

Spokane Association of REALTORS® Multiple Listing Service

Rules and Regulations

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**RULES AND REGULATIONS
OF
SPOKANE ASSOCIATION OF REALTORS®
MULTIPLE LISTING SERVICE (MLS)**

LISTING PROCEDURES

Section 1 PURPOSE: An MLS is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating Participant's performance as procuring cause of the sale (or lease).

As used in these Rules and Regulations: (i) the term "Association" means the Spokane Association of REALTORS®; (ii) the term "Participant" means an "MLS Participant", as that term is defined in the Association's Bylaws and (iii) except as provided in Section 19 and except as the context otherwise requires, the term "subscriber" means the following people who have with the Association's consent, been granted the right to access and use information in the MLS: (a) a licensee who is employed by or affiliated as an independent contractor with a Participant or (b) a licensed or certified real estate appraiser who is employed by or affiliated as an independent contractor with a Participant.

Section 1.01 CLEAR COOPERATION. Within one (1) business day of Marketing a property to the public, the listing Participant must submit the listing to the Association for cooperation with other 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.

Note: Exclusive listing information for required property types must be filed and distributed to other Participants for cooperation under the clear cooperation policy. This applies to listing filed under Section 1.1 and listings exempt from distribution under Section 1.4, and any other situation where the listing Participant is publicly Marketing an exclusive listing that is required to be filed with the Association and is not currently available to other Participants.

Section 1.1 LISTING PROCEDURES. A Property Data Sheet for listings of real or personal property of the following types, which are listed subject to a real estate broker's license, located within the service area of the Association taken by Participants on exclusive right to sell or exclusive agency listings shall be delivered to the Association within one (1) business day after all necessary signatures of seller(s) have been obtained and any Marketing begins:

- 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.

All such listings shall be subject to these Rules and Regulations. A Property Data Sheet shall be submitted to the Association for each such listing by the next business day after all signatures to the listing agreement have been obtained and any Marketing has begun. A Property Data Sheet for exclusive listings for sale, lease or exchange of other types of real or personal property, or real or personal property located outside the service area of the Association may, at the option of the Participant, be submitted to the Association. If so submitted they will be accepted for dissemination. By submitting a Property Data Sheet to the Association a Participant represents and warrants to the Association and all other Participants that:

- a. The Participant has been granted by the seller(s) the exclusive right to sell, lease or exchange or an exclusive agency to sell, lease or exchange the property described therein;
- b. Such exclusive right to sell, lease or exchange or exclusive agency has been granted pursuant to a valid and enforceable written contract which is in full force and effect;
- c. The seller(s) has therein authorized a blanket unilateral offer of compensation to other Participants (acting either

as subagents, buyer agents, or both); the submission for dissemination of a Property Data Sheet to the Association; the dissemination by the Association of information concerning the property and its availability for sale, lease or exchange, and has authorized the payment of a commission to a Cooperating Participant (Broker) in the amount set forth in such Property Data Sheet; and

- d. To the best of the knowledge of the listing Participant, all data and information contained in the Property Data Sheet is accurate and complete.

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 Participant to cooperate with and to compensate other Participants. The exclusive agency listing also authorizes the listing Participant, 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.

Section 1.2 MLS FORMS. The Association may reject any Property Data Sheet or MLS Status Change form which does not conform to these Rules and Regulations. The Association may offer such forms for sale to its Members as may be approved by the Multiple Listing Steering Committee.

Section 1.3 LISTING DETAILS. All Property Data Sheets delivered to the Association shall be complete in every detail specified on the form. The listing Participant may not enter any contact information such as names, phone numbers, email addresses, web site addresses, service provider information (such as mortgage companies) or any other text identifying the listing Participant or any affiliated brokerage in any section of the listing which appears in the “public handout” report. The Public Remarks are intended for creative ad copy which promotes and showcases the property, not individual brokers or their respective brokerages. All contact information, special conditions and/or contingencies, or information regarding access to the property must be entered into the Agent Remarks section of the listing and through the showing instructions.

Section 1.3.1 LIMITED SERVICE LISTINGS. Listing agreements under which the listing broker will not provide one, or more of the following services:

1. arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s);
2. accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s);
3. advise the seller(s) as to the merits of offers to purchase;
4. assist the seller(s) in developing, communicating, or presenting counter-offers; or
5. participate on the seller(s) behalf in negotiations leading to the sale of the listed property

will be identified as a “**Limited Service**” listing in the MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers’ clients, prior to initiating efforts to show or sell the property.

