

# **Mountain Lakes Board of Realtors**

## **Multiple Listing Service**

### **Rules and Regulations**

**Mountain Lakes Board of REALTORS® Multiple Listing Service  
Rules and Regulations**

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**MOUNTAIN LAKES BOARD OF REALTORS MULTIPLE LISTING SERVICE  
RULES AND REGULATIONS  
(2005)**

**ARTICLE I – NAME AND FUNCTION**

The name of this organization is the Mountain Lakes Board of Realtors, Inc., Multiple Listing Service, and it shall be a committee function under the direction of the Mountain Lakes Board of Realtors, Inc., and administered and guided by the appointed MLS committee.

The MLS shall function in accordance with the handbook on Multiple Listing Policy of The National Association of Realtors. Any articles, rules or regulations in these policies and procedures, to the contrary notwithstanding, the guidelines in said handbook shall be used in the conduct in the affairs of the committee, provided such procedures at all times shall comply with the laws of the State of North Carolina.

**ARTICLE II – OBJECTIVE**

A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law, by which information is accumulated and disseminated to enable authorized participants to prepare appraisals and other valuations of real property; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the Participants so that they may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of sale (or lease).

**ARTICLE III – OFFICE**

The principal office of the MLS shall be in the office of the Mountain Lakes Board of Realtors.

**ARTICLE IV – MEMBERSHIP**

**Section 1. Participation**

Participation in the Service is available to the firm, partnership or corporation of any Realtor principal of this or any other Board of Realtors without further qualification except payment of required dues and fees and agreement to abide by these Bylaws and the Rules and Regulations of the Service. 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 are capable of accepting and offering cooperation and compensation to and from other Participants or are licensed or certified by an appropriate state regulator 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. The Realtor principal of any firm, partnership, or corporation or the branch office manager designated by said firm, partnership or corporation shall be termed the "Participant" in the Service, and shall accept all obligations to the service for the Participant's firm, partnership, or corporation, and for compliance with the

Bylaws and Rules and Regulations of the Service by all persons affiliated with the Participant who utilize the service.

Brokers having more than one (1) office location shall not permit the use of the MLS system in additional locations unless that Broker participates in the MLS with respect to those locations. If an office is found to have the MLS System activated in the above-mentioned situations(s) that Broker will be subject to a \$500.00 fine for the first offense. A second offense will constitute a more severe sanction from the MLS Committee and/or the Board of Realtors.

## **ARTICLE V – BUDGET**

The anticipated receipts and disbursements for the MLS shall be incorporated in and made a part of the Mountain Lakes Board of Realtors annual budget.

## **ARTICLE VI – LISTING PROCEDURES**

### **Section 1. Listing Procedures:**

Listing of real or personal property of the following types, which are listed subject to real estate broker's license, located within the territorial jurisdiction of the Board of Realtors taken by Participants on exclusive right to sell and/or exclusive agency forms shall be delivered to the Multiple Listing Service within three (3) business days after all necessary signatures of seller(s) have been obtained:

- (a) Single family homes for sale or exchange
- (b) Vacant lots and acreage for sale or exchange
- (c) Two-family, three-family, and four-family residential buildings for sale or exchange
- (d) Commercial and industrial
- (e) Motel and hotel
- (f) Mobile homes and mobile home parks
- (g) Farms

The Listing Data Form, along with photos when appropriate, shall be entered in the MLS computerized service hosted by Systems Engineering, Inc. within three (3) business days. Report of sale pending, report of closing, termination of listings, price changes and etc. shall be entered into the service within 24 hours.

Participants shall provide copies of any listing agreements and/or related documents to the Board Office or MLS committee upon request.

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 council:

1. May reserve the right to refuse to accept a listing form, which fails to adequately protect the interest of the public and the participants.

2. Assure that no listing 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 subagents, 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:**

- (a) Exclusive Right to Sell
- (b) Exclusive Agency

This Service does not accept net listings because they are deemed unethical and, in most states, illegal. Open listings are not accepted.

All Properties placed in MLS must have written exclusive right-of-sale contract, and exclusive right-of-sale with named prospects exempted contract, or an exclusive agency contract. Exclusive agency listings and exclusive right to sell listings with named prospect 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.

MLS does not regulate the type of listings its Members may take. The Multiple Listing Service shall decline to accept open listings and net listings. MLS shall leave its members free to accept such listings to be handled outside the Multiple Listing Service providing said listings are legal in North Carolina.

MLS accepts exclusively listed property that is subject to auction. If such listings do not show a listed price, it may be included in a separate section of the MLS compilation of current listings. This type of listing is not required to be placed in the service.

