

Lakes Country Association Of REALTORS®

MLS

RULES & REGULATIONS

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**LAKES COUNTRY ASSOCIATION OF REALTORS®
MULTIPLE LISTING SERVICE
RULES AND REGULATIONS**

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LAKES COUNTRY ASSOCIATION OF REALTORS®

MLS Rules and Regulations

Operated as a Committee of an Association of REALTORS®

Listing Procedures

Section 1 Listing Procedures

Listings of all types of real or personal property, which are listed subject to a real estate broker's license, and are located within the service area of the Lakes Country Association of REALTORS® Multiple Listing Service (Becker, Hubbard, Mahnomon, Clay, Norman, and Ottertail) and are taken by participants, on Exclusive Right to Sell Listing Contracts and Exclusive Agency Listing Contracts will, at the option of the seller, be entered into the MLS computerized database within four (4) days after the contract start date and after all necessary signatures have been obtained. A fully executed listing contract must be delivered to the Lakes Country Association of Realtors Office within this time frame and delivered to the Lakes Country Association of Realtors Office. **(Amended 11/17) M**

Upon request of another Participant, listing broker is obligated to provide information on a new listing as of the listing date. Failure to comply may be a possible violation of the Code of Ethics.

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

- may reserve the right to refuse to accept a listing form which fails to adequately protect the interests of the public and the participants
- 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 (c) Showing Contract (d) Facilitator Agreement

The service may not accept **Net listings** because they are deemed unethical and, in most states, illegal. **Open listings** are not accepted, except where required by law, because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation. **(Amended 4/92)**

The **Exclusive Right-To-Sell** listing is the conventional form of listing submitted to the Multiple Listing Service in that the seller authorizes the listing broker to cooperate with and to compensate other brokers. **(Amended 4/92)**

The **Exclusive Agency** listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but also reserves to the seller the general right to sell the

property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right-to-sell listings with named prospects exempted should be clearly distinguished by a simple designation such as a code or symbol from exclusive right-to-sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right-to-sell listings with no named prospects exempted. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right-to-sell listings with prospect reservations. **(Amended 4/92)**

The **Showing Agreement** is a conventional form in which the seller agrees to pay a commission to the buyer's broker upon successful completion of the sale. If authorized, buyer's broker may input sale data into Multiple Listing Service after the sale has closed for statistical purposes.

The **Facilitator Agreement** is a conventional form for service between a broker and a buyer, a seller, or both. The broker does not represent either party in a fiduciary capacity as a Buyer's Broker, Seller's Broker, or Dual Agent. If authorized, the broker may input sale data into Multiple Listing Service after the sale has closed for statistical purposes.

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

Note 3: A Multiple Listing Service may accept exclusively listed property that is subject to auction. If such listings do not show a listed price, they may be included in a separate section of the MLS compilation of current listings. Any and all buyer's representation terms must be disclosed in the private remarks on the Multiple Listing Service. **(Adopted 11/92) M**

Section 1.01 Clear Cooperation

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

Note: Exclusive listing information for required property types must be filed and distributed to other MLS Participants for cooperation under the Clear Cooperation Policy. This applies to listings filed under Section 1 and listings exempt from distribution under Section 1.3 of the NAR model MLS rules, and any other situation where the listing broker is publicly marketing an exclusive listing that is required to be filed with the service and is not currently available to other MLS Participants.

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 required 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: (Amended 11/91) O

1. Residential single family homes for sale or exchange

2. Farm - farms - and income-producing property/tillable land
3. Land - vacant lots and acreage for sale or exchange
4. Multi-Family - two, three and four-family residential buildings for sale or exchange/residential income
5. Commercial Lease/Purchase Commercial/mixed use/five-units or more for sale, exchange or lease

Section 1.1.1 Listings Subject to Rules and Regulations of the Service

Any listing taken on a 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).R

- *Note: LCAR does not currently allow "coming soon" listings. (LCAR 4/2020)*

Only listings of the designated types of property located within the service area of the Lakes Country Association of Realtors are required to be submitted to the service.

Listings of property located outside the Lakes Country Association of Realtors service area will be accepted if submitted voluntarily by a participant but cannot be required by the service. A fully executed listing contract must be delivered to the Lakes Country Association of Realtors Office at the time the listing is entered into the MLS computerized database.

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. R

By submitting photographs, architectural renderings, virtual tours and any other pictorial content to the MLS which were taken by the participant and/or subscriber, the submitting participant and/or subscriber grants the MLS and the other participants the right to reproduce and display the media in accordance with the rules and regulations. Media submitted by the participant or subscriber may only be used for their specified purpose of displaying the subject property.

Lakes Country Association of Realtors reserves the right to reject or remove any media submitted that includes any text, personal advertising or promotion as well as people or persons.