Section 1.3.2 MLS ENTRY-ONLY LISTINGS: Listing agreements under which the listing broker will not provide any of the following services:

1. arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s);
2. accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s);
3. advise the seller(s) as to the merits of offers to purchase;
4. assist the seller(s) in developing, communicating, or presenting counter-offers; or
5. participate on the seller(s) behalf in negotiations leading to the sale of the listed property

will be identified as an “**MLS Entry**” listing in the MLS compilations so potential cooperating brokers will be aware of the

extent of the services the listing broker will provide to the seller(s).

Section 1.4 EXEMPT LISTINGS. If a property owner refuses to permit a Property Data Sheet to be submitted to the Association for a listing for which a Property Data Sheet is otherwise required to be delivered hereunder, nothing shall preclude the Participant from taking such a listing (an "office exclusive"). Such a listing shall constitute an exempt listing. By the next business day, after all necessary signatures of the seller(s) to an exempt listing have been obtained and any Marketing has begun, the Participant shall deliver a written "MLS Exempt Listing Form ("office exclusive")" (in the form provided by the Association) to the Association signed by the seller(s), listing broker and the Participant completely describing the property and specifying that the listing information is not to be disseminated by the Association and that no Property Data Sheet is to be submitted with respect thereto. If a property owner requests an exempt listing, the property shall not be entered into the MLS for at least 90 days after the submission of the MLS Exempt Listing Form to the Association. If the listing is entered into the MLS within said 90 day period, it may result in a fine up to \$15,000 to the listing broker and the Participant. Seller may petition the MLS Steering Committee for a waiver of the 90 day time period. The Participant shall maintain, and provide to the Association upon the Association's request, adequate records to confirm that exempt listings are not entered into the MLS within the 90 day period.

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

Section 1.5 LISTING AGREEMENT FORM. A Participant may use any form of contract for the listing of real property for sale, lease or exchange as the Participant may select. The form of all listing agreements for which a Property Data Sheet is submitted hereunder shall, however, include the authorization of the seller(s) to submit a Property Data Sheet to the Association and to make it possible for the listing Participant to offer compensation to the other Participants of the MLS acting as subagents, buyer agents, or both, and shall adequately protect the interests of the seller(s), the listing Participant, other Participants, and the public. No such form of listing agreement shall establish, directly or indirectly, any contractual relationship between the Association and the seller(s). No Property Data Sheet shall be submitted for and no MLS listing may be created for any "open" or "net" listing arrangement or any property subject to sale at auction unless such auction property is owned by the U.S. Department of Housing and Urban Development. All exclusive agency listings for which a Property Data Sheet is submitted to the Association shall contain a provision in writing obligating the seller(s) to notify the listing Participant in writing of the name of any person(s) who the seller(s) intends to claim as being exempt from the listing agreement prior to the time the listing Participant or any other Participant introduces that person(s) to the property.

Section 1.6 CHANGE OF STATUS OF LISTING. Any change in listed price or other change in the original listing agreement for which a Property Data Sheet has been submitted, shall be made only when authorized in writing by the seller and notice, signed by the seller or listing Participant, shall be filed with the service by the next business day (excepting weekends, holidays and postal holidays) after the authorized change is received by the listing Participant.

If an existing listing becomes ineligible for inclusion in the MLS because it will be sold at auction and is not owned by the U.S. Department of Housing and Urban Development, the listing Participant must release the listing or take the listing temporarily off the market (TOM), whichever is appropriate at the time when the property may only be purchased through an auction.

Note: Removal of Listings When Participant Refuses/Fails to Timely Report Status Changes. Notwithstanding the limitations established in the *Code of Ethics and Arbitration Manual* or in other National Association policy, the MLS may remove any listing from the MLS compilation of current listings where the Participant has refused or failed to timely report status changes. Prior to the removal of any listing from the MLS compilation, the Participant shall be advised of the intended removal so the Participant can advise his or her client(s).

Section 1.7 WITHDRAWAL OF LISTING PRIOR TO EXPIRATION. Listings of property for which a Property Data Sheet has been submitted, may be withdrawn from the Association by the listing Participant before the expiration date of the listing agreement provided notice is filed with the service signed by listing Participant and seller or by the listing Participant authorizing the withdrawal.

Sellers do not have the unilateral right to require a MLS to withdraw a listing without the listing Participant's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing Participant has been terminated, the

MLS may remove the listing at the request of the seller.