**Types of Properties:** Following are some of the types of properties that may be published through the Service, including types described in the preceding paragraph that are published to be filed with the service and other types that may be filed with the Service at the Participant's option provided, however, that any listing submitted is entered into within the scope of the Participant's licensure as a real estate broker:

1. Residential
2. Residential income
3. Subdivided vacant lot
4. Land and ranch
5. Business opportunity
6. Motel-hotel

7. Mobile homes
8. Mobile home parks
9. Commercial income
10. Industrial

**Section 1.1 Listings Subject to Rules and Regulations of the Service:** Any listing taken on contract to be filed with the Multiple Listing Service is subject to the rules and regulations of the Service upon signature of the seller(s).

**Section 1.2 Detail on Listings Filed with the Service:** A listing agreement or property data form, when filed with the Multiple Listing Service by the listing broker, shall be complete in every detail which is ascertainable as specified on the property data form.

**Section 1.3 Exempted Listings:** If the seller refuses to permit the listing to be disseminated by the Service, the Participant may then take the listing (“office exclusive”) and such listing shall be filed with the Service but not disseminated to the Participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the Service. Auction Listings are not required to be submitted to the service.

**Section 1.4 Change of Status of Listing:** Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with Service within twenty-four (24) hours (except weekends, holidays, and postal holidays) after the authorized change is received by the listing broker.

**Section 1.5 Withdrawal of Listing Prior to Expiration:** Listings of property may be withdrawn from the 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. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated, the Multiple Listing Service may remove the listing at the request of the seller.

**Section 1.6 Contingencies Applicable to Listings:** Any Contingency or conditions of any term in a listing shall be specified and noticed to the Participants on the property data forms.

**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.

**Section 1.8 Listing Multiple Unit Properties:** All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the property data form. When part of listed property has been sold, proper notification should be given to the Multiple Listing Service.

**Section 1.9 No Control of Commission Rates or Fees Charged by Participants:** The Multiple Listing Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Multiple Listing Service shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and nonparticipants.

**Section 1.10 Expiration of Listings:** Listings filed with the Multiple Listing Service will automatically be removed from the compilation of current listings on the expiration dates specified in the agreement unless prior to that date the MLS receives notice that the listing has been extended or renewed. If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of a listing must be signed by the seller(s) and filed with the Service.

**Section 1.11 Termination Date on Listings:** Listings filed with the Service shall bear a definite and final termination date, as negotiated between the listing broker and the seller the termination date shall not be put on the property data card.

**Section 1.12 Jurisdiction:** Only listing of the designated types of property located within the jurisdiction of the Board of Realtors are required to be submitted to the Service. Listings of property located outside the Board's jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service.

**Section 1.13 Listings of Suspended Participants:** When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board Bylaws, MLS Rules and Regulations, or other membership obligation 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 Board (except where MLS participation without Board membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, a Board MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised, in writing, of the intended removal so that the suspended Participant may advise his clients.

**Section 1.14 Listings of Expelled Participants:** When a Participant of the Service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS shall, at the expelled Participant 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 MLS for failure to pay appropriate dues, fees, or charges, a Board MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised, in writing, of the intended removal so that the expelled Participant may advise his clients.

**Section 1.15 Listing of Resigned Participants:** When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings from the MLS, the resigned Participant should be advised, in writing, of the intended removal so that the resigned Participant may advise his clients.

**Section 1.16—Policies:** The Mountain Lakes Board of Realtors Multiple Listing Service has the following specific policies and sanctions for violations of the listing procedures (Note that any violations(s) of these policies could result in suspension of right and privileges of the Multiple Listing Service.):

- (a) A copy of all listings and changes thereto will be provided to the Board office not later than seventy-two (72) hours after being entered into the MLS electronic system. If not received, the listing office will be notified that the document(s) have not been received. After notification, if the document(s) are not received within the next seventy-two (72) hours, the listing will be deleted from the database.
- (b) All mandatory (“red letter indicated”) items in the MLS System shall be complete and accurate. In cases where the listed property is a portion of a larger parcel, the Deed Book, Deed Page and Parcel ID shall be denoted with an asterisk (\*), and a note shall be placed in the Remarks section that the listed property is a portion of the deed reference and parcel. In such a case, “TBD” shall be denoted in the county and/or city tax fields to indicate, “to be determined”. In cases where there are multiple deeds/parcel ID’s, and asterisk (\*) will be entered into the appropriate space and all parcel ID’s and deeds.
- (c) “Main Photos” of residential and commercial property that includes a structure will be entered in the system within seventy-two (72) hours from the time the listing is placed in the MLS System. If the photo is not entered within this time frame, the Participant will be notified and given another seventy-two (72) hours to comply. If the Participant then fails to comply, the listing office will be fined \$25.00 (twenty-five dollars) for that listing. Additional photos are strongly encouraged.
- (d) Definitions and Use of MLS number suffixes:
  - “W” (Withdrawn)—The property has been removed from the compilation of active listings prior to its expiration date. Reminder: The listing will remain in the system under withdrawn status until the original expiration date.
  - “D” (Deleted)—The particular listing was entered into the MLS System in error (e.g.: the same listing was erroneously entered twice in the system thereby giving it two different MLS numbers). Note: The MLS system will automatically assign a deleted status when a listing has been expired for seven (7) days.
  - “X” (Expired)—Automatically assigned by the MLS system at midnight of the listing’s expiration date.
  - “U” (Under Contract of Pending with Contingencies)—When there is a valid contract which has contingency (ies) such as financing, sale of purchaser’s home, septic approval, etc., the listing status shall be designated with a “U”. If an agent fails to make such designation, the Broker in Charge shall be notified.
  - “P” (Pending with no Contingencies)—When there is a valid contract with no contingencies (or when contingencies have been resolved), the “P” designation shall be placed on the listing in the MLS system. If an agent fails to do so, the Broker in Charge shall be notified.
  - “C” (Closed)—Within seventy-two (72) hours of the closing of the transaction (more specifically, the recording of the deed in the purchaser’s name), the listing shall be