If a listing broker desires to use the photographs, drawings or similar media from a former listing made by another participant (the "Original Listing Broker/Agent") in connection with the new listing, broker/agent shall first obtain the written permission of the original listing Broker/Agent to do so. Failure to do so shall result in removal of media by the MLS.

- a) Disclosures: It is required (Documents already required by the State of MN) that disclosures (sellers, septic, well, etc.) for each listing be scanned and attached to said listing after all necessary signatures of the seller(s) have been obtained. Disclosures shall be entered as MLS or Public documents.
- b) Pictures: At least one picture, rendering or plat drawing is required to be entered for each listing at the same time that listing is entered into the Service.
- c) Sketch pictures of the non-existing home to be built may be included. Primary photograph must be stamped "rendering". "Actual" pictures of any other home (previously built on another lot or otherwise) may not be used unless it is specifically noted on the picture that it is "To be built" or a "Model Home".
 - **NOTE**: Primary photo of all property types, excluding bare land, must be of the exterior of the primary building on said property.

Section 1.2.0 – Accuracy of Listing Data

Participant and subscribers are required to submit accurate listing data and to correct any known errors. **(M)**

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 and dated by the seller that he does not desire the listing to be disseminated by the service. **M**

Note 1: Section 1.3 is not required if the service does not require all Exclusive Right to Sell, Exclusive Agency, Showing Agreement, and Facilitator listings to be submitted by a participant to the service. **M**

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

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 the service within twenty-four (24) hours (excepting weekends, holidays, and postal holidays) after the authorized change is received by the listing broker. **R**

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 or Brokers do not have the unilateral right to require an MLS to withdraw a listing without the concurrence of both parties. However, when a seller(s) can document that his or her exclusive relationship with the listing broker has been terminated, the Multiple Listing Service may remove the listing at the request of the seller. (Adopted 11/96) **M**

Section 1.6 Contingencies Applicable to Listing/Sales

Any contingency or conditions of any term in a listing shall be specified and noticed to the participants. **R**

Section 1.7 Listing Price Specified

The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings, unless the property is subject to auction. **(Amended 11/92) M**

Section 1.8 Listing Multiple Unit Properties

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

All properties which may be sold separately must be entered into the MLS service individually.

Section 1.9 No Control of Commission Rates or Fees Charged to 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. **M**

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 date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed by being entered into the MLS service. If notice of renewal or extension is received after 30 days from when the listing was removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and filed with the Service. **(Amended 11/01) M**

Any listing filed with the MLS automatically expires on the date specified in the agreement unless renewed by the listing broker and the extension signed by the seller is filed with the MLS prior to expiration.

If the notice or extension is dated after the expiration date of the original listing, then a new listing must be secured for the listing to be filed with the MLS. It should then be published as a new listing.

Any extension or renewal of a listing must be signed by the seller(s) and be filed with the MLS.

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. **M**

Section 1.12 Service Area

Only listings of the designated types of property located within the service area of the Lakes Country Association of REALTORS® MLS (Becker, Hubbard, Mahnomen, Norman, Clay, and Otter Tail Counties) are required to be submitted to the Service. Listings of property located outside the MLS's service area will be accepted if submitted voluntarily by a participant, but cannot be required by the Service. **(Amended 11/17) M** (Updated LCAR 4/2020)

Note: Associations must choose whether the service will accept listings from beyond its service area into the MLS compilation **(Amended 11/17) M**

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 bylaws, MLS rules and regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended participant shall, at the participant's option, be retained in the service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a participant has been suspended from the 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. **M**

Section 1.14 Listing 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 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 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 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 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. **M**

Section 1.15 Listing of Resigned Participants

When a participant of the service 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. **O**

Section 1.16 Name(s) if Legal Owners

Owner Name [Last Name-minimum] is required on all listings with the exception of foreclosure and/or repossessed properties and then the name of Lender shall be inserted. Owner name may be withheld only with written, signed and dated request submitted to the Multiple Listing Service at time of listing entry. (Amended 5/18-LCAR)

Section 1.17 Legal Description

LEGAL Description – Minimum: Section, Township and Range should be available if no other information is available. Parcel number required. If new split, make note (i.e. split from or part of Parcel #....).

Section 1.18 Fines for Late Entry of Listings

Fines for late entry of listings and for incomplete listings will be assessed according to Section 7 Service Fees and Charges.

Section 1.19 Firm/Agent Advertising

No form of Firm/Agent advertising will appear anywhere except in the private remarks section of the listing form. Agent name and/or firm name may appear in "private" version of virtual tour only.

Any media upload to a listing in the MLS shall provide information specific to the property for sale and shall not include or in the case of a URL, link out to, marketing or promotion messages made on behalf of the listing firm or seller.