Section 1.8 CONTINGENCIES APPLICABLE TO LISTINGS. Any contingency or conditions of any term in a listing shall be specified and noticed to Participants and subscribers.

Section 1.9 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 owned by the U.S. Department of Housing and Urban Development and is subject to auction.

Section 1.10 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 Sheet. When part of a listed property has been sold, proper notification should be given to the Association.

Section 1.11 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS. The Association shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Association shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and nonparticipants.

Section 1.12 EXPIRATION, EXTENSION, AND RENEWAL OF LISTINGS. Any listing for which a Property Data Sheet has been submitted to the Association automatically expires on the dates specified in the agreement unless renewed by the listing Participant and notice of renewal or extension is filed with the Association prior to expiration. If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, an extension or renewal will be published in the same manner as a new listing. Any notice of extension or renewal of a listing for which a Property Data Sheet has been submitted must be signed by the listing Participant or the seller(s).

Section 1.13 TERMINATION DATE ON LISTINGS. Listings for which a Property Data Sheet has been submitted to the Association shall bear a definite and final termination date as negotiated between the listing Participant and the seller.

Section 1.14 SUBMISSION OF VIRTUAL TOURS. Virtual tours submitted to the MLS shall comply with the following guidelines:

1. the primary focus of the tour shall be of the subject property.
2. the tour must be hosted on an Internet accessible server from which a Participant can retrieve the tour by selecting that tour's hyperlink.
3. in addition to the subject property the tour format can identify and provide contact information on the listing brokerage, the listing agent and the tour provider. The tour shall not include any promotion for a closing service provider or any other peripheral service.
4. by submitting the tour, Participants are representing to the Association that the Participant has permission to allow the display of the tour in the MLS and that the Association, in turn, has permission to redistribute the tour hyperlink as a part of the MLS compilation.

Section 1.15 PHOTOGRAPHS. The first photo of all improved property submitted to the MLS within the service area of the Association must be an exterior photo of the property, to include the primary structure (if applicable) submitted the next business day of the listing being input into the MLS with the exception of properties under construction. If a seller does not want a photo in the MLS, the agent must submit to the Association a letter so stating, signed by the seller, within the next business day of the listing being input into the MLS.

Section 1.16 SERVICE AREA. Only listings of the designated types of property located within the service area of the Association are required to be submitted to the MLS. Listings of property located outside the Association's service area will be accepted if submitted voluntarily by a Participant, but cannot be required by the Association.

Section 1.17 LISTINGS OF SUSPENDED PARTICIPANTS. When a Participant of the Association is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Rules and Regulations, or other membership 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 Association 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 or subscriber has been suspended from the Association or MLS (or both) for failure to pay appropriate dues, fees or charges, the Association will not be obligated to provide any MLS services to the suspended Participant or subscriber, including continued inclusion of a 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 1.18 LISTINGS OF EXPELLED PARTICIPANTS. When a Participant of the Association is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS shall, at the expelled Participant's option, be retained in the Association 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 or subscriber has been expelled from the Association or MLS (or both) for failure to pay appropriate dues, fees or charges, the Association will not be obligated to provide any MLS services to the expelled Participant or subscriber, including continued inclusion of an 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 1.19 LISTINGS OF RESIGNED PARTICIPANTS. When a Participant or subscriber resigns from the MLS, the Association will not be obligated to provide any MLS services to the resigned Participant or subscriber, including continued inclusion of a 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 1.20 LOCK BOX SYSTEM. The Association shall provide a Lock Box system which Participants and subscribers who are eligible for MLS access shall use subject to the execution of a lease agreement. Licensed Home Inspectors who are Affiliate members in good standing of the Association may be eligible to lease keys subject to approval of their application and subject to satisfactory completion of a criminal background check. The Lock Box system shall be used for the purpose of legitimate real estate business. This lease agreement shall provide that keys may not be used under any circumstances by anyone other than the keyholder. This system shall be provided by a recognized Lock Box vendor and it shall comply with current NAR security requirements. If a Participant or Subscriber places any Lock Box on a listing for the purpose of providing access to the property by other MLS Participants and Subscribers within the service area of the Association, an Association approved electronic Lock Box is required. Electronic Lock Boxes will be required even if a third party (e.g., a lender) mandates the use of other types of Lock Boxes. In such situations, both types of Lock Boxes shall be used.

