal holidays) after the listing broker Participant receives the written authorized change.

Section 1.5 Withdrawal of Listing Prior to Expiration. Listings of property may be withdrawn from the multiple listing service by the listing broker before the expiration date of the listing agreement, provided notice is filed with the service, including a copy of the agreement between the seller and the listing broker which authorizes the withdrawal. Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's concurrence. Once a property listing is withdrawn from the multiple listing service, then, in accordance with Section 1.01. Clear Cooperation, the listing broker shall cease publicly advertising the property for sale. Note: MLS Participants must distribute withdrawn listings within (1) one business day if the listing is continued to be publicly marketed after withdrawn date. See Section 1.01, Clear Cooperation

Section 1.6 Contingencies Applicable to Listings. Any contingency or conditions of any term in a listing agreement shall be specified and noticed to the Participants in "Realtor Remarks" section. Any parcel of land that does not have a building permit can only be entered in as vacant land with the exception of new projects and new developments.

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 subject to auction. (*Amended 11/92*)

Section 1.8 Active vs Pending.

The guidelines for whether a property is Active or Pending are as follows; a property is to remain Active if the Seller of the property is able to accept one or more offers that may become "primary" upon acceptance. A property is to remain PENDING if the Seller of the property is not able accept subsequent offers that will become "primary" upon acceptance. A few examples:

A Seller is "under contract" with a Buyer and they have a signed Contract to Buy and Sell Real Estate, but that same Buyer has to sell another property in order to consummate the transaction and such sale of the Seller's Property is "contingent upon" Buyer's ability to sell such other property. If the terms of this Contract give the Seller the ability to continue to market and sell the property to a different buyer, and a subsequent offer will immediately become "primary" upon acceptance, then the Property is to remain Active in the MLS. If the terms of this Contract

obligate the Seller to give this Buyer a pre-determined length of time to sell such other property, and Seller cannot accept subsequent offers that will immediately become “primary” during this same timeframe, then Property shall go to a Pending status in the MLS.

A “short sale” Seller is “under contract” with a Buyer. The Short Sale Addendum paragraph 8.4.2 is checked whereby the “Seller has the right to accept subsequent offers from other buyers prior to Short Sale Acceptance without liability to Buyer.” Even though such Property is “under contract” with one Buyer, it would remain as Active within the MLS because the Seller has the right to accept subsequent offers, any one of which may become the “primary” contract depending on which one the Seller’s lienholder chooses. A Seller is “under contract” with a Buyer in a condominium complex that has a “first right of refusal” whereby other owners in that condo complex have the right to match the terms of the “outside” Buyer and become the new “primary” buyer. Because the Seller is not allowed to accept any other subsequent offers from “outside” buyers, the Property shall go to a Pending status in the MLS.

In all circumstances where a property is Pending, a Seller is allowed to pursue and accept a “backup” offer that would become “primary” in the event of a contract termination with the original buyer.

Section 1.9 Listing Multiple Unit Properties. All properties which are to be sold or which may be sold separately shall be entered into the MLS as a separate entry. When such listed property has a change in status, proper notification shall be given to the MLS by the proper entry or submittal of such change to the MLS.

Section 1.10 No Control of Commission Rates or Fees Charged by Participants. The MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for MLSs 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 1.11 Expiration, Extension, and Renewal of Listings. Any listing entered or submitted to the MLS automatically expires on the date specified in the Listing Agreement unless extended in writing by the listing broker Participant and Seller.

Section 1.12 Termination Date on Listings. Listings entered into the MLS shall set forth a definite and final termination date as negotiated between the listing broker Participant and the Seller and evidenced in the Listing Agreement. No listing shall be entered or submitted in the MLS unless it complies with this rule.

Section 1.13 Service Area. Only Listings of the designated types of property located within the service area of the MLS are required to be submitted to the MLS. Listings of property located outside the MLS’s service area will be accepted if submitted voluntarily by a Participant, but are not required by the MLS. (The MLS’s service area is Summit, Park, Lake, and Grand Counties).

Section 1.14 Listings of Suspended Participants. When a Participant of the service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, 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 service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the association (except where MLS participation without association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an association MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of 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 their clients.

Section 1.15 Listings of Terminated Participants. When a Participant of the service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, association bylaws, MLS bylaws, MLS rules and regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the expelled Participant shall, at the Participant's option, be retained in the service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the association (except where MLS participation without association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an association MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised, in writing, of the intended removal so that the expelled Participant may advise their clients.

Section 1.16 Listings of Resigned Participants. When a Participant resigns from the MLS, the MLS shall not provide MLS Services, including continued inclusion of the resigned Participant's listings in the MLS.

Section 1.17 Photographs Mandatory. Except where sellers expressly direct that photographs of their property not appear in MLS compilations, Participants shall include a photograph, or in the case of new construction, a schematic diagram, artist rendition, or floor plan, with each new listing, for all types of listings, entered into the MLS. Any such photograph or drawing shall be submitted immediately following entry or submittal of such new listing. The primary photograph or drawing shall match the property being listed. No promotional signs shall appear in any photograph submitted pursuant to this Section 1.17. Photos or videos may not be copied or used in any listing without prior consent of the owner of the photos or videos. Any photos copied will be immediately deleted. All photos submitted into the MLS compilation shall remain in the MLS system regardless of any change to listing status. To request an exception, where seller or buyer request photos be removed from the MLS compilation, Participants shall submit a request to the MLS Director in writing from the consumer requesting the removal of photos, and the reason for requesting the removal. Any removal shall be at the discretion of the MLS. In the event a Participant fails to comply with the terms of this Section 1.17 the Participant shall be warned and fined a fee as may be set by MLS (See Exhibit A). This charge will appear on the Participant's monthly billing summary.

Section 1.18 Property Address. At the time of filing a listing, Participants and subscribers must include a property address available to other Participants and subscribers, and if an address doesn't exist a parcel identification number can be used. Where an address or parcel identification number are unavailable, the information filed with the MLS must include a legal description of the property sufficient to describe its location.

Section 2 SELLING PROCEDURES.

Section 2.1 Showings and Negotiations. Appointments for showings and negotiations with the seller for the purchase of listed property filed with the multiple listing service shall be conducted through the listing broker, except under the following circumstances:

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

Section 2.2 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 2.3 Submission of Written Offers. The listing broker shall submit to the seller all written offers until closing on the property and transfer of title unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and listing broker. Upon receipt of all subsequent offers, the listing broker is advised to recommend that the seller obtain the advice of legal counsel prior to acceptance of any subsequent offer.