Section 1.20 Room Count

Listings are required to include the room name and level of room (under the Rooms tab). (Local 2010)

Section 1.21 Real Property, Business Opportunities, Manufactured Homes and Park Models

Listings of Manufactured Homes and Park Models are allowed on the MLS provided that land is included in the listing.

At the option of the Participants, they may file with the MLS any other type of real property or business opportunity which is listed provided, however, that any listing submitted is entered within the scope of the Participant's licensure as a real estate broker

Section 1.22 Taxes

Listing agents are required to have the most recent tax information on all listings. The tax year and tax amount fields in the MLS should be updated annually by the listing agent once the new data has been released from the county assessor. (Local 2014)

Section 1.23 Unauthorized MLS Access

Access to the MLS Member Account is to be used only by the member to whom it is issued. Providing information to fellow agents within an office that are not an active member of the MLS is a violation. Any unauthorized usage, when reported to Lakes Country Association of REALTORS®, may result in: 1. a written warning, 2. a financial fine, 3. forfeiture of deposit, 4. suspension of MLS privilege. (Amended 7/20)

Section 1.24 – Property Addresses

At the time of filing a listing, participants and subscribers must include a property address available to other participants and subscribers, and if an address doesn't exist a parcel identification number can be used. Where an address or parcel identification number are unavailable, the information filed with the MLS must include a legal description of the property sufficient to describe its location. (M) (2022)

Selling Procedures

Section 2 Showings and Negotiation

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. **(Amended 4/92) M**

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. **(Amended 4/92) M**

Section 2.2 Submission of Written Offers and Counter-offers

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

Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated. **(Amended 11/05) M**

Section 2.3 Right of Cooperating Broker in Presentation of Offer

Cooperating broker (subagent or buyer agent) or their representatives have the right to participate in the presentation of any offer they secure to purchase or lease to the seller or lessor. They do not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker may not be present when offers they procure are presented, cooperating brokers have a right to a copy of those instructions. This policy is not intended to affect listing brokers' right to control the establishment of appointments for presentation of offers.

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. (11/19) **M**

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. **(Adopted 11/93) M**

Section 2.5 Reporting Sales to the Service

Status changes relative to the final closing of sales, shall be reported to the multiple listing service by the listing broker within three **(3)** business days after they have occurred. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report accepted offers to the listing broker within two (2) business days after occurrence and the listing broker shall report them to the MLS within two (2) business days after receiving notice from the cooperating broker. (Amended 3/21)

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

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

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

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

Note 3: As established in the virtual Office Website (“VOW”) policy, sale prices can only be categorized as confidential in states where the actual sale prices of completed transaction are not accessible from public records. (Adopted 11/11). **M**

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 cancelled. **M**

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 the prior consent of the listing broker. **M**

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. **M**

Section 2.9 Disclosing the Existence of Offers

Listing brokers, in response to inquiries from buyers or cooperating brokers shall, with the seller’s approval, disclose the existence of offers on the property. Where disclosure is authorized, the listing broker shall also disclose, if asked, whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating broker. (Amended 11/08) **O**

Section 2.10 Availability of Listed Property

Listing brokers shall not misrepresent the availability of access to show or inspect listed property. (Adopted 11/05) **M**

Section 2.11 Services Advertised as “Free”

MLS participants and subscribers must not represent that their brokerage services to a client or customer are free or available at no cost to their clients, unless the participant or subscriber will receive no financial compensation from any source for those services. **M** (2022)

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. **R**

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. **M**

Section 4.1 “For Sale” Signs

Only the “For Sale” sign of the listing broker may be placed on a property. (Amended 11/89) **M**

Section 4.2 “Sold” Signs

Prior to closing, only the “Sold” sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign. (Amended 4/96) **M**

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 Standards of Practice, and its Case Interpretations.

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

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

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

This section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to Article 16 of the Code of Ethics. **M**

Section 4.4 Use of the Terms MLS and Multiple Listing Service

No MLS participant, subscriber or licensee affiliated with any participant 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, subscribers and licensees affiliated with participants 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. (Adopted 11/07) **O**

SECTION 4.5 – PARTICIPANT VS PRIMARY LISTING AGENT FOR MLS PARTICIPATION

A Participant is known as the Broker of Record for a firm and must be a member of the Lakes Country Association of Realtors MLS for any of their member agents to participate in the Lakes Country Association of Realtors MLS. The “primary” listing agent is an agent who works under the broker in the same firm and is the agent who has entered into an agreement with a seller. The primary listing agent must also be a subscriber in order for their listings to appear in the Lakes Country Association of Realtors MLS. A Participant may not enter listings in lieu of the “primary” listing agent becoming a paid subscriber.

Section 4.6 Mass Email Usage

Mass emails through the Flex MLS system must be related to real estate properties unless it originates from the board office.

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) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing 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.