SELLING PROCEDURES

Section 2 SHOWINGS AND NEGOTIATIONS. Appointments for showings and negotiations with the seller with respect to any property for which a Property Data Sheet has been submitted to the Association shall be conducted through the listing Participant except under the following circumstances:

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

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

Section 2.2 SUBMISSION OF WRITTEN OFFERS AND COUNTER-OFFERS. The listing Participant 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 Participant. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing Participant shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.

Section 2.3 RIGHT OF COOPERATING PARTICIPANT IN PRESENTATION OF OFFER. The cooperating Participant (subagent or buyer agent) or his representative has the right to participate in the presentation to the seller or lessor of any offer he/she secures to purchase or lease. He/She does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing Participant. However, if the seller or lessor gives written instructions to the listing Participant that the cooperating Participant not be present when an offer the cooperating Participant secured is presented, the cooperating Participant has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing Participant'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 2.4 RIGHT OF LISTING PARTICIPANT IN PRESENTATION OF COUNTER-OFFERS. The listing Participant or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He/She does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except where the cooperating Participant is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating Participant that the listing Participant not be present when a counter-offer is presented, the listing Participant has the right to a copy of the purchaser's or lessee's written instructions.

Section 2.5 REPORTING SALES TO THE ASSOCIATION. Status changes, including final closing of sales and sale prices, shall be reported to the MLS by the listing Participant by the next business day after they have occurred. If negotiations were carried on under Section 2(a) or (b) hereof the cooperating Participant shall report accepted offers and prices to the listing Participant by the next business day after occurrence and the listing Participant shall report them to the MLS by the next business day after receiving notice from the cooperating Participant. Listings must be marked "contingent" when it is documented that all parties agree that the property will continue to be marketed and other offers will be accepted. All other listings with signed offers to purchase shall be marked "pending".

Section 2.5.1 CONTINGENCY APPLICABLE TO SHORT SALE. Properties that are subject to a Short Sale shall comply with the disclosure provision set forth in Section 5.0.1 of these rules. Listings shall be marked "contingent short sale" if acceptance of offer is contingent upon third party approval. Listings shall be marked "pending" once all parties accept the offer and all contingencies are removed. Short Sale contingency or conditions of any term in the listing shall be specified and noticed to Participants within the next business day.

Section 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES. The listing Participant shall report to the Association by the next business day that a contingency on file with the Association has been fulfilled or renewed, or the agreement cancelled.

Section 2.7 ADVERTISING OF LISTING FILED WITH THE ASSOCIATION. A listing for which a Property Data Sheet has been submitted shall not be advertised by any Participant or subscriber, other than the listing Participant, without the prior written consent of the listing Participant, except that this section shall not prevent a Participant or subscriber from publishing another Participant's listing on the Internet consistent with these Rules and Regulations.

Section 2.8 REPORTING CANCELLATION OF PENDING SALE. The listing Participant shall report immediately to the Association the cancellation of any pending sale and the listing for which a Property Data Sheet has been submitted shall be reinstated immediately.

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

Section 2.10 AVAILABILITY OF LISTED PROPERTY. Listing Participants or subscribers shall not misrepresent the availability

of access to show or inspect listed property.

REFUSAL TO SELL

Section 3 REFUSAL TO SELL. If the seller of any listed property for which a Property Data Sheet has been submitted to the Association refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the Association and to all Participants.

PROHIBITIONS

Section 4 INFORMATION FOR PARTICIPANTS ONLY. Any listing for which a Property Data Sheet has been submitted to the Association shall not be made available to any broker or firm not a Member of the MLS without the prior consent of the listing Participant.

Section 4.1 "FOR SALE" SIGNS. Only the "For Sale" signs of the listing Participant may be placed on a property.

Section 4.2 "SOLD" SIGNS. Prior to closing, only the "Sold" sign of the listing Participant may be placed on a property, unless the listing Participant authorizes the cooperating (selling) Participant to post such a sign.

Section 4.3 SOLICITATION OF LISTING FILED WITH THE ASSOCIATION. Participants and subscribers shall not solicit a listing on property filed with the Association unless such solicitation is consistent with Article 16 of the REALTORS® Code of Ethics, its Standards of Practice and its Case Interpretations.

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

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

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

This section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to Article 16 of the REALTORS® Code of Ethics, its Standards of Practice and its Case Interpretations.