Note 2: MLS Participants must distribute exempt listings within (1) one business day once the listing is publicly marketed. See Section 1.01, Clear Cooperation

Section 2.4 Rights of Cooperating Broker in Presentation of Offers. The Cooperating Broker (Buyer's Broker, or Transaction Broker or their representative) has the right to participate in the presentation to the seller or landlord of any offer to purchase or lease they secure to purchase or lease. Such cooperating broker does not have the right to be present at any discussion or evaluations of that offer by the seller or lessor and the listing broker. However, if the seller or landlord gives written instructions to the listing broker that the cooperating Broker not be present when an offer that the cooperating Broker secured is presented, the cooperating Broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

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

Section 2.5 Rights of Listing Broker in Presentation of Counter-Offer. The listing broker or their representative has the right to participate in the presentation of any counter-offer made by the seller or landlord. They does not have the right to be present at any discussion or evaluation of a counter-offer by the buyer or tenant. 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 2.6 Reporting Sales to the Service. Status changes, including final closing of sales and sale prices including new projects and statistical listing, shall be reported to the multiple listing service by the listing broker within twenty-four (24) hours after they have occurred. If negotiations were carried on under Section 2.1(a) or (b) hereof, the cooperating broker shall report accepted offers and prices to the listing broker within twenty-four (24) hours after occurrence and the listing broker shall report them to the MLS within twenty-four (24) hours after receiving notice from the cooperating broker. *(Amended 11/08)(Amended 9/13)*

Note 1: The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its Participants. *(Amended 11/01)*

Note 2: In disclosure states, if the sale price of a listed property is recorded, the reporting of the sale price may be required by the MLS.

In states where the actual sale prices of completed transactions are not publicly accessible, failure to report sale prices can result in disciplinary action only if the MLS:

1. categorizes sale price information as confidential and
2. limits use of sale price information to Participants and subscribers in providing real estate services, including appraisals and other valuations, to customers and clients; and to governmental bodies and third-party entities only as provided below.

The MLS may provide sale price information to governmental bodies only to be used for statistical purposes (including use of aggregated data for purposes of valuing property) and to confirm the accuracy of information submitted by property owners or their representatives in connection with property valuation challenges; and to third-party entities only to be used for academic research, statistical analysis, or for providing services to Participants and subscribers. In any instance where a governmental body or third-party entity makes sale price information provided by the MLS available other than as provided for in this provision, a listing Participant may request the sale price information for a specific property be withheld from dissemination for these purposes with written authorization from the seller, and withholding of sale price information from those entities shall not be construed as a violation of the requirement to report sale prices. *(Adopted 11/11)*

Note 3: As established in the Virtual Office Website (“VOW”) policy, sale prices can only be categorized as confidential in states where the actual sale prices of completed transactions are not accessible from public records.

Section 2.7 Reporting Resolutions of Contingencies. The listing broker shall report to the multiple listing service within twenty-four (24) hours that a contingency on file with the multiple listing service has been fulfilled or renewed, or the agreement cancelled.

Section 2.8 Advertising 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.

Section 2.9 Disclosing of Existence of Offers. Listing brokers, in response to inquiries from buyers or cooperating brokers, shall, with the seller’s approval, disclose the existence of offers on the property. Where disclosure is authorized, the listing broker shall also disclose, if asked, whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating broker.

Section 2.10 Entry or Submission of Cancellation Pending Sale. The listing broker Participant shall submit the status change to the MLS within 24 hours after the cancellation of any pending sale, and the listing shall be changed to its current proper status i.e., active, expired, or withdrawn.

Section 3 REFUSAL TO SELL.

Section 3.1 Refusal to Sell. If the seller of any listed property submitted to the MLS refuses to accept a written offer satisfying the terms and conditions stated in the Listing Agreement, such fact shall be reported immediately to the MLS.

Section 4 PROHIBITIONS.

Section 4.1 Information for Participants Only. Any proprietary information regarding a listing entered or submitted with the MLS shall not be made available to any broker or firm who is not a Participant without the prior written consent of the listing broker Participant.

Section 4.2 “For Sale” Signs. Only the “For Sale” signs of the listing broker Participant may be placed on a property.

Section 4.3 “Sold” Signs. Prior to closing, only the “Sold” sign of the listing broker Participant may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

Section 4.4 “Open House” Signs. Only the “Open House” signs of the listing broker Participant, or users or subscribers affiliated with such Participant, may be placed on a property. Participants, and all users or subscribers affiliated with such Participants, are subject to the Town and County ordinances for sign restrictions. In the event a Participant, or a user or subscriber affiliated with a Participant, fails to comply with the terms of this Section 4.4, both the Participant, and the listing broker user or subscriber affiliated with the Participant, will be fined a fee as may be set by the MLS (See Exhibit A). This charge will appear on the Participant’s

monthly billing summary, and if applicable the billing summary of the listing broker user and subscriber affiliated with the Participant. If the Participant is the listing broker, they will receive fines as both the Participant and the listing broker.

Section 4.5 Solicitation of Listings Entered or Submitted to the MLS. Participants shall not solicit a listing on a property entered or submitted 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.

Section 4.6 User ID and Password. It is prohibited to give your agent id, username or password to anyone except the MLS help desk and the Association Office if needed for confirmation or to access your data.

For assistants of MLS Participants, a unique login and password is required under the shared identity class of the current MLS system.

Section 4.7 Services Advertised as “Free”. MLS Participants and subscribers must not represent that their brokerage services to a client or customer are free or available at no cost to their clients, unless the Participant or subscriber will receive no financial compensation from any source for those services.

Section 5 DIVISION OF COMMISSIONS.

Section 5.1 Cooperative Compensation Specified on each Listing.

The listing broker Participant shall specify, on each listing entered or submitted with the MLS, the compensation offered to other Participants for their cooperation 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). The listing broker Participant’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 Participant, and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker Participant to collect a commission pursuant to the Listing Agreement. In such instances, entitlement to cooperative compensation offered through the 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 Participant to collect some or all of the commission established in the Listing Agreement; at what point in the transaction did the listing broker Participant 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 Participant communicated to cooperating brokers that the commission established in the Listing Agreement might not be paid. Commission payment shall at all times be governed by the then current edition of the NAR Ethics and Arbitration Manual or its successor in title.