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

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

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

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

This shall not preclude the listing broker from offering any MLS participant compensation other than the compensation indicated on any listing published by the MLS, provided the listing broker informs the other broker, in writing, in advance of his submitting an offer to purchase, and provided that the modification in the specified compensation is not the result of any agreement among all or any other participants in the service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount. (Amended 5/10)

Note 1: The Board Multiple Listing Service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in the listing contract, and the Board Multiple Listing Service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a participant. The Board Multiple Listing Service shall not disclose in any way the total commission negotiated between the seller and the listing broker.

Note 2: The listing broker may, from time to time, adjust the compensation offered to other 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.

Note 3: 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.

Note 4: Multiple Listing Services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval; and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they submit an offer that ultimately results in a successful transaction.

Note 5: Nothing in these MLS rules precludes a listing participant and a cooperating participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction.

Note 6: 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 (Amended 5/09) **M**

Section 5.0.1 Short Sales

Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing participants. 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. (Amended 5/09)

Section 5.1 Participant as Principal

If a participant or any licensee (or licensed or certified appraiser) affiliated with a participant has any ownership interest in a property, the listing of which is to be disseminated through the Multiple Listing Service, that person shall disclose that interest when the listing is filed with the Multiple Listing Service in the Public Remarks Field, and such information shall be disseminated to all Multiple Listing Service participants. **M**

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. (Adopted 2/92) **M**

Section 5.3 Dual or Variable Rate Commission Arrangements

The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease. (Amended 5/01) **M**

Section 5.4 Display of Listing Broker's offer of Compensation

Participants and subscribers who share the listing broker's offer of compensation for an active listing must display the following disclaimer or something similar.

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

Service Charges

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 subject 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 of \$1,000.00 with such fee to accompany the application.

(b) Recurring Participation Fee: The monthly participation fee of each participant shall be an amount equal to the option selected for each salesperson and licensed or certified appraiser who has access to and use of the 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 on or before the first day of the quarter of the Multiple Listing Service. Fees shall be prorated on a monthly basis.

However, the MLS's must provide participants the option of a no-cost waiver of MLS fees, dues and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS or CIE where the principal broker participates. MLSs may, at their discretion, require that broker participants sign a certification for non-use of its MLS services by their licensees, which can include penalties and termination of the waiver if violated. (*Adopted 11/17*) **M**

Note 1:** Multiple listing services that choose to include affiliated unlicensed administrative and clerical staff, personal assistants, and/or individuals seeking licensure or certification as real estate appraisers among those eligible for access to and use of MLS information as subscribers may, at their discretion, charge recurring fees. (Amended 11/17) **R

Compliance with Rules

Section 7, Compliance with Rules/Authority to Impose Discipline

By becoming and remaining a participant or subscriber in this MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS

may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a. letter of warning
- b. letter of reprimand
- c. attendance at MLS orientation or other appropriate courses or seminars in which the participant or subscriber can reasonably attend taking into consideration cost, location and duration
- d. appropriate, reasonable fine not to exceed \$15,000
(Removed old (e) probation for a stated period of time not less than thirty (30) days nor more than one (1) year)
- 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 (Adopted 11/07) **M**

Note 1: A participant (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or user/subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the MLS rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the individual's record will reflect the fulfillment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance. (Revised 05/14) **M**

Note 2: MLS participants and subscribers can receive no more than three (3) administrative sanctions in a calendar year before they are required to attend a hearing for their actions and potential violations of MLS rules, except that the MLS may allow more administrative sanctions for violations of listing information provided by participants and subscribers before requiring a hearing. The MLS must send a copy of all administrative sanctions against a subscriber to the subscriber's participant and the participant is required to attend the hearing of a subscriber who has received more than three (3) administrative sanctions within a calendar year (Adopted 11/20) **M**

Section 7.1 Compliance with Rules

The following action may be taken for noncompliance with the rules:

- a) for failure to pay any service charge, fine, or fee by the due date a \$25 late fee will be assessed. If payment is not received within 30 days of the due date, and provided that at least ten (10) days' notice has been given, the service shall be suspended until payment is paid in full.
- (b) for failure to comply with any other rule, the provisions of Sections 9 and 9.1 shall apply
- (c) for failure to enter a listing agreement into the Service in compliance with Section 1, a \$10.00 per day fine will be charged.
- (d) for failure to submit a listing contract to the board office within 4 business days of when it is entered into the service, a \$10.00 per day fine will be assessed thereafter. (Local 2014)
- (e) for listing photos, virtual tours, etc. with branding of any sort. A \$25 per item fine will be incurred and non-compliant photo, virtual tour, etc. will be removed.
- (f) for a subscriber sharing a private version of MLS listings with non-subscribers or sharing of their electronic key: first offense - \$250 fine, second offense - \$500 fine or voluntary termination, third offense – automatic termination. (Local 2010)