placed in a “C” (Closed) status in the MLS system, and the closing information shall be accurately recorded therein.

- (e) Commission co-brokerage information will be provided as the percentage of the gross sale price r by showing a definite dollar amount that the listing office is offering a cooperating office that secures an Offer to Purchase and Contract. Whether the seller has agreed to cooperate with and compensate agents representing the Buyer shall be indicated as a “Y” for yes, “N” for no. This is a mandatory filed. If the seller has agreed to compensate the buyer’s agent and the listing agent chooses to include the compensation percentage, it shall be entered as stated above for co-brokerage as a percentage of the gross selling price.
- (f) Names of owners and tenants shall be entered in this order/fashion: Last name, first name and any middle initial.
- (g) Listing agents shall use as many coded features as possible to completely describe the listed property.
- (h) Only the Listing Office/Listing Agent may reproduce keys of any listed property, unless the seller specifically gives written permission otherwise.

## **SELLING PROCEDURES**

**Section 2 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 2.1 Presentation of Offers:** The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

**Section 2.2 Submission of Written Offers:** The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

**Section 2.3 Right of Cooperating Broker in Presentation of Offer:** The cooperating broker (subagent or buyer agent) or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller’s written instructions. None of the foregoing diminishes the listing broker’s right to control the establishment of appointments for such presentations.

**Section 2.4 Right of Listing Broker in Presentation of Counter-Offer:** The listing broker or his representative has the right to participate in the presentation of any counter- offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

**Section 2.5 Reporting Sales to the Service:** Sales shall be reported immediately to the Multiple Listing Service by the listing broker unless the negotiations were carried on under Section 2 (a) or (b) hereof, in which case the cooperating broker shall report, sending a copy to the listing broker within twenty-four (24) hours after acceptance.

**Section 2.6 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 canceled.

**Section 2.7 Advertising of Listing Filed with the Service:** A listing shall not be advertised by any Participant other than the listing broker without prior consent of the listing broker.

**Section 2.8 Reporting Cancellation of Pending Sale:** The listing broker shall report immediately to the Multiple Listing Service the cancellation of any pending sale, and the listing shall be reinstated immediately.

## **REFUSAL TO SELL**

**Section 3 Refusal to Sell:** If the seller of any listed property filed with the Multiple Listing Service refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the Service and to all Participants.

## **PROHIBITIONS**

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

**Section 4.1 "For Sale" Signs:** Only the "For Sale" sign of the listing broker may be placed on a property.

**Section 4.2 "Sold" Signs:** Prior to closing, only the "Sales Pending" sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

**Section 4.3 Solicitation of Listing Filed with the Service:** Participants shall not solicit a listing on property filed with the Service unless such solicitation is consistent with Article 16 of the Realtors' code of Ethics, its Standard of Practice, and its Case Interpretations.

## **DIVISION OF COMMISSIONS**

**Section 5 Compensation Specified on Each Listing:** The listing broker shall specify, on each listing filed with the Multiple Listing Service, the compensation offered to other Multiple Listing Service Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease). The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

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

1. By showing a percentage of the gross selling price.
2. By showing a definite dollar amount.

(b) The listing broker may, from time to time, adjust the compensation offered to other Multiple Listing Service Participants for their services with respect to any listing by advance published notice to the Service so that all Participants will be advised.

(c) The Multiple Listing Service shall make no rule on the division of commissions between Participants and nonparticipants. This should remain solely the responsibility of the listing broker.

**Section 5.1 Participant as Principal:** If a participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any ownership interest in property, the listing of which is to be disseminated through the Multiple Listing Service, that person shall disclose that interest when the listing is filed with the Multiple Listing Service and such information shall be disseminated to all Multiple Listing Service Participants.

**Section 5.2 Participant as Purchaser:** If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

**Section 5.3 Dual or Variable Rate Commission Arrangements:** The existence of dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a

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

## SERVICE CHARGE

**Section 6 Service Fees and Charges:** The following service charges for operation of the Multiple Listing Service are in effect to defray the costs of the Service and are subjected to change from time to time in the manner prescribed.