In filing a property with the multiple listing service of an association of REALTORS®, the Participant of the service is making blanket unilateral offers of compensation to the other MLS Participants, and shall therefore specify on each listing filed with the service, the compensation being offered to the other MLS Participants. Specifying the compensation on each listing is

necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.* (*Amended 11/96*)

*The compensation specified on listings filed with the multiple listing service shall appear in one of two forms. The essential and appropriate requirement by an association multiple listing service is that the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker, in writing, in advance of 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 5/10*)

The listing broker Participant retains the right to determine the amount of compensation offered to other Participants (acting as subagents, buyer agents, and transaction brokers, or in any other agency or nonagency capacities defined by law) which may be the same or different. The association multiple listing service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the association multiple listing service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a Participant. The association multiple listing service shall not disclose in any way the total commission negotiated between the seller and the listing broker. This shall not preclude the listing broker Participant from offering any Participant compensation other than the compensation indicated on any listing entered or submitted to the MLS provided the listing broker Participant informs the cooperating broker, in writing, in advance of submitting an offer to purchase, and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants in the MLS. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount. Offers of commission shall never indicate a percentage of the total commission paid to the listing broker Participant.

Note 1: While MLSs are not required to authorize Participants to offer cooperative compensation based on net sale prices, those that do permit such offers must define “seller concessions” for purposes other than new construction, unless that term is defined by applicable state law or regulation. The following definition of “seller concessions” is suggested but not required for adoption:

Points paid by seller on behalf of buyer, seller-paid buyer closing costs, cash or cash allowances not escrowed, down payment assistance, additions or alterations not considered deferred maintenance, and personal property not usual and customary to such transactions conveyed from seller to buyer having an agreed upon monetary value. (*Adopted 5/12*)

Note 2: MLSs may also, as a matter of local discretion, allow Participants to offer cooperative compensation as a percentage of the net sales price, with the net sales price defined as the gross sales price minus buyer upgrades (new construction) and seller concessions (as defined by the MLS unless otherwise defined by state law or regulation). (*Adopted 5/08*)

Section 5.1.1 Disclosing Potential Short Sales

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. *(Amended 5/09)*

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. *(Adopted 5/09)*

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 24 hours of receipt of notification from the lender. *(Adopted 5/10)*

Section 5.2 Participant as Principal. If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any ownership interest in the property to be submitted to the MLS, that person shall disclose that interest when the listing is entered or submitted with the MLS and such information shall be disseminated to all Participants by notation in the “Realtor Remarks” section of the listing.

Section 5.3 Participant as Buyer. If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an ownership interest in property listed with another Participant, such contemplated ownership interest shall be disclosed, in writing, to the listing broker Participant no later than the time an offer to purchase is submitted to the listing broker Participant.

Section 5.4 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 Participant without the assistance of a cooperating broker 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 Participant 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 marking the variable rate commission box with a yes at the time of data entry into the MLS. The listing broker Participant shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction, or alternatively in a sale that results through the efforts of the seller/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.

Section 5.5 Display of Listing Broker’s Offer of Compensation. Participants and subscribers who share the listing broker’s offer of compensation for an active listing must display the following disclaimer or something similar.

The listing broker's offer of compensation is made only to Participants of the MLS where the listing is filed.

Section 6 MLS CHARGES; SERVICE CHARGES.

Section 6.1 MLS Fees and Charges. The following MLS charges for participation in the MLS are in effect to defray the costs of operation of the MLS. Such charges are set forth in Exhibit D and are subject to change from time to time as determined by the MLS.

Section 6.2 Initial Participation Fee. An applicant for participation in the MLS shall pay an application fee, and such fee shall accompany the application.

Section 6.3 Recurring Participation Fee. The annual participation fee of each Participant shall be an amount equal to the fee multiplied by the number of licensed brokers and certified appraisers who have access to the MLS, whether licensed as a broker, sales licensee or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such Participant. Payment of such fees shall be made according to the Schedule of Fees and Charges set forth on Exhibit D. Fees shall be established by the MLS from time to time, and posted on the Summit Realtors' website. The MLS will send via email correspondence regarding billing statements to Participants, users and subscribers at the address or email address that the MLS has on file for such parties. The failure of a Participant, user or subscriber to receive such notice does not relieve the Participant, user or subscriber from the timely payment of all fees and expenses due and owing under and pursuant to these MLS Rules and Regulations.

However, MLSs must provide Participants the option of a no-cost waiver of MLS fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS where the principal broker participates. MLSs may, at their discretion, require waiver recipients and their Participants to sign a certification for nonuse of its MLS, services, which can include penalties and termination of the waiver if violated.

Section 6.4 Lock Box Usage. See Exhibit C.

Section 6.5 Administration and Fines. Failure to enter relevant data into the MLS within the required time frame shall constitute a violation of these Rules and Regulations. For each violation, a fine in the amount set forth on Exhibit A shall be charged to the non-complying Participant. Whenever the MLS has reason to believe that a violation of these Rules and Regulations has occurred, the MLS will promptly send by email, or voicemail, or automated system delivery, to the non-complying Participant a notice of violation. If the Participant does not correct the violation by the next business day, the MLS shall provide all relevant information in the manner provided in Section 9.1 Violations of the Rules and Regulations of these Rules and Regulations to the MLS Committee for determination of whether a violation has occurred. Each additional 24 hours without compliance shall be deemed to be an additional violation and shall result in additional fines, or termination. Participants are entitled to dispute the fine by filling out a Fine Dispute form and submitting it to the MLS Board for further review and consideration. All fines must be paid at time of receipt and should the MLS Board determine that the fine was not valid then a credit in the amount of the fine shall be placed on their next MLS billing

By virtue of participation in the MLS, all parties acknowledge and agree as follows: (i) such parties may be notified of billings, fees, violations and fines of under or pursuant to these MLS Rules and Regulations through email correspondence from the MLS; (ii) any such email correspondence will be at the sole discretion of the MLS and will be sent to the last know email address that the Participant, user or subscriber, as applicable, has on file with the MLS; (iii) any notification of a fine or violation of the MLS Rules and Regulations shall be deemed valid once sent via email communication; and (iv) failure of a Participant, user or subscriber to receive such notice or billing statement does not relieve the Participant, user or subscriber from the timely payment of all such fees and fines.

Section 6.6 Violations and Fines. See Exhibit A.

Section 7 COMPLIANCE WITH RULES.

Section 7.1 Authority to Impose Discipline. By becoming and remaining a Participant or subscriber in this MLS, each Participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

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

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

or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance.