- (g) for a subscriber sharing their MLS password and/or subscriber submitting a listing to the MLS where they are not named as lister or co-lister on the listing contract and/or their signature does not appear on the listing contract where they are a named lister or co-lister: first offense - \$250 fine, second offense - \$500 fine or voluntary termination, third offense – automatic termination. (Local 2010)
- (h) for failure to properly use the mass email features as stated in Section 4.6: first offense - \$500 fine, second offense - \$1000 fine, third offense – suspension.
- (i) Unauthorized dissemination of a MLS password or an unauthorized access given to another will result in a fine of a minimum of \$1,000 and a maximum of \$5,000.
- (j) Unauthorized use of MLS data in a member’s advertising will result in a \$1,000 fine.
- (k) Unauthorized access to property will result in a \$1,000 fine.
- (l) failure to comply with the requirements for listing status changes will result in a fine assessed as follows: first offense – written warning, second offense - \$50.00 fine, third offense - \$100 fine. (LCAR 5/20)
- (m) failure to comply with the clear cooperation policy as stated in section 1.01 a fine will be assessed as follows: first offense – \$100 plus written warning, Second offense - \$500 fine + Agent and Broker subject to board review. Third offense - \$1000 fine to each the agent and broker and both agent and broker will be subject to board review. (LCAR 7/2020)

Note: Generally, warning, censure, and the imposition of a moderate fine are sufficient to constitute a deterrent to violation of the rules and regulations of the multiple listing service. Suspension or termination is an extreme sanction to be used in cases of repeated violation of the rules and regulations of the service. If the MLS desires to establish a series of moderate fines, they should be clearly specified in the rules and regulations. (Amended 11/88) **R**

Section 7.2 Applicability of Rules to Users and/or Subscribers

Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these rules and regulations and may be disciplined for violations thereof 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.

Note: Adoption of Section 7.2 is optional and should be adopted by multiple listing services desiring to establish authority to impose discipline on non-principal users or subscribers affiliated with MLS members or participants. (Amended 11/07)

Meetings

Section 8 MLS Committee

The MLS Committee shall be made up of the designated Broker from each Participating Office – one vote per office, or the authorized representative of the participating designated Broker [Authorization in writing is required]. The MLS Committee is a committee of the Lakes Country Association of REALTORS® and therefore Association directors may also attend MLS Committee meetings, however will not have a vote unless they would be the designated Broker.

Section 8.1 Meetings of MLS Committee

The Multiple Listing Service Committee shall meet on a quarterly basis, or as necessary, for the transaction of its business at a time and place to be determined by the committee or at the call of the chairperson. A quorum shall consist of 10% of the members of the Committee.

Section 8.2 Meetings of MLS Participants

The committee may call meetings of the participants in the Service to be known as meetings of the Multiple Listing Service.

Section 8.3 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.

Section 8.4 Officers of the MLS Committee

The elected officers of the MLS Committee shall be: a President, a Vice President, and a Secretary. They shall be elected for terms of one year. The President will serve as past president for one year following term.

Section 8.5 Election of Officers for MLS Committee

The MLS Committee shall meet for the purpose of election of officers within one month following the Annual meeting of the Lakes Country Association of REALTORS® which is scheduled during the month of September of each year.

Enforcement of Rules or Disputes

Section 9 Consideration of Alleged Violations

The MLS 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 (Board of Directors). **M**

When requested by a complainant, the MLS will process a complaint without revealing the complainant's identity. If a complaint is subsequently forwarded to a hearing, and the original complainant does not consent to participating in the process, the MLS will appoint a representative to serve as the complainant. (Amended 11/20) **M**.

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 unethical conduct or request for arbitration, it may be administratively considered and determined by the multiple listing service committee, and if a violation is determined, the committee may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the professional standards committee of the association in accordance with the bylaws and rules and regulations of the association of Realtors® within twenty (20) days following receipt of the committee's decision. (Amended 11/96)

If, rather than conducting an administrative review, the multiple listing committee has a procedure established to conduct hearings, the decision of the multiple listing committee may be appealed to the board of directors of the association of Realtors® 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 of Realtors®. **M**

Section 9.2 Complaints of Unethical Conduct

All other complaints of unethical conduct shall be referred by the committee to the Executive Officer of the Board of REALTORS® for appropriate action in accordance with the professional standards procedures established in the Board's bylaws. (Amended 11/88) **M**

Section 9.3 Complaints of Unauthorized Use of Listing Content

Any participant who believes another participant has engaged in the unauthorized use or display of listing content, including photographs, images, audio, or video recordings, and virtual tours, shall send notice of such alleged unauthorized use to the MLS. Such notice shall be in writing, specifically identify the allegedly unauthorized use and be delivered to the MLS not more than sixty (60) days after the alleged misuse was first identified. No participant may pursue action over the alleged unauthorized use and display of listing content in a court of law without first completing the notice and response procedures outlined in this Section 9.3 of the MLS rules.