- (a) **INITIAL PARTICIPATION FEE** – An applicant for participation in the service shall pay an application fee as established by the Board of Directors of the Mountain Lakes Board of REALTORS from time to time for each salesperson and licensed or certified appraiser who has access to the use of the Service, whether licensed as a broker, sales licensee or certified appraiser who is employed by or affiliated as an independent contractor with such Participant. This fee shall accompany the application with check made payable to the Mountain Lakes Board of REALTORS. These charges are based on the costs of the overhead of the Service in setting up the proper records, systems, supplying each person with the necessary books and initial supply of forms.
- (b) **RECURRING PARTICIPATION FEE** – The annual participation fee of each Participant shall be an amount established by the Board of Directors of the Mountain Lakes Board of REALTORS from time to time for each salesperson and licensed or certified appraiser who has access to and use of Service, whether licensed as a broker, sales licensee or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such participant. Payment of such fees shall be made quarterly in advance. The first quarter fee shall accompany the application and the Initial Participation Fee.

**NOTE:** Additionally, a Participant is not obligated for MLS dues, fees, or charges for individuals with the same firm but who are in a branch office if the Participant does not participate with respect to that branch office. Also, employees of participants whose functions are limited to administrative duties only shall not be obligated for MLS dues, fees, or charges

- (c) **REINSTATEMENT FEES** – The reinstatement fee for a Participant that has left the Service and for each salesperson and licensed or certified appraiser associated with the Participant shall be as established by the Board of Directors.
- (d) **REFUNDS** – Fees paid by any Participant shall the immediate property of the Mountain Lakes Board of REALTORS.

1. Resignation from the Service shall not entitle the resigning Participant to refund of any portion of fees paid prior to resignation.

2. No resigning Participant shall be relieved from any obligation for charges incurred for services or benefits actually rendered by the Service prior to such resignation.

## COMPLIANCE WITH RULES

**Section 7 Compliance with Rules:** The following action may be taken for noncompliance with the rules:

- (a) For failure to pay any service charge or fee within one (1) month of the date due and provided that at least ten (10) days notice has been give, the Service shall be suspended until service charges or fees are paid in full.
- (b) For failure to comply with any other rule, the provisions of Sections 9 and 9.1 shall apply.

**Section 7.1 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).

## OPERATION OF MULTIPLE LISTING SERVICE

**Section 8 Meetings of MLS Committee:** The Multiple Listing Service Committee Shall meet for the transaction of its business at a time and place to be determined by the Committee or at the call of the Chairperson.

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

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

## ENFORCEMENT OF RULES OR DIPUTES

**Section 9 Consideration of Alleged Violations:** The Committee shall give consideration to all written complaints from Participants having to do with violations of the rules and regulations.

**Section 9.1 Violations of Rules and Regulations:** If the alleged offense is a violation of the rules and regulations of the Service and does not involve a charge of alleged violation of one or more of the provisions of Sections 16 of the rules and regulations or request for arbitration, it may be administratively considered and determined by the MLS Committee and if a violation is

determined, the MLS Committee may direct the imposition of sanction provided that the recipient of such sanction may request a hearing by the Professional Standards Committee of the Board in accordance with the bylaws of the Board of REALTORS®.(Amended 2/98)

Alleged violations of Section 16 of the rules and regulations shall be referred to the Board's Grievance Committee for processing in accordance with the professional standards procedures of the Board, except that if the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the Board. (Amended 2/98)

**Section 9.2 Complaints of Unethical Conduct:** All other complaints of unethical conduct shall be referred by the Committee to the Secretary of the Board of Realtors for appropriate action in accordance with the professional standard procedures established in the Board's Bylaws.

### **SECTION 9.3 USE OF LOCK BOX KEYS AND LOCK BOXES**

1. The lock box system is designated as an activity of the Mountain Lakes Board of Realtors MLS Committee.

The lock box system is a service of the MLS Committee and every MLS Participant and every non-principal broker, sales licensee and licensed or certified appraiser who is affiliated with an MLS Participant and who is legally eligible for MLS access shall be eligible to hold a key subject to their execution of a lease agreement with the MLS or lock box provider.

The MLS Committee may refuse to sell or lease lock box keys, may terminate existing key lease agreements, and may refuse to activate or reactivate any key held by an individual convicted of a felony or misdemeanor if the crime, in the determination of the Board or MLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

The MLS Committee may suspend the right of lock box keyholders to use lock box keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the Board or MLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

Factors that can be considered in making such determinations include, but are not limited to:

- (a) The nature and seriousness of the crime.
- (b) The relationship of the crime to the purpose for limiting lock box access.
- (c) The extent to which access (or continued access) might afford opportunities to engage in similar criminal activity.
- (d) The extent and nature of past criminal activity.
- (e) Time since criminal activity was engaged in.
- (f) Evidence of rehabilitation while incarcerated or following release and
- (g) Evidence of present fitness.