Section 4.4 USE OF THE TERMS MLS AND MULTIPLE LISTING SERVICE. No Participant or subscriber shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants and subscribers shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to Participants and subscribers. This does not prohibit Participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

DIVISION OF COMMISSIONS

Section 5 COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING. The listing Participant shall specify, on each listing for which a Property Data Sheet has been submitted to the Association, the compensation offered to other Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing Participant's obligation to compensate any cooperating broker as the procuring cause of sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing Participant and in the

exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing Participant to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing Participant to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing 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 Participant communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

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

**The compensation specified on listings filed with the Association 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 Association 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*

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

This shall not preclude the listing Participant from offering any other broker compensation other than the compensation indicated on any listing published by the MLS provided the listing Participant informs the other broker in writing in advance of submitting an offer to purchase and provided that the modification in the specified compensation is not the result of any agreement among all or any other Members in the Association. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount. The listing Participant shall not disclose on the Property Data Sheet the total compensation negotiated between the listing Participant and the seller(s).

The listing Participant may, from time to time, adjust the compensation offered to other Participants for their services with respect to any listing by advance published notice to the MLS so that all Participants will be advised.

Whenever gross commissions established in listing contracts are subject to court approval which may result in a reduction in compensation payable to cooperating Participants, the listing Participant shall clearly communicate that fact in the listing.

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

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

Section 5.0.1: 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.

When disclosed, Participants may, at their discretion, advise other Participants whether and how any reduction in the gross commission established in the listing agreement required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating Participants.

Section 5.1 PARTICIPANT AS PRINCIPAL. If a Participant or subscriber has any interest in property for which a Property Data Sheet has been submitted, the listing of which is to be disseminated through the Association, that person shall disclose that interest when the listing is filed with the Association and such information shall be disseminated to all Participants.

Section 5.2 PARTICIPANT AS PURCHASER. If a Participant or subscriber wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed in writing to the listing Participant not later than the time an offer to purchase is submitted to the listing Participant.

Section 5.3 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS. The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing Participant 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 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 Participant by a key, code or symbol as required by the Association. The listing 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/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

SERVICE CHARGES

Section 6 SERVICE FEES AND CHARGES. The service charge for the Multiple Listing Service, the rental fee for each copy of the MLS Compilation and the charges for service provided by the Association to Participants and subscribers shall be in such amount as is established, from time to time, by the Board of Directors of the Association. All licensees who are employees of a Participant or who are affiliated as an independent contractor with a Participant must apply to be subscribers, unless otherwise exempt under the rules established, from time to time, by the Board of Directors of the Association. Without limiting the generality of the foregoing, if a Participant executes a Limited Office Participation Agreement with the Association, that Participant's employees or independent contractors will not be required to become subscribers unless those employees or independent contractors actually use the Multiple Listing Service.

Section 6.1 Moreover, if a Participant subscribes to more than one multiple listing service, an employee or independent contractor of that Participant may apply for a waiver of subscriber fees and charges, provided (i) such Participants execute a certification of nonuse by their licensees, which can include penalties and termination of the waiver if violated (in the form provided by the Association); (ii) such individual does not actually use the MLS and (iii) such individual can demonstrate a subscription to a different MLS where the principal broker participates. The Participant shall maintain, and provide to the Association upon the Association's request, adequate records to confirm that such individual does not use the MLS.

COMPLIANCE WITH RULES

Section 7 COMPLIANCE WITH RULES/AUTHORITY TO IMPOSE DISCIPLINE. By becoming and remaining a Participant or subscriber in the MLS, each Participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The Association may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a. letter of warning
- b. letter of reprimand
- c. attendance at MLS orientation or other appropriate courses or seminars which the Participant or subscriber can

- reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed \$15,000
 - e. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
 - f. termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.

Note: 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.

Section 7.1 COMPLIANCE WITH RULES. The following additional actions may be taken for noncompliance with the rules:

- a. For failure to pay any service charge, fee, or fine under the terms established by the Association, services to the Participant or subscriber shall be suspended until service charges, fees or fines are paid in full. The Association may also impose other obligations on the Participant or subscriber before services are restored.
- b. For failure to comply with any other rule, the provisions of Section 9 shall apply.

MEETINGS

Section 8 MEETINGS OF MLS COMMITTEE. The Multiple Listing Steering 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 PARTICIPANTS. The Committee may call meetings of the Participants in the Association to be known as meetings of the Multiple Listing Service.

Section 8.2 CONDUCT OF THE MEETINGS. The Chairperson, or Chair-Elect, 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 DISPUTES

Section 9 CONSIDERATION OF ALLEGED VIOLATIONS. The Committee shall give consideration to all written complaints having to do with violations of the Rules and Regulations. By becoming and remaining a participant, each participant agrees to be subject to these rules and regulations, the enforcement of which are at the sole discretion of the Committee.