Note 2: MLS participants and subscribers can receive no more than three (3) administrative sanctions in a calendar year before they are required to attend a hearing for their actions and potential violations of MLS rules, except that the MLS may allow more administrative sanctions for violations of listing information provided by participants and subscribers before requiring a hearing. The MLS must send a copy of all administrative sanctions against a subscriber to the subscriber's participant and the participant is required to attend the hearing of a subscriber who has received more than three (3) administrative sanctions within a calendar year.

Section 7.2 Compliance with Rules. The following actions may be taken for noncompliance with the rules:

a) MLS billing shall be done on the first day of each calendar month. All MLS charges and fees are due in the Association office upon receipt. If MLS charges and fees plus any late fees incurred are not paid within 45 days after payment is due, the Participant shall be suspended. If MLS charges and fees plus any late fees incurred are not paid within 90 days after payment is due, the Participant shall be terminated from MLS participation (See Exhibit A). To be reinstated, the removed Participant shall bring his/her account up to date and pay a reinstatement fee. (See Exhibit D)

b) for failure to comply with any other rule, the provisions of Sections 9 and 9.1 shall apply.

Section 7.3 Applicability of Rules to Users and/or Subscribers. Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these rules and regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the rules and regulations. Further, failure of any user or subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant. (*Adopted 4/92*)

Section 8 MEETINGS.

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

Section 9 ENFORCEMENT OF RULES AND REGULATIONS.

Section 9.1 Consideration of Alleged Violations. The board of directors shall give consideration to all written complaints having to do with violations of the rules and regulations. When requested by a complainant, the MLS will process a complaint without revealing the complainant's identity. If a complaint is subsequently forwarded to a hearing, and the original

complainant does not consent to participating in the process, the MLS will appoint a representative to serve as the complainant.

Section 9.2 Violations of Rules and Regulations. If the alleged offense is a violation of the rules and regulations of the service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the board of directors of the service, and if a violation is determined, the board of directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the professional standards committee of the association in accordance with the bylaws and rules and regulations of the association of REALTORS[®] within twenty (20) days following receipt of the directors' decision.

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

Section 9.3 Complaints of Unethical Conduct. All other complaints of unethical conduct shall be referred by the board of directors to the association of REALTORS[®] for appropriate action in accordance with the Professional Standards and Procedures established in the association's Bylaws.

Section 9.4 Enforcement. Upon request from the Association or MLS each Participant promptly shall forward by facsimile each fully executed listing Agreement and for which the seller specified that the property not be entered into the MLS. Failure to do so will result in the levying of a fine, when discovered, as set forth in Exhibit A. Otherwise, enforcement shall rely on Participants reporting occurrences as they are discovered. Any Participant shall report the name of a non-complying Participant in writing or otherwise to the MLS. The MLS will then contact the non-complying Participant and request a copy of the relevant documents. The non-complying Participant shall immediately provide any evidence, which would support a legitimate reason, why the information was not entered into the MLS. Any fine resulting from a violation of this rule shall be levied as set forth in Exhibit A.

Section 9.5 Monitoring. The MLS has the right to request fully executed listing agreements and extensions from the Participant for audit purposes. The MLS may cause an auditing of relevant documents from Participants selected at random or at the request of the MLS Board.

Section 9.6 Failure to Pay. Fines shall appear on the Participant broker's monthly billing summary. Failure of a Participant to pay fines levied shall be handled by the MLS in the same way as failure to pay dues.

Section 10 CONFIDENTIALITY OF MLS INFORMATION.

Section 10.1 Confidentiality of MLS Information. Any information provided by the multiple listing service to the Participants shall be considered official information of the service. Such

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

Section 10.2 MLS Not Responsible for Accuracy of Information. The information published and disseminated by the MLS is communicated verbatim, without change by the MLS, as entered or submitted to the MLS by the Participant. The MLS does not verify such information 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 to the extent of any actual loss and all attorneys' fees and expenses incurred by the Board or the MLS.

Section 11 OWNERSHIP OF MLS DATA, PHOTOS, COMPILATIONS AND COPYRIGHTS.

Section 11.1 Authority. By the act of submission of any property listing data to the MLS, a Participant represents that they have been authorized to grant and also thereby do grant authority for the MLS to include the property listing data in its copyrighted MLS Compilation* and also in any statistical report on "Comparables." Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information and other details or information related to the listed property.

Section 11.2 Rights in Multiple Listing Compilations. All rights, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Summit MLS Inc, and in the copyrights therein, shall at all times remain vested in the Summit MLS, Inc.

Section 11.3 Subscriptions to MLS Compilations. Each Participant shall be entitled to subscribe from the MLS a copy of the MLS Compilation. The Participant shall pay for the subscription fee set by the MLS. Participants shall acquire by such subscription only the right to use the MLS Compilation in accordance with these Rules and Regulations. This section should not be construed to require the Participant to subscribe for a copy of the MLS Compilation.

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

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

To qualify for this safe harbor, the OSP must:

- (1) Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, Participant, subscriber, or other individual or entity.
- (2) Develop and post a DMCA-compliant website policy that addresses repeat offenders.
- (3) Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.
- (4) Have no actual knowledge of any complained-of infringing activity.
- (5) Not be aware of facts or circumstances from which complained-of infringing activity is apparent.
- (6) Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

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

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

Section 12 USE OF COPYRIGHTED MLS COMPILATIONS.

Section 12.1 Distribution. Participants shall at all times maintain control over and responsibility for each copy of any MLS Compilation subscribed to them from the MLS. Use of information developed or published by the MLS is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation" or "Membership" or any right of access to information developed by or published by the MLS where access to such information is prohibited by law.

Section 12.2 Display. Participants and those persons affiliated as licensees with such Participants, shall be permitted to display the MLS Compilation to prospective buyers 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 12.3 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 buyers or sellers, a reasonable* number of single copies of property listing data contained in the MLS Compilation which relate to any properties in which the prospective buyers are or may, in the judgment of the Participant, be interested.

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

Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the Participants 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. (Amended 05/14)

*It is intended that the Participant be permitted to provide prospective buyers with listing data relating to properties which the prospective buyer 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 buyers' 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.

Section 13 USE OF MLS INFORMATION.

Section 13.1 Limitations on Use of MLS Information. Use of information from MLS Compilations of current listing information from the MLS's "Statistical Report", or from any "Sold" or "Comparable" report of the MLS for public mass-media advertising by a 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 MLS must clearly demonstrate the

period of time over which such claims are based and must include the following, or substantially similar notice:

Based on information from the Summit REALTORS® (alternatively, the Summit MLS, Inc.) for the period (date) through (date).