Administration of lock box system is an activity of the Multiple Listing Service. MLS shall supply lock boxes to participants based on listings requirements.

2. The MLS Committee shall maintain current records as to all keys issued and in inventory. There shall be an audit, at least annually, of all keys, whether issued or in inventory. This

requirement may be satisfied by a physical inventory or, alternatively, by receipt of a statement signed by the keyholder and the designated Realtor, broker of record or by a principal, partner, or corporate officer of the keyholder's firm, attesting that the key is currently in possession of the keyholder.

3. MLS lock boxes may not be placed on a property without written authority from the seller. This authority must be established in the listing contract or in a separate document created specifically for the purpose.

MLS Lock Boxes are not to be installed on listings that are not listed with the Multiple Listing Service. Should a MLS lock box be found that is not listed with the Multiple Listing Service, the agent, responsible for installing the lock box, **will be fined \$500.00 for the first offense**. A second offense will constitute a more severe sanction from the MLS Committee.

4. The MLS Committee shall charge keyholders and their cosignatories with the joint obligation of immediately reporting lost, stolen, or otherwise unaccountable for keys to the MLS Committee. Upon receipt of notice, the MLS Committee shall take any steps deemed necessary to resecure the system.

Lock box keys are not to be used by any one other than the person who has completed the lock box key application (i.e. no one may loan a key to another agent, and there shall be no office keys). Anyone found loaning a lock box key to another individual will be **fined \$500.00 for the first offense**. A second offense will constitute a more severe sanction from the MLS Committee.

5. All keyholders, shall agree, as a condition of the key lease agreement, to be bound by the rules and procedures governing the operation of the lock box system.

## **CONFIDENTIALITY OF MLS INFORMATION**

**Section 10 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 10.1 MLS Not Responsible for Accuracy of Information:** The information published and disseminated by the Service is communicated verbatim, without change by the Service, as filed with the Service by the Participant. The Service does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

**Section 10.2 Access to Comparable and Statistical Information:** Board Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive by purchase or lease all information other than current listing information that is generated wholly or in part by the MLS, including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Board

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

## **OWNERSHIP OF MLS COMPILATIONS AND COPYRIGHTS**

**Section 11:** By the act of submitting any property listing data to the Board MLS the Participant represents that he has been authorized to grant and also thereby does grant authority for the Board to include the property listing data in its copy righted MLS compilation and also in any statistical report on comparables.

**Section 11.1:** All right, title, and interest in each copy of every Multiple Listing compilation created and copyrighted by the Mountain Lakes Board of Realtors and in the copyrights therein, shall at all times remain vested in the Mountain Lakes Board of Realtors.

**Section 11.2:** Each participant shall be entitled to lease from the Mountain Lakes Board of Realtors a number of copies of each MLS compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such compilation. The Participant shall pay for each copy the rental fee set by the Board. \*\*

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

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

## **USE OF COPYRIGHTED MLS COMPILATIONS**

**Section 12—Distribution:** Participants shall, at all times, maintain control over and responsibility for each copy of any MLS compilation leased to them by the Board of Realtors, and shall not distribute any such copies to persons other than subscribers who are affiliated with such Participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under Participant’s licensure(s) or certification, and unauthorized uses or prohibited. Further, none of the foregoing is intended to convey “Participation” or “Membership” or any right of

access to information developed or published by a Board Multiple Listing Service where access to such information is prohibited by law.

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

**Section 12.2—Reproduction:** Participants or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof, except in the following limited circumstances.

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

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

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

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

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

## USE OF MLS INFORMATION

**Section 13—Limitations on Use of MLS Information:** Use of information from MLS compilation of current listing information, from the Board’s statistical report, or from any sold or comparable report of the Board or MLS for public mass-media advertising by an MLS Participant or in other public 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 board or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

Based on information from the Board/Association of Realtors (alternatively, from the MLS) for the period (date) through (date).

## CHANGES IN RULES AND REGULATIONS

**Section 14—Changes in Rules and Regulations:** Amendments to the rules and regulations of the Service shall be by a majority vote of the Members of the Multiple Listing Service Committee, subject to approval by the Board of Directors of the Board of Realtors.

## ARBITRATION OF DISPUTES

**Section 15—Arbitration of Disputes:** By becoming and remaining a Participant, each Participant agrees to arbitrate disputes involving contractual issues and questions, and specific non-contractual issues and questions defined in Standard of Practice 17-4 of the Code of Ethics with MLS Participants in different firms arising out of their relationships as MLS Participants subject to the following qualifications.