Alleged violations of the MLS Rules and Regulations must be made in writing and may be initiated by:

1. Participants or subscribers; and
2. MLS Steering Committee acting on behalf of the membership.

Participants/Subscribers may report violations by:

1. Correction link on Paragon for **Tier 1** Violations;
2. Submitting a complaint in writing to the MLS Steering Committee for **Tier 2** Violations.
 - Violation reports must be in writing, dated, signed, and include the following information:
 - ✓ Name and office of the alleged Violator
 - ✓ Property Address
 - ✓ MLS Number
 - ✓ Nature of the Violation (specific facts and clear statement of rule or policy violated)
 - ✓ Name and contact information of reporting person (will remain confidential)

The MLS Steering Committee, with the approval of the Board of Directors, may implement a schedule of fines for certain MLS rules violations under an SAR Citation Policy and may direct staff to issue citations for specified MLS rules violations. Participants and/or subscribers who receive a citation and fail to make any correction may either pay the amount specified on the citation, request an administrative review, or a full hearing before the Professional Standards Committee of the Association in accordance with the Bylaws and Rules and Regulations of the Association within twenty (20) days following receipt of the Committee's decision in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual*.

The following reports of violations of the MLS Rules and Regulations must be corrected by the next business day of receipt of *Notice of Violation and Fines*:

Violations and Fines

TIER 1 Violations of MLS Data – erroneous, misleading, incomplete, or inaccurate listing information.

- a) Failure to report status reports by the next business day (i.e. contingent, pending, sold, released) (Sections 1.6, 1.7, 1.9, 2.5, 2.5.1, 2.6, 2.8)
- b) Failure to upload Exhibit A on all properties as an Associated Doc within next business day of listing being input - policy
- c) Failure to designate a Limited Service or MLS Entry Only Listing as such (Sections 1.3.1 and 1.3.2)
- d) Improper use of Public Remarks section or Public Handout report (i.e. contact information, agent or company URL, email address, agent names or showing instructions) (Section 1.3)
- e) Improper use of Virtual Tours (Section 1.14)
- f) Improper use of Cancel and Re-list policy
- g) Improper classification of property (i.e. Manufactured home listed as residential site built) (Section 1.3)
- h) Incomplete listings (i.e. wrong area, incomplete address, etc.) (Section 1.3)
- i) Copying any listing content (includes but not limited to photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information and other details or information related to listed property) of another Listing Participant without expressed written permission) (Section 11)
- j) Unauthorized extension (Section 1.12)
- k) Lockbox Violation (Section 1.20)
- l) Misrepresentation of commission to cooperating Participant (Section 5)
- m) Improper use of Active listing information including any IDX Violations (Section 18)
- n) Advertising other Participant's listings without prior written permission (Section 2.7)
- o) Where the cooperating broker is not present during the presentation of the offer, the cooperating broker can request in writing, and the listing broker must provide, written affirmation stating that the offer has been submitted to the seller, or written notification that the seller has waived the obligation to have the offer presented. (Section 2.3)

TIER 2 Violations of the proprietary nature of the MLS Data – unauthorized dissemination of MLS data. Sharing all or any portion of the MLS compilation with any third party vendor not authorized by the MLS (Section 12 [Use of MLS information]; Section 10 [Confidentiality of MLS information], and Section 12.2 [Reproduction]).

TIER 3 A "Tier 3" violation means that the offense is considered "very serious" and constitutes a knowing disregard of the MLS Rules and Regulations.

- a) Failure to enter a listing by the next business day of signatures and Marketing begins (Section 1.01; Section 1.1) unless a signed MLS Exempt Listing Form ("office exclusive") has been provided pursuant to Section 1.4.
- b) The listing is entered into the MLS within said 90 day period pursuant to Section 1.4.

Section 9.1 VIOLATIONS OF RULES AND REGULATIONS. If the alleged offense is a violation of the MLS Rules and Regulations and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered by the Multiple Listing Steering Committee, and if a violation is determined, the Committee may direct the

imposition of sanction, as presented in the Fine Schedule, provided the recipient of such sanction may request an administrative review, or a full hearing before the Professional Standards Committee of the Association in accordance with the Bylaws and Rules and Regulations of the Association within twenty (20) days following receipt of the Committee's decision, in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual*.