Section 14 CHANGES IN RULES AND REGULATIONS.

Section 14.1 Changes in Rules and Regulations. Amendments to these Rules and Regulations shall be by consideration and approval of the board of directors of the multiple listing service, subject to approval by the Board of Directors of the Summit Realtors (shareholder).

Section 15 ORIENTATION.

Any application for MLS participation and any licensee, (including licensed or certified appraisers) affiliated with the MLS Participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to MLS rules and regulations and computer training related to MLS information entry and retrieval and operation of the MLS prior to being granted access to the MLS. (Amended 12/1)

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize Participants and subscribers with system changes or enhancements and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated orientation and additional training remotely. (Amended 11/17)

Section 16 INTERNET DATA EXCHANGE (IDX).

IDX Defined. IDX affords MLS Participants the ability to authorize limited electronic display and delivery of their listings by other Participants via the following authorized mediums under the Participant's control: websites, mobile apps, and audio devices. As used throughout these rules, "display" includes "delivery" of such listings. (Amended 5/17)

Section 16.1 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 or other electronic forms of display or distribution. (Amended 05/12)

Section 16.2 Participation. Participation in IDX is available to all MLS Participants engaged in real estate brokerage who consent to display of their listings by other Participants.

- 16.2.1 Third Party Aggregators and Vendors.** IDX is for the Participants of the MLS. All others must be approved by the MLS Board of Directors on a case by case basis and will be obligated to sign the Third Party Access, Confidentiality and Non-Disclosure Agreement and pay fees (see Exhibit D).
- 16.2.2** 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 05/12)*
- 16.2.3** 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 05/12)*
- 16.2.4** Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing brokers to withhold their listing or the listing's property address from all display on the Internet (including but not limited to, publicly-accessible websites or VOWS) or other electronic forms of display or distribution. A copy of the seller's affirmative direction shall be provided to the MLS within 48 hours. *(Amended 05/12)*
- 16.2.5** Participants may select the listings they choose to display through 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), or type of listing (e.g., exclusive right-to-sell, or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed through IDX site must be independently made by each Participant. *(Amended 3/22)*
- 16.2.6** Participants must refresh all MLS downloads and IDX displays automatically fed by those downloads at least once every twelve (12) hours. *(Amended 11/14)*
- 16.2.7** Except as provided in the IDX policy and these rules, an IDX site or 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 05/12)*
- 16.2.8** 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 the MLS rules.*(Amended 05/12)*
- 16.2.9** 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 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 16.2.10, 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 05/12)*

- 16.2.10** 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 property. 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 5/12)*

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

- 16.2.12** All listings displayed pursuant to IDX shall identify the listing firm, and the email or phone number provided by the listing Participant in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data.* *(Amended 03/22)*

* Displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the devices' application. *(Amended 5/17)*

Section 16.3 Display. Display of listing information pursuant to IDX is subject to the following rules:

- 16.3.1** All 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, seller's information, etc.) may not be displayed. *(Amended 05/12)*
- 16.3.2** 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 11/14)*
- 16.3.3** A search result producing a detailed display of another IDX Participant's listing data shall bear that Participant's company, the IDX-approved icon a copy of which is attached hereto as Exhibit E, and SAR-MLS copyright notice immediately following the property information (at the bottom of the page). The IDX-approved icon shall be at least 32 pixels by 34 pixels. The listing Participant's company, SAR-MLS-approved icon, and copyright notice shall be least as large as the largest type size used to display the listing data. A detailed display of another IDX Participant's listing may not include any contact information or branding of the Participant who owns the website or any of its agents within the "body" of the listing data. The "body" is defined as the rectangular space whose borders are delimited by the utmost extent in each direction of the listing text photo 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.
- 16.3.4** Participants and agents of an IDX Broker Participant may display information available through IDX on their own agent websites, subject to their Broker Participant's consent and control and the requirements of state law and/ or regulations.
- 16.3.5** 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 that 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 05/12)*

Copyright to be displayed at the very bottom of each search results page in the same type as body text: Copyright © 20## SAR MLS. The information displayed herein was derived from sources believed to be accurate, but has not been verified by SAR MLS. Buyers are cautioned to verify all information to their own satisfaction. This information is exclusively for viewers' personal, non-commercial use. Any republication or reproduction of the information herein without the express permission of the SAR MLS is strictly prohibited.

- 16.3.6** The data consumers can retrieve or download in response to an inquiry shall be determined by the MLS but in no instance shall be limited to fewer than five hundred 500 listings or fifty percent (50%) of the listings available for IDX display, whichever is fewer. *(Amended 11/09)*
- 16.3.7** 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.
- 16.3.8** 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 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 11/14)*

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.

- 16.3.9** Participants are required to employ appropriate security protection, such as firewalls, on their websites and displays, provided that any security measure required may not be greater than those employed by the MLS. *(Amended 05/12)*
- 16.3.10** 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 had caused or permitted a breach in security of the data or a violation of the mls rules related to use by consumers. *(Amended 05/12)*
- 16.3.11** 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. *(Adopted 11/09)*

Section 17 EXHIBIT D; FEES AND CHARGES. See Exhibit D of the Rules and Regulations.

Section 18 RESERVED.

Section 19 MODEL VIRTUAL OFFICE WEBSITE (VOW) RULES FOR MLSs

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 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:

Seller Opt-Out Form

1. Please check either Option a or Option b

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

OR

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

2. I understand and acknowledge that, if I have selected option a, consumers who conduct searches for listings on the Internet will not see information about the listed property in response to their search.

initials of seller

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

Section 19.7:

a) Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) to display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.

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

Section 19.8: A Participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 48 hours following receipt of a communication from the listing broker explaining why the data or information is false. The Participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 19.9: A Participant shall cause the MLS Listing Information available on its VOW to be

refreshed at least once every three (3) days.

Section 19.10: Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS listing information to any person or entity.

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

Section 19.12: A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property. *(Amended 03/22)*

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

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

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 limit the number of listings that a Registrant may view,

retrieve, or download to not more than 200 current listings and not more than 100 sold listings in response to any inquiry.

Section 19.19: A Participant shall require that Registrants' passwords be reconfirmed or changed every 90 days.

Section 19.20: A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than five hundred (500) current listings and not more than five hundred (500) sold listings in response to any inquiry.