- (a) If all disputants are members of the same Board of Realtors or have their principal place of business within the same Board territorial jurisdiction, they shall arbitrate pursuant to the procedures of that Board/Association of Realtors.
- (b) If the disputants are members of different Board of Realtors or if their principal place of business is located within the territorial jurisdiction of different Boards of Realtors, they remain obligated to arbitrate in accordance with the procedures of the North Carolina Association of Realtors.

**Interboard Arbitration Procedures:** In instances where the State Association does not provide arbitration service, arbitration shall be conducted in accordance with any existing interboard agreement or, alternatively, in accordance with the Interboard Arbitration Procedures in the Code of Ethics and Arbitration Manual of the National Association of Realtors. Nothing herein shall preclude Participants from agreeing to arbitrate the dispute before a particular Board/Association of Realtors.

## STANDARD OF CONDUCT FOR MLS PARTICIPANTS

**Section 16:** Standards of Conduct for MLS Participants:

**Section 16.1:** MLS Participants shall not engage in any practice or take any action inconsistent with the agency or other exclusive relationship recognized by law that other MLS Participants have with clients.

**Section 16.2:** Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without consent of the seller/landlord.

**Section 16.3:** MLS Participants acting as subagents or as buyer/tenant agents or brokers shall not attempt to extend a listing broker's offer of cooperation and/or compensation to other brokers without the consent of the listing broker.

**Section 16.4:** MLS Participants shall not solicit a listing currently listed exclusively with another broker. However, if the listing broker, when asked by the MLS Participant, refuses to disclose the expiration date and nature of such listing (i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client) the MLS Participant may contact the owner to secure such information and may discuss the terms upon which the MLS Participant might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing.

**Section 16.5:** MLS Participants shall not solicit buyer/tenant agreements from buyers/tenants who are subject to exclusive buyer/tenant agreements. However, if asked by an MLS Participant, the broker refuses to disclose the expiration date of the exclusive buyer/tenant agreement, the MLS Participant may contact the buyer/tenant to secure such information any may discuss the terms upon which the MLS participant might enter into a future buyer/tenant agreement or, alternatively, may enter into buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement.

**Section 16.6:** MLS Participants shall not use information obtained from listing brokers through offers to cooperate made through multiple listing services or through other offers of cooperation to refer listing brokers' clients to other brokers or to create buyer/tenant relationships with listing brokers' clients, unless such use is authorized by listing brokers. (Amended 11/01)

**Section 16.7:** The fact that an agreement has been entered into with an MLS Participant shall not preclude or inhibit any other MLS Participant from entering into a similar agreement after the expiration of the prior agreement.

**Section 16.8:** The fact that a client has retained an MLS Participant as an agent or in another exclusive relationship in one or more past transactions does not preclude other MLS Participants from seeking such former client's future business.

**Section 16.9:** When MLS Participants are contacted by the client of another MLS Participant regarding the creation of an exclusive relationship to provide the same type of service, and MLS Participants have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternatively, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement.

**Section 16.10:** In cooperative transactions, MLS Participants shall compensate cooperating MLS Participants (Principal brokers) and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other MLS Participants without the prior express knowledge and consent of the cooperating broker.

**Section 16.11:** MLS Participants are not precluded from making general announcement to prospective clients describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another MLS Participant. A general telephone canvas, general mailing, or distribution addressed to all prospective clients in a given geographical area or in a given profession, business, club, or organization, or other classification or group is deemed “general” for purposes of this rule.

**The following types of solicitations are prohibited:**

Telephone or personal solicitations of property owners who have been identified by a real estate sign, multiple listing compilation, or other information service as having exclusively listed their property with another MLS Participant; and mail or other forms of written solicitations of prospective clients whose properties are exclusively listed with another MLS participant when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, “for sale” or “for rent” signs, or other sources of information intended to foster cooperation with MLS Participants.

**Section 16.12:** MLS Participants, prior to entering into an agency agreement or other exclusive relationship, have an affirmative obligation to make reasonable efforts to determine whether the client is subject to current, valid exclusive agreement to provide the same type of real estate service.

**Section 16.13:** MLS Participants, acting as agents of, or in another relationship with, buyers or tenants, shall disclose that relationship to the seller/landlord’s agent or broker at first contact and shall provide written confirmation of that disclosure to the seller/landlord’s agent or broker not later than execution of a purchase agreement or lease.

**Section 16.14:** On unlisted property, MLS Participants acting as buyer/tenant agents or brokers shall disclose that relationship to the seller/landlord at first contact for that client and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement. MLS Participants shall make any request for anticipated compensation from the seller/landlord at first contact.

**Section 16.15:** On unlisted property MLS Participants acting as agents or broker of seller/landlords or as subagents of listing broker, shall disclose that relationship to buyer/tenants as practicable, and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement.

MLS Participants shall make any request for anticipated compensation from the seller/landlord at first contact.