Upon receiving a notice, the committee will send the notice to the participant who is accused of unauthorized use. Within ten (10) days from receipt, the participant must either: 1) remove the allegedly unauthorized content, or 2) provide proof to the committee that the use is authorized. Any proof submitted will be considered by the Committee, and a decision of whether it establishes authority to use the listing content will be made within thirty (30) days.

If the Committee determines that the use of the content was unauthorized, the Committee may issue a sanction pursuant to Section 7 of the MLS rules, including a request to remove and/or stop the use of the unauthorized content within ten (10) days after transmittal of the decision. If the unauthorized use stems from a violation of the MLS rules, that too will be considered at the time of establishing an appropriate sanction.

If after ten (10) days following transmittal of the Committee's determination the alleged violation remains uncured (i.e. the content is not removed or the rules violation remains uncured), then the complaining party may seek action through a court of law. **M**

Section 9.4 MLS Rules Violations

MLS participants may not take legal action against another participant for alleged rules violation(s) unless the complaining participant has first exhausted the remedies provided in these rules. **M**

Note: Adoption of Sections 9.3 and 9.4 are not required if the MLS has adopted alternative procedure to address alleged misuse of listing content that includes notice to the alleged infringer.

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 who are paid subscribers of the Multiple Listing Service. **M**

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. **R**

Ownership of MLS Compilation* and Copyright

**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 whatever.*

Section 11

By the act of submitting any property listing content to the MLS, the participant 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 MLS 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 listed property. (Amended 5/18) **M**

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. (Adopted 5/18) **M**

Section 11.1

All right, title, and interest in each copy of every Multiple Listing compilation created and copyrighted by the Lakes Country Association of REALTORS® and in the copyrights therein, shall at all times remain vested in the Lakes Country Association of REALTORS®. **R**

Section 11.2

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

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

***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 Compilation

Section 12 Distribution

Participants shall, at all times, maintain control over and responsibility for each copy of any MLS compilation 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 a participant's licensure(s) or certification, and unauthorized uses are prohibited. Further, none of the foregoing is

intended to convey “participation” or “membership” or any right of access to information developed or published by a Board Multiple Listing Service where access to such information is prohibited by law. R

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. **M**

Section 12.2 Reproduction

Participants or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof, except in the following limited circumstances:

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

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

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, comparable, or statistical information from utilizing such information to support valuations on particular properties for clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. MLSs must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations. (Amended 05/14) **M**

Use of MLS Information

Section 13 Limitations on Use of MLS Information

Use of information from MLS compilation of current listing information, from the association's statistical report, or from any sold or comparable report of the association or MLS for public mass-media advertising by an MLS participant or in other public representations, may not be prohibited.

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the 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: **M**

Based on information from the Lakes Country Association of REALTORS® Multiple Listing Service 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 Multiple Listing Service Committee, subject to approval by the board of directors of the Board of REALTORS®. **M**

Orientation

Section 15 Orientation

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within 60 days after access has been provided. **M**

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 or additional training remotely. **M**

Internet Data Exchange (IDX)

Section 16 IDX Defined

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

Section 16.1 Authorization

Participants' consent for display of their listings by other participants pursuant to these rules and regulations is presumed unless a participant affirmatively notifies the MLS that the participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit the display of that participant's listings, that participant may not download, frame, or

display the aggregated MLS data of other participants. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display. (Amended 05/12) **M**

Section 16.2 Participation

Participation in IDX is available to all MLS participants who are REALTORS® and who consent to display of their listings by other participants. **M**

Section 16.2.1

Participants must notify the MLS of their intention to display IDX information and must give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies. (Amended 5/12) **M**

Section 16.2.2

MLS Participants may not use IDX-provided listings for any purpose other than display as provided for in these rules. This does not require participants to prevent indexing of IDX listings by recognized search engines. (Amended 5/12) **M**

Section 16.2.3

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 displays on the Internet (including, but not limited to, publicly-accessible Web sites or VOWs) or other electronic forms of display or distribution. (Amended 5/17) **M**

Section 16.2.4

Participants may select the listings they choose to display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography or location ("uptown", "downtown", etc.), list price, type of property, (e.g., condominiums, cooperatives, single-family detached, multi-family), or type of listing (e.g., exclusive right to sell or exclusive agency). Selection of listings displayed through IDX site must be independently made by each Participant. (Amended 2/22) **M**

Section 16.2.5

Participants must refresh all MLS downloads and displays automatically fed by those downloads not less frequently than every 12 hours. (Amended 11/14) **M**