If, rather than conducting an administrative review, the Multiple Listing Steering Committee has a procedure established to conduct hearings, the decision of the Multiple Listing Steering Committee may be appealed to the Board of Directors of the Association within twenty (20) days of the tribunal's decision being rendered. Alleged violations involving unethical conduct shall be referred to the Association's Grievance Committee 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.

Section 9.2 COMPLAINTS OF UNETHICAL CONDUCT. All other complaints of unethical conduct shall be referred by the Committee to the Executive Vice President of the Association for appropriate action in accordance with the Professional Standards procedures established in the Association's Bylaws.

CONFIDENTIALITY OF MLS INFORMATION

Section 10 CONFIDENTIALITY OF MLS INFORMATION. Any information provided by the MLS to Participants or subscribers shall be considered official information of the Association. Such information shall be considered confidential and exclusively for the use of Participants and subscribers.

Section 10.1 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION. The information published and disseminated by the Association is communicated verbatim, without change by the Association, as filed with the Association by the Participant. The Association does not verify such information provided and disclaims any responsibility for its accuracy. Each listing Participant shall carefully review each MLS Compilation to detect any error, typographical mistake, oversight or omission regarding Property Data Sheets submitted by such Participants and shall promptly report to the Association in writing any error, mistake, oversight or omission. All Participants and subscribers are responsible for their own verification of all such information. Each Participant and subscriber agrees to hold the Association harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant or subscriber provides.

Section 10.2 ACCESS TO COMPARABLE AND STATISTICAL INFORMATION. Association 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 Association Members and individuals affiliated with Association 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 content to the Association, each Participant and subscriber represents and warrants that he or she is fully authorized to license the property listing content as contemplated by and in compliance with this section and these rules and regulations, and also thereby does grant to the Association license to include the property listing content in its copyrighted MLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to the listed property.

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

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.

Section 11.1 All right, title, and interest in each copy of every MLS compilation created and copyrighted by the Association and in the copyrights therein, shall at all times remain vested in the Association.

Section 11.2 Each Participant shall be entitled to lease from the Association a number of copies of each MLS compilation sufficient to provide the Participant and its affiliated subscribers with one copy of such MLS compilation. The Participant shall pay, for each such copy, the rental fee set by the Association.

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

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 Association, and shall not distribute any such copies to persons other than subscribers (whether or not affiliated with the Participants). Use of information developed by or published by the Association 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 Association where access to such information is prohibited by law.

Section 12.1 DISPLAY. Participants and subscribers 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 and subscribers shall not reproduce any MLS Compilation or any portion thereof except in the following limited circumstances:

Participants and subscribers may reproduce from the MLS Compilation, and distribute to prospective purchasers, a

reasonable number of single copies of property listing data contained in the MLS Compilation which relate to any properties in which the prospective purchasers are, or may, in the judgment of the Participants or subscribers, 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 Participants and subscribers. 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 for clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. MLSs must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose.

Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules and Regulations.

Section 12.3 PROHIBITIONS A Participant or subscriber may not disclose or make available for search by, or display to, customers or clients the following information:

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

USE OF MLS INFORMATION

Section 13 LIMITATIONS ON USE OF MLS INFORMATION. Use of information from any MLS compilation of current listing information, from the Association's "Statistical Report", or from any "sold" or "comparable" report of the Association or MLS for public mass-media advertising by a Participant or in other public representations may not be prohibited.

However, any advertisement or other forms of public representations based in whole or in part on information supplied by the Association or 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 Spokane Association of REALTORS® for the period (date) through (date)."

NOTICES

Section 14 NOTICES. Each Participant and subscriber shall promptly notify the Association in writing of any change in their business address. Any notice sent to a Participant or subscriber may be sent to the business address of the Participant or subscriber appearing in the records of the Association.

COMPUTATION OF TIME

Section 15 COMPUTATION OF TIME. The time within which an act is to be done, as herein provided, shall be computed by excluding legal Holidays, Saturdays and Sundays.

CHANGES IN RULES AND REGULATIONS

Section 16 CHANGES IN RULES AND REGULATIONS. Amendments to the Rules and Regulations may be proposed by either the MLS Steering Committee or by the Board of Directors of the Association. Any change in the MLS Rules and Regulations shall become effective upon approval by the Board of Directors.

ORIENTATION

Section 17 ORIENTATION. Any applicant to be a Participant or subscriber or person affiliated with a Participant located in the service area of the Association who has access to and use of MLS-generated information shall complete an orientation program devoted to the MLS Rules and Regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within forty-five (45) days after access has been provided.