**Section 16.16:** MLS Participants, acting as agents or brokers of sellers/landlords or as subagents of listing brokers, shall disclose that relationship to buyers/tenants as soon as practicable, and shall provide written confirmation of such disclosure to buyers/tenants not later than execution of any purchase or lease agreement.

**Section 16.17:** MLS Participants, acting as subagents or buyer/tenant agents or brokers, shall not use the terms of any offer to purchase/lease to attempt to modify the listing broker’s offer of compensation to subagents or buyer’s agents or brokers, or make the submission of an executed offer to purchase/lease contingent on the listing broker’s agreement to modify the offer of compensation.

**Section 16.18:** All dealings concerning property exclusively listed or with buyer/tenants who are subject to an exclusive agreement shall be carried on with the client’s agent or broker, and not with the client, except with the consent of the client’s agent or broker or except where the client initiates such dealings.

Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospective purchasers, sellers, tenants or landlords (“prospects”), MLS Participants shall ask prospects whether they are a party to any exclusive representation agreement. MLS Participants shall not knowingly provide substantive services concerning a prospective transaction to prospective transaction to prospects that are parties to exclusive representation agreements, except with the consent of the prospects’ exclusive representatives or at the direction of prospects.

**Section 16.19:** Participants, users, and subscribers, prior to or after terminating their relationship with their current firm, shall not induce clients of their current firm to cancel exclusive contractual agreement between the client and that firm. This does not preclude Participants from establishing agreements with their associated licensees governing assignability of exclusive agreements.

**Section 16.20:** These rules are not intended to prohibit ethical, albeit aggressive or innovative business practices, and do not prohibit disagreements with other MLS Participants involving commission, fees, compensation, or other forms of payment or expenses.

**Section 16.21:** MLS Participants shall not knowingly or recklessly make false or misleading statement about competitors, their businesses, or their business practices.

### **Virtual Office Websites (“VOWs)**

**Section 17: VOW Defined:** Vow means a Participant’s Internet website (and, where authorized, websites of non-principal brokers and sales licensees affiliated with MLS Participants) through which consumers receive real estate brokerage services, including the opportunity to search for MLS data subject to the Participant’s oversight, supervision and responsibility.

**Section 17.1: Authorization:** Participants’ use of listings of other Participants on VOWs is subject to the consent of such other Participants. Participants’ consent for display of their listings by other Participants on VOWs pursuant to these rules is presumed unless a Participant independently and affirmatively withholds that consent (“opts out”).

Participants may independently “opt out” of the VOWs of other Participants on:

- (a) A blanket basis (“blanket opt out”) of all other Participants’ VOWs, or
- (b) On a selective basis (“selective opt out”) of VOWs of a specific Participant or Participants.

“Blanket opting out” shall be accomplished by notifying the MLS, which shall withhold the listings of any “blanket opt out” Participant from its VOW download of listing information.

“Selective opting out” can be accomplished by the “selective opt out” Participant providing written notice to another Participant operating a VOW of the “selective opt out” Participant’s independent decision to withhold consent for display of that Participant’s listings on the VOW.

**Section 17.2:** Participants operating VOWs shall comply with the following:

**Section 17.2.1:** Participants must have a broker-consumer relationship (as defined by state law) with each consumer seeking to receive information from a Participant’s VOW (“Registrant”).

**Section 17.2.2:** Participants must obtain the name and valid email address of each Registrant.

**Section 17.2.3:** Participants must send an email to any Registrant confirming that the Registrant has agreed to the VOW’s Terms of Use.

**Section 17.2.4:** Participants can provide access to their VOW only after a Registrant’s email address is verified as valid and the Registrant’s agreement to the VOW’s Term of Use is confirmed.

**Section 17.2.5:** Participant’s Terms of Use shall include the following terms.

- (a) That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
- (b) That all data obtained from the VOW is only for the Registrant’s personal, non-commercial use;
- (c) 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;
- (d) That the Registrant will not copy, redistribute or retransmit any of the data or information provided; and
- (e) That the Registrant acknowledges the MLSs ownership of and the validity of the copyright in the MLS database.

**Participant’s Terms of Use may also include other provisions determined by the Participant.**

**Section 17.2.6:** Participants’ Terms of Use may not impose a financial obligation on a Registrant. Financial obligations, if any, must be established separately from the Participants’ Terms of Use, must be prominently labeled, and may not be accepted solely by a “mouse click”.

**Section 17.2.7:** Participants’ Terms of Use may not create any representation agreement between a Registrant and the Participant. Representation agreements, if any, must be established separately from the Participants’ Term of Use, must be prominently labeled, and may not be accepted solely by a “mouse click”.

**Section 17.2.8:** participants must obtain from or supply to each Registrant a user name and a password, the combination of which must be different from those of all other Registrants on the VOW, before being permitted to search and retrieve information from the MLS database via the VOW.

**Section 17.2.9:** participants’ VOWs must protect MLS data from misappropriation by employing reasonable efforts to monitor for and prevent “scraping” and other unauthorized accessing, reproduction or use of the MLS database.