Section 19.21: 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 19.22: 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 19.23: Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

Section 19.24: 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 upon request.

Section 19.25: Participants are required to employ appropriate security protection, such as firewalls, provided that any security measure required may not be greater than those employed by the MLS.

Section 19.26: VOW operators must maintain an audit trail of consumer activity on the VOW site and make that information available to the MLS if the MLS believes the VOW site had caused or permitted a breach in security of the data or violation of the MLS rules related to use by consumers.

EXHIBIT A

MLS VIOLATIONS AND FINES

Complaints must be filed in writing. All written complaints concerning violations will be researched to determine whether or not a violation occurred. The complainant's information will not be disclosed to the Member or MLS Committee Member. See Exhibit B Standards for Data Entry. Fines for violations of these MLS Rules and Regulations are assessed on a per listing basis; provided however, subsequent violations of the same rule by a Participant with respect to a different listing will be treated as a 2nd, 3rd or 4th violation as applicable and escalated in accordance with these MLS Rules and Regulations. Fines not paid immediately will be subject to additional fees and/or suspension of MLS services.

NOTE 1: Designated Realtors are responsible for all participants including office admin and personal assistants for office who work on behalf of participants/subscribers.

NOTE 2: Pursuant to and in accordance with Sections 6.3 and 6.5 of these MLS Rules and Regulations, Participants, users and subscribers acknowledge and agree as follows: (i) such parties may be notified of violations and fines of these MLS Rules and Regulations through email correspondence from the MLS; (ii) any such email correspondence will be at the sole discretion of the MLS and will be sent to the last know email address that the Participant, user or subscriber, as applicable, has on file with the MLS; and (iii) any notification of a fine or violation of the MLS Rules and Regulations shall be deemed valid once sent via email communication.

- 1) MLS Fines:
- a) Failure to input a listing within 24 hours
 - b) Late reporting of a price change within 24 hours
 - c) Late reporting of a withdrawn listing within 24 hours
 - d) Failure to report a property Closed within 24 hours
 - e) Failure to report a sale fallen through within 24 hours
 - f) Failure to report a property under contract within 24 hours.
 - g) Keeping a property Active when the listing has expired.
 - h) No self-promotion or company information in Remarks other than in "Realtor Remarks"
 - h) Failure to input a photo immediately following entry or submittal of such new listing; Primary Photo must be of the listing property
 - i) Photos being removed upon change of status
 - j) Failure to put in meaningful & accurate driving directions
 - k) Inputting a false or inaccurate schedule number on a listing to skew days on market
 - l) No URL's, web addresses, virtual tours, hyperlinking, personal advertising, broker/team or company names, addresses, sellers' information, phone numbers, email address in public remarks field
 - m) Giving out your agent id, username and password to anyone, except Board

Staff or MLS help desk, if required by them for verifying or testing purposes

- n) Inaccuracy of required fields or misrepresentation of the property
- o) Failure to input the correct Year Built date, which is the year the Building Permit was issued
- p) Failure to input correct Selling Agent ID or non-member code of 99999.
- q) Failure to properly map listing
- r) Failure to comply with "Open House" sign requirements per Section 4.4.
- s) Failure to input listing from service area per Section 1.13.
- s) Others to be determined on a case by case basis by the MLS committee.

All the above violations have the following fines:

- 1st violation \$ 100.00
- 2nd violation \$ 500.00
- 3rd violation \$2,000.00
- 4th violation Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years

t) Inputting listings in the MLS without a listing agreement:

- 1st violation \$1,000.00
- 2nd violation \$2,000.00
- 3rd violation Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years

u) Using photos/videos without prior permission:

- 1st violation \$ 100.00
- 2nd violation \$ 250.00
- 3rd violation \$ 500.00
- 4th violation Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years

2) MLS Recurring Participation Fee - Late and non-payment:

- 1st violation \$ 50.00
- 2nd violation \$ 100.00
- 3rd violation \$ 500.00
- 4th violation Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years

3) SHOWING FINES: a) Lending your Supra key
b) Failure to fully secure a home after showing

1st violation \$ 500.00
 2nd violation \$2,000.00
 3rd violation Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years

c) Failure to receive permission to show property from listing broker:

1st violation \$ 100.00
 2nd violation \$ 500.00
 3rd violation \$2,000.00

NOTE: You may be liable for actual losses and damages incurred to a property. Please refer to your Supra Contract.

4) Clear Cooperation

a) Failure to comply with the Clear Cooperation policy both the participant/subscriber and Designated REALTOR will be fined:

Participant	Designated REALTOR
1st Violation: Warning	1st Violation: Warning
2nd Violation: .5% of List Price (maximum of \$7500 whichever is lower)	2nd Violation: .5% of List Price (maximum of \$7500 whichever is lower)
3rd Violation: Suspension / Termination	3rd Violation: Suspension / Termination if Participant & DR in violation

EXHIBIT B

Standards for Data Entry

Each Participant shall be responsible for compliance with the Rules and Regulations and the Standards of Data Entry as outlined herein. These standards are adopted under the general requirement that the listing broker is responsible for the completeness and accuracy of all data entered or submitted into the MLS. Violation of these Standards is a violation of the Rules and Regulations and shall subject the Participant to enforcement action as provided for in Section 9.1 Violations of Rules and Regulations (§9.1). The MLS may revise these Standards from time to time and it shall be the responsibility of each Participant to abide by, and keep informed of, such Standards. Many features of the MLS data structure build upon data previously entered by another MLS Participant. The cooperation of all Participants is necessary to preserve the data integrity of the MLS.

Data Entry

County Schedule Numbers

All listings shall have a correct schedule number entered at the time of listing. If it is a new property or development for which the County Assessor has not yet assigned a valid schedule number, please contact the MLS Director to assign you a temporary schedule number. Single family and duplex homes under construction shall use the schedule number assigned to the subdivided land until such time there is a partitioning of the property. (Duplex only) Schedule numbers shall be obtained from the County Assessor prior to data entry. This number is the key for tracking listing history and its accuracy is essential to the operation of the MLS.

Properties that have more than one schedule number i.e. joined condos, properties residing on both grazing land and residential by county will be entered with one schedule number. The listing agent will pick the schedule number that best represents the property listed and disclose the additional schedule number within the realtor remarks field(s). If you are having an issue please contact the MLS Director.

There may be two (2) listings per schedule number in separate property classes in the MLS at any one time.