Section 16.2.6

Except as provided in the IDX policy and these rules, an IDX site or a participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity. (Amended 5/12) **M**

Section 16.2.7

Any IDX display controlled by a participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the IDX policy and these rules, "control" means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules. (Amended 5/12) **M**

Section 16.2.8

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 these features shall be disabled or discontinued for the seller's listings at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all displays controlled by participants. Except for the foregoing and subject to Section 16.2.9, a participant's IDX display may communicate the participant's professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying its customers that a particular feature has been disabled at the request of the seller. (Amended 5/12) **M**

Section 16.2.9

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. (Adopted 5/12) **M**

Section 16.2.10

An MLS Participant (or where permitted locally, an MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in this policy, "co-mingling" means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display. (Adopted 11/14) **M**

Section 16.2.11

Participants shall not modify or manipulate information relating to other participants' listings. MLS participants may augment their IDX displays of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated from 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 of fewer than all of the available listings or fewer authorized fields. **M**

Section 16.2.12

All listings displayed pursuant to IDX shall identify the listing firm, and the email or phone number provided by the listing participant in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data.* (Amended 5/17) **M**

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

Section 16.3 Display

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

Section 16.3.1

Participants shall not modify or manipulate information relating to other participants' listings. (This is not a limitation on site design but refers to changes to actual listing data.) MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields. (Adopted 5/15) **M**

Section 16.3.2

All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. Displays of minimal information (e.g. "thumbnails", text messages, "tweets", etc., of two hundred (200) characters or less are exempt from this requirement but only when linked directly to a display that includes all required disclosures. (Amended 5/12)

Section 16.3.3

All listings displayed pursuant to IDX shall identify the listing agent.

Section 16.3.4

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 16.3.5

All listings displayed pursuant to IDX shall show the MLS as the source of the information. Displays of minimal information (e.g. "thumbnails", text messages, "tweets", etc., of two hundred (200) characters or less are exempt from this requirement but only when linked directly to a display that includes all required disclosures. (Amended 5/12)

Section 16.3.6

Participants (and 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 MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect participants and/or the MLS from liability. Displays of minimal information (e.g. "thumbnails", text messages, "tweets", etc., of two hundred (200) characters or less are exempt from this requirement but only when linked directly to a display that includes all required disclosures. (Amended 5/12)

Payment of MLS Fees

Section 17 Payment of MLS Fees

MLS fees including MLS access, books and key charges are billed annually to each member firm. Invoices will be e-mailed to each firm on or before the 15th day of December. Payment is considered delinquent if not received by the last day of the month. Member agents are responsible for providing payment to their firm in a manner prescribed by their firm. The firm is responsible for a single payment to the Association on or before the due date.

Section 17.1 Nonpayment of MLS Fees

If MLS fees are unpaid on the due date, as specified in Section 6, written notice will be made to the firm within 10 days and its member agents between 15 and 20 days after the due date if payment hasn't been received. Late fees will be assessed if payments aren't received in the LCAR office by 4:30pm on the due date. The firm will be allowed thirty (30) days to provide payment in full plus a \$25 late charge or MLS

access and services for the firm and all member agents will be suspended. If payment is received after suspension of MLS access and services, a \$50 reinstatement fee will be assessed for the firm and each member agent to be paid prior to reinstatement of MLS access and services.

Lock Box System

Section 18 Lock Box System

The Supra IBox BT and XpressKEY/Ekey system are the designated Lockbox system. Lockbox keys (XpressKEY) or the wireless smart phone option (Ekey) may be “leased” by each participant or licensed or certified appraisers affiliated with the Lakes Country Association of REALTORS® provided they agree, in writing, to be bound by the rules and procedures governing the lock box system as set forth by the Lakes Country Association of REALTORS® and they pay the appropriate fee and deposit for the XpressKEY/Ekey and the monthly service fee, determined by the Association, charged to the depositor on a quarterly statement. Ownership of the IBox BT LE remains with the Association and each participant (broker) is responsible for maintaining an inventory of the IBox BT LEs assigned to the participant. The participant (broker) will be billed the current replacement cost for lost, damaged or stolen safes.

Section 18.1 Lock Boxes

No multiple listing service need use lock boxes and no listing broker need use a lock box on a property, but if the multiple listing service does offer the lock boxes, it must make them available to anyone who participates in the multiple listing service, whether an association member or not. Nothing shall prevent the owner’s right to refuse to have a lock box on his property.

A lock box is a container affixed to property containing a device to gain access to the property being marketed by a participant in the MLS. Participants are authorized under certain conditions to open these lock boxes under terms specified by the listing broker. Cooperating brokers and appraiser, whether functioning as subagents of the listing broker or as agents of potential purchasers, must contact the listing broker to disclose their agency status and to arrange appointments to show listed property even if the property has a lock box affixed to it unless the listing broker has given specific permission (through information published in the MLS or otherwise) to show the property without first contacting the listing broker.