**Section 17.2.10:** Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or their property address from display on the Internet (including, but not limited to, publicly-accessible websites or VOWs) shall not be accessible to Registrants. This does not preclude listing brokers from displaying on their VOW or their other websites(s) the listing or property address of consenting sellers.

**Section 17.2.11:** If non-principal brokers or sales licenses are authorized by the MLS to operate VOWs with their Participant's consent, such VOWs remain subject to the Participant's control, and both the Participant and the non-principal broker or sales licensee shall be accountable under these rules.

**Section 17.2.12:** MLS information available on any VOW must be refreshed at least once every seven (7) days.

**Section 17.2.13:** No portion of the MLS database shall be distributed, provided to or made accessible to any person except as provided for in these rules and/or in the National Association of REALTORS VOW policy.

**Section 17.2.14:** VOWs must display the Participant's privacy policy informing Registrants how information they provide may be used.

**Section 17.2.15:** Listings from the MLS may only be excluded from display on Participants' VOWs based on objective criteria, e.g. type of property, listed price, geographical location, or cooperative compensation offered by listing brokers.

**Section 17.2.16:** Participants may not provide the identity of Registrants to any other entity for compensation except where (1) the Participant's residential real estate brokerage activities principally consist of listing or selling the types of properties required to be filed with the MLS; (2) Registrants are seeking property in a price range or in a location for which the Participant ordinarily does not provide real estate brokerage services; and (3) the number of Registrant identities provided, or the corresponding revenue generated, is an insubstantial portion of the Participant's real estate brokerage activities. For purposes of this rule, "selling" does not include making referrals of prospective purchasers to other real estate brokers and "listing" does not include making referrals of prospective sellers to other real estate brokers.

**Section 17.2.17:** Participants must notify the MLS of their intention to establish a VOW, and must make their VOW directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies.

**Section 17.2.18:** A Participant's VOW may not make available for search by or display to Registrants the following data intended exclusively for other MLS Participants and their affiliated licensees:

- 1) Expired, withdrawn, pending or sold listings.
- 2) The compensation offered to other MLS Participants.
- 3) The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- 4) The seller(s) and occupant(s) name(s), phone numbers(s) and email address(es) where available.
- 5) Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.

**Section 17.2.19:** No advertising may be visible on a page displaying any portion of the listings of other Participants except that the name, address, phone number and company logo of the Participant operating the VOW and/or the name, address and phone number of the non-principal broker or sales licensee operating the VOW, and any information required by state law or regulation may not be prohibited.

**Section 17.2.20:** MLS data fields authorized for display may not be changed. This rule does not restrict the format of MLS data display or display of fewer than all of the listings or fewer authorized data fields.

**Section 17.2.21:** Display of MLS data must include a notice indicating that the data is deemed reliable but is not guaranteed accurate by the MLS.

**Section 17.2.22:** Participants' VOWs may include other appropriate disclaimers necessary to protect the participant and/or the MLS from liability.

**Section 17.2.23:** All listings displayed on VOWs shall identify the name of the listing firm in typeface not smaller than the median used in the display of listing data.

**Section 17.2.24:** Registrants may view, retrieve or download not more than One Hundred (100) current listings in response to any inquiry. (Note: The number of listings that may be viewed, retrieved or downloaded should be reasonable and should be specified by the MLS in the context of this rule.)

**Section 17.2.25:** Participants displaying other brokers' listings obtained from sources other than this MLS (e.g. from other MLSs, from non-Participant brokers, etc.) shall display the source from which each such listing was obtained.

**Section 17.2.26:** Registrants' password may be valid no longer *than 45 days*, after which such passwords must be reconfirmed or changed. (Note: The number of days password may remain valid before being changed or reconfirmed should be specified by the MLS in the context of this rule.)

**Section 17.2.27:** Non-principal brokers and sales licensees affiliated with MLS Participants may operate VOWs subject to their Participant's consent and control. Both the Participant and the non-principal broker or sales licensee operating the VOW shall be accountable under these rules with respect to the operation of any such VOW.

**Section 18—Internet Data Exchange:** See Appendix A, for the Mountain Lakes Board of Realtors Internet Data Exchange (IDX) Rules and Regulations.

## ORIENTATION

**Section 19—Orientation:** Any applicant for MLS Participation and any licensee affiliated with an MLS Participant who has access to and use of MLS generated information shall complete an

orientation program of not more than two (2) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within thirty (30) days after access has been provided.

**I HEREBY CERTIFY THAT THESE MLS RULES AND REGULATIONS WERE  
ADOPTED AND APPROVED BY THE MOUNTAIN LAKES BOARD OF DIRECTORS  
ON THIS DATE OF \_\_\_\_\_, \_\_\_\_\_, 2005.**

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**President**

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**Secretary**

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