Co-Listing Properties

All listed properties will be entered into the SAR-MLS once with one unique SAR-MLS number issued. The inputting agent will be determined between the Co-Listing Agents. The inputting agent will be responsible for inputting the other Co-Listing Agent's contact information.

Furnished & Unfurnished Listings

Properties shall be entered into the MLS once regardless of furnished, mostly furnished or unfurnished list price(s). The listing agent will decide which price will be entered (furnished or unfurnished) and disclose other pricing options within the realtor remarks field.

Finished Square Footage

Any area represented as finished square footage must include all of the following: drywall, flooring, trim, heat and electricity.

Accurate Information

- A listing shall be entered in its proper area and subdivision in which it is located.
- Land listings will appear once in the MLS. For example, it is a violation to list one piece of land in both Farm/Ranch & SF/MF/Acreage or in Residential.
- A listing shall be entered as the proper property type.

Examples: Time Share/ Fractional Interest/ Club Membership property shall not be entered into Condominium property type.

- Residential listing shall not be entered into Land, or vice versa.
- A listing shall be entered as the property Sub Type.
Examples: Townhouse shall not be entered as a Condo. For MLS purposes, a Townhouse is a physical property type. It is defined as a multi-family property where there are no other units above or below the subject property. A Townhouse typically will share at least one party wall with an adjoining unit and may have multiple levels. The legal organization of a Townhouse property may be that of a condominium with common ownership of certain elements of the real estate. Alternatively, it may be that of a true townhouse on an individual lot. Entry of a single listing into both property types is a violation of MLS Rules and Regulations.
- Accurate square footage disclosure; the source of the information is required at the time of listing.
- Each “Sold” entry shall reflect the correct selling Broker Office and Agent.
- Square footage is livable area and shall not include unfinished areas such as basements, garages, or decks.
- Baths: A full bath shall consist of a tub, shower, sink, and toilet, a ¾ bath shall include a shower, sink, and toilet, and a ½ bath shall include a toilet and sink.
- Year Built field is according to what the County Assessor’s office deems it to be and generally speaking is year the building permit was issued.
- The correct selling agent or Team must be entered into the sold data. If a non-member participates in the sale of the property, Participant or subscriber must enter the Non-Member code of 99999 as the selling agent id.

Procedure for Inputting Photographs

- It is a violation to input a graphic gif commonly referred to “New Listing” photo in lieu of a photograph that meets the criteria outlined (see Section 1.17)

Timely Entry of Information

- All information is to be entered into the MLS within 24 hours (see section 1.2 (b)).

It is a violation of the Rules and Regulations

- To fail to enter a new listing within the prescribed time period.
- To not change the status from Active to Pending when a property goes under contract.

- To not change a property from Pending back to Active status upon the termination of a contract.

Defining the proper use of Virtual Tours

MLS Participants wishing to provide virtual tours for display in the Private and the Public MLS, (commonly referred to as IDX) systems of the Summit MLS, Inc. shall comply with following standards.

1. The virtual tour shall link to a URL. i.e. <http://myvirtualtour.com>. Executable virtual tours shall not be permitted. i.e. myvirtualtour.exe.
2. Virtual tours launch into a separate pop up window.
3. The only information that may be displayed with the virtual tour pop up window shall be the navigational control panel necessary to manipulate the virtual tour view, the virtual tour photography or video. Optionally, a short one line description of the tour view, i.e. Master Bedroom, Kitchen and so forth shall be permitted within the window.
4. No branding, known as an Unbranded Virtual tour, such as logos, watermarks, agent or broker information, shall be allowed within the virtual tours displayed in the Private MLS and/or IDX. The logo of a third party virtual tour vendor, such as IPIX that displays momentarily during the site launch shall be permissible. Participants can use the Unbranded Virtual Tours field in the MLS system to display unbranded tours.
5. Branded virtual tours shall be allowed within the MLS system, under Branded Virtual Tour Field, for agent's personal use, but will not be displayed in any client reports and only displayed in an Agent Detail report.

Agent ID/username and Passwords

The MLS director will assign you your agent id, this will not change, but the MLS system will require you to input a new password from time to time. Your username and password should not be given to anyone, except the Association office or the help desk for verification or testing purposes. If you have an assistant, then contact the MLS Director and they will issue a username and password for your assistant to access your information within the system.

EXHIBIT C

SUMMIT MLS, INC.

Rules and Regulations for the Electronic Lock Box System

The use of a lock box is not mandatory on property listed with the Summit MLS, Inc. However, the Summit MLS, Inc. provides an Electronic Lock Box System (the “System”) that may be used by Participants subject to their execution of a lease agreement with the Board. The Board has established the following rules and regulations for the System.

1. **Definitions:**

- (a) “Participant” is defined as a member in good standing of the Summit MLS, Inc.
- (b) “Key Box” is an electronic lock box.
- (c) “Key Card” or “Display Key” is an electronic access card used to open a Key Box.
- (d) “E-Key” is an electronic access device on a Palm or other handheld unit.

2. **Eligibility:** Participants are eligible to participate in the System if they meet the following criteria:

- (a) Are Members in the MLS, Participants (licensees other than principals) or affiliate members specifically approved by the Board; and
- (b) Pay all fees and charges associated with the System.

Anyone not indicated in the definition of Participant is prohibited from using the System.

3. **Key Boxes:**

- (a) Participants may purchase Key Boxes from the Board or from other Participants. Participants may transfer Key Boxes from Participant to Participant provided prior written notice of the transfer is provided to the Board. A Participant who completes a transfer of a Key Box is required to immediately notify the Board of the serial number of the Key Box and the name of the transferee Participant. Failure to report the transfer of a Key Box may result in a fine and/or removal from the System for both parties involved in the transfer. Participants participating in the System are not required to place Key Boxes on listed property. However, Participants are encouraged to use Key Boxes on all listed property to provide for documented access to the property. Participants shall obtain the owner’s written permission prior to placing a Key Box on a listed property.
- (b) Participants shall retain possession for safekeeping all Key Boxes not placed upon listed property.
- (c) Except as otherwise set forth herein, a Participant shall not loan, borrow or transfer Key Boxes.

4. **Key Cards:**

- (a) Participants in the System may purchase a single Key Card (one per Participant)

and/or and E-Key from the Board. Participants in the System shall use only Key Cards approved by Board.