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancement 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.

INTERNET DATA EXCHANGE (IDX)

Section 18 IDX. IDX affords 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.

Section 18.1 AUTHORIZATION. Participants' consent for display of their listings by other Participants pursuant to these rules and regulations is presumed unless a Participant affirmatively notifies the Association 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.

Section 18.2 PARTICIPATION. Participation in IDX is available to all Participants engaged in real estate brokerage who consent to display of their listings by other Participants.

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

Section 18.2.2 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.

Section 18.2.3 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 Web sites or VOWs) or other electronic forms of display or distribution.

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

Section 18.2.5 Participants must refresh all MLS downloads and IDX displays automatically fed by those downloads not less frequently than every 12 hours.

Section 18.2.6 Except as provided in the IDX policy and these rules, an IDX site or a Participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database

available to any person or entity.

Section 18.2.7 Any IDX display controlled by a Participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the IDX policy and these rules, “control” means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules.

Section 18.2.8 Any IDX 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 Association that the seller has elected to have one or both of these features disabled or discontinued on all displays controlled by participants’. Except for the foregoing and subject to Section 18.2.9, a participant’s IDX display may communicate the participant’s professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying its customers that a particular feature has been disabled at the request of the seller.

Section 18.2.9 Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific 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.

Section 18.2.10 An MLS Participant (or where permitted locally, an MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display.

Section 18.2.11 Participants shall not modify or manipulate information relating to other participants listings. MLS Participants may augment their IDX display of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated 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.

Section 18.2.12 All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data.*

*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.

Section 18.3 DISPLAY. Display of listing information pursuant to IDX is subject to the following rules:

Section 18.3.1 Listings displayed pursuant to IDX shall contain only those fields of data designated by the Association. Display of all other fields (as determined by the Association) is prohibited. Confidential fields intended only for other Participants and users (e.g., cooperative compensation offers, showing instruction, property security information, etc.) may not be displayed.

Section 18.3.2 All listings displayed pursuant to IDX shall show the MLS as the source of the information. Displays of

minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

Section 18.3.3 Non-principal brokers and sales licensees affiliated with IDX Participants may display information available through IDX on their own Websites subject to their Participant’s consent and control and the requirements of state law and/or regulation.

Section 18.3.4 Participants (and their affiliated licensees, if applicable) shall indicate on their web sites that IDX information is provided exclusively for consumers’ personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that data is deemed reliable but is not guaranteed accurate by the Association. The Association may, at its discretion, require use of other disclaimers as necessary to protect Participants and/or the Association 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 to a display that includes all required disclosures.

Section 18.3.5 The Association will provide listing data for properties with a Y in the “IDX Y/N” field.

Section 18.3.6 Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

Section 18.3.7 No member shall indicate or imply in any manner that the member is a multiple listing service or that the public has access to or may search the multiple listing service (e.g. “Search the MLS” or “Access SARMLS”) on the member’s website or otherwise.

Section 18.3.8 Display of expired and withdrawn listings is prohibited.

VIRTUAL OFFICE WEBSITES (VOWs)

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

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

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

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

Section 19.2 (a): The right of a Participant’s VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.

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

(c) Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate permission from other 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 and Regulations, the Participant shall, upon request of the Association, 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 Association, 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; That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal,
- ii. 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 Association's ownership of, and the validity of the Association'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 Association, and other Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS Rules and Regulations 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 Association.

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

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 Association 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 year from the date they are signed, or one year from the date the listing goes off the market, whichever is greater.

Section 19.7:

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

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

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

Section 19.9: A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

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

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

Section 19.12: A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR®.

Section 19.13: A Participant who intends to operate a VOW to display MLS Listing Information must notify the Association of its intention to establish a VOW and must make the VOW readily accessible to the Association and to all Participants for purposes of verifying compliance with these Rules and Regulations, the VOW Policy, and any other applicable Association 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: An acknowledgement that a Participant's VOW is subject to same restrictions imposed on all Participants pursuant to Section 12.3 of these MLS Rules and Regulations.

Section 19.16: A Participant shall require that Registrants' passwords be reconfirmed or changed every 180 days.

Section 19.17: A Participant may display advertising and the identification of other entities ("co-branding") on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant's logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

Section 19.18: 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 19.19: Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the Association.



Spokane Association of REALTORS®

1924 N. Ash Street

Spokane, WA 99205

General Fax: (509) 324-8650

MLS Fax: (509) 326-1544

E-mail: sar@spokanerealtor.com