- (b) Participants participating in the System are not required to purchase a Key Card. However, all Participants are encouraged to own a Key Card to provide for documented access to listed property. If a Participant does not purchase a Key Card, the Participant will have to call the listing agent to gain access to the listed property.
 - (c) Participants must update their Key Card every thirty (30) days according to the procedures established by Board.
 - (d) Participants shall retain possession of their Key Card at all times.
 - (e) Participants shall not loan, borrow or transfer Key Cards. In the event of the failure of the Key Card, a Participant shall obtain access to property directly through listing broker.
 - (f) Participants shall not allow their Personal Identification Number (“PIN”) to be noted on the Key Card or the Key Card’s case. Participants shall not give or disclose their PIN to anyone.
 - (g) Participants shall immediately notify the Board, by telephone and in writing, should their Key Card ever be lost or stolen, indicating the circumstances surrounding the loss.
 - (h) Participants shall immediately surrender to Board any Key Boxes or Key Cards that come into their possession that are not the property of the Participant, indicating the circumstances surrounding the acquisition.
 - (i) Lost or stolen Key Cards shall be immediately deactivated on the System.
5. **Code Changes:** Changes requested by a Participant for programming of their Key Card or their Key Box may only be made by the staff of the Board, and with prior written authorization by the Participant. Board staff members are authorized to do the following:
- (a) Reprogram the Participant’s PIN (Personal Identification Number) provided that the number requested is unique.
 - (b) Reprogram the Key Box shackle code.
 - (c) Reprogram the Participant’s Key Box for hours other than the predetermined timed access currently in the Key Box.
6. **Access:** There are currently four categories of access.
- (a) **Call Before Showing** (“CBS”). The listing broker has not authorized access through the System without prior notification of the showing. Participant must call the listing office to obtain authorization and a CBS authorization code.
 - (b) **Standard Hour Access.** The listing broker has placed a Key Box on the property and left the hours of access at the standard setting.
 - (c) **24 Hour Access.** The listing broker has placed a Key Box on the property and selected the 24-hour access option so Participants may access the property 24 hours of the day.
 - (d) **Non-Standard Hours of Access.** The listing broker has placed a Key Box on the property and within the specified hours of access.
7. **Audit and Inspection:** Board reserves the right to audit the Participant’s use of the System at any time upon advance notice. If the Board believes that the System is in

danger of a security breach, the Board may audit a Participant's use of the System without notice. Participants shall be prepared to document or evidence the location of each Key Box and Key Card indicated as being in their possession. Failure or refusal to evidence that such Key Box or Key Card is in the control of the Participant, whether located on a property or in the Participant's physical possession, shall be conclusive proof that it is lost. The Board reserves the right to deactivate any Key Card it reasonably believes to be outside the possession and control of the designated Participant.

8. **Responsibilities and Warranties:**

- (a) Participants shall attend instructional meetings as scheduled by the Board on the operation and use of Key Boxes, Key Cards and the System.
- (b) Participants shall pay a non-refundable annual access fee as determined by the Board.
- (c) Participants shall be responsible for the update of all Key Cards and Key Boxes in their possession.
- (d) Participants, by acceptance of Key Boxes and Key Cards have agreed to abide by these Rules and Regulations.
- (e) **Each Participant agrees to indemnify, and hold harmless, the Board against any and all actions, lawsuits, legal proceedings, costs, expenses and liabilities, including reasonable attorney's fees incurred by the Board, without limitation, that result from the Participant's participation in, use or misuse of any Key Box, Key Card, or the System. This obligation shall be personal to each of the Participants. The Board does not offer any warranty, either express or implied and excludes the warranties of merchantability and of fitness for a particular purpose, regarding the design, use or operation of the System, any Key Box or any Key Card. The warranty provided by the manufacturer is the sole warranty available to the Participant. The Board shall not be liable to any Participant for any malfunction of the System or otherwise as a result of the Participant's use or misuse of the System.**

9. **Enforcement and Termination:** These rules and regulations regarding the MLS System shall be enforced in accordance with the provisions of Section 9.1 ("Violations of Rules and Regulations") of the Rules and Regulations.

- (a) Participants shall comply with the National Association of REALTORS® requirements for use of a Lockbox system. Such requirements shall be considered as a minimum standard. THE MLS may establish requirements that are more restrictive than those of the National Association of REALTORS®.
- (b) The MLS does not offer any warranty regarding the design, use or operation of the System, any KeyBox or KeyCard. The warranty provided by the manufacturer is the sole warranty. The MLS shall not be liable to any Participant for any malfunction of the System or otherwise as a result of the Participant's use or any Participant's use or misuse of the System. The MLS shall not be liable in any event to any Participant relating to the System, a Key Box, a Key Card or the action or inaction of another Participant.
- (c) Participant shall be removed from the MLS System and denied participation in the event the Participant violates any of the Rules and Regulations indicated herein,

and as changed from time to time by the MLS, or as otherwise provided in the License Agreement(s).

- (d) Upon receipt of a complaint against a Participant alleging violation of these Rules or Regulations that complaint shall be processed by the MLS in the same manner as complaints relating to violations of the Multiple Listing MLS Rules and Regulations pursuant to procedures promulgated by the National Association of Realtors® as properly modified and adopted by the MLS. Participant acknowledges that if, after a hearing before the appropriate hearing panel of the MLS, they are determined to have violated these Rules and Regulations, and/or the License Agreement(s), they may be fined an amount to be established by the MLS and may be denied access to the System.
 - (e) Participant's privileges may be terminated for non-payment of fees in the same manner as specified in the Rules and Regulations.
 - (f) All MLS Board approved affiliates must follow the same procedures as licensed members prior to being issued a Key Card, including but not limited to finger printing.
10. Fees shall be established by the MLS from time to time, and posted on the Summit Board of Realtors' website. Participants may be subject to fines dues to non-payment or late payment within the same calendar year.

EXHIBIT D

SCHEDULE OF FEES AND CHARGES

1)	MLS Only application fee per person.....	\$ 1,000.00
2)	MLS Only New Office Set Up.....	\$ 600.00
3)	Monthly agent MLS fee	\$ 50.00
4)	MLS Only Participation Annual Fee	\$ 360.00
7)	Virtual Office Website one-time setup fee	\$ 2,000.00
8)	Virtual Office Website test of site by Clareity.....	\$ 2,000
9)	Virtual Office Website yearly charge	\$ 500.00
10)	Member RETs feed one-time setup fee	\$ 350.00 Per Member / Per Feed
11)	RETS feed yearly charge	\$ 175.00 Per Member / Per Feed
12)	Late fee for Monthly Agent MLS fee	\$ 50.00

EXHIBIT E

IDX ICON