If an association or its multiple listing service elects to engage in the sale, rental or distribution of lock boxes to its members or be involved in any way with the sponsorship or endorsement of a common lock box system, the lock box security requirements as established by the NATIONAL ASSOCIATION OF REALTORS® shall be the minimum security measures adopted and implemented in connection with such lock box system. Eligibility for coverage under the National Association’s blanket errors and omissions insurance program is contingent on compliance with the lock box security requirements whether the system is operated by the association, its MLS, or on behalf of an association by a recognized lock box vendor. (Amended 11/90)

Section 18.2 Lock Box Security Requirements

Eligibility for coverage under NAR’s blanket errors and omissions insurance program is contingent on compliance with the following security measures whether the system is operated by the association, its MLS, or on behalf of an association by a recognized lock box vendor:

1. **Types of keys.** Any physical or electronic key, programmer, or other device (hereinafter referred to as key) by which a lock box can be opened shall be non-duplicative. Being non-duplicative means that it cannot be readily copied in the manner that other types of keys ordinarily are. A mobile device (such as, a smart phone, tablet, fob, etc.) can transmit a key to access a lockbox using standard protocols, including, Bluetooth, ZigBee, infrared technology,

and others. The applications and software used by mobile devices must contain security controls to allow only authorized user access to the lockbox. (Adopted 5/17)

As a matter of local discretion, the listing broker or agents can issue temporary codes/access to the lockbox and property on terms and conditions agreed to in advance by the seller. Temporary codes/access must expire within seventy-two (72) hours after being issued or must be under the control of the listing broker or agent. Temporary codes must be a minimum field size of five (5) characters. (XXXXX) (Adopted 5/17)

2. **Security Protocols.** Keys must be obtained from the original manufacturer, from a recognized vendor of lock box systems or from any other legitimate source. Prior to utilizing previously used keys, lids, or boxes, associations and MLSs must obtain sufficient information from the original manufacturer and surrounding associations and MLSs in order to determine whether the key's pattern, code, or configuration is already in use. (Amended 5/17)

Electronic lockboxes and electronic keys running on mobile devices must incorporate security protocols to prevent the following types of cyber-attacks:

- where an authorized user can override or escalate their security credentials
- where the communication session between the electronic lockbox and key are recorded and played back later to gain unauthorized access
- forging of electronic credentials that could allow an unauthorized user the ability to masquerade as an authorized user
- digitally signed updates to electronic keys running on mobile devices or electronic lockbox firmware plus a secured update process to prevent unauthorized software from being introduced into the lockbox system
- transmission(s) of frequencies to deceive the lockbox electronics into opening (Adopted 5/17)

3. **Availability of lockbox system and keys.** Any lock box system must be designated as an activity of an association of REALTORS® or an association-owned and operated MLS (Amended 5/17).

If the lock-box system is an activity of an association of REALTORS®, then every REALTOR® and REALTOR-ASSOCIATE® and every non-principal broker, sales licensee and licensed or certified appraiser affiliated with a REALTOR®, shall be eligible to hold a key subject to their execution of a lease agreement with the association. (Amended 11/96)

Every LRAR Member who has access to the MWM Data Base and currently has access to the LRAR Lock Box system shall be eligible to hold an eKey or XpressKey, subject to their execution of a lease agreement. A \$50.00 administration fee will be assessed to any individual who is not a member of the Lakes Country Association of REALTORS® and will be billed at an annual rate of \$180.00.

The Lakes Country Association of REALTORS® requires that key lease agreements executed by non-principal brokers, sales licensees, and licensed or certified appraisers will be cosigned by the designated REALTOR® or the office's broker of record. Lease agreements shall spell out the responsibilities of the parties and shall incorporate by reference any applicable rules or regulations or other governing provisions of the association or MLS that relate to the operation of the lock box system. The lease agreement shall also provide that keys may not be used under any circumstances by anyone other than the key holder except as provided elsewhere in this statement of policy. (Amended 2/98)

The Lakes Country Association of REALTORS®, as a matter of local discretion, can determine that key lease agreements executed by non-principal brokers, sales licensees, unlicensed personal assistants, administrative and clerical staff, and licensed, certified, or those seeking to be licensed or certified as appraisers, must all to be cosigned by the

designated REALTOR® or the office's broker of record. Lease agreements shall spell out the responsibilities of the parties and shall incorporate by reference any applicable rules or regulations or other governing provisions of the association or MLS that relate to the operation of the lock box system. The lease agreement shall also provide that keys may not be used under any circumstances by anyone other than the key holder except as provided elsewhere in this statement of policy. (Amended 5/17)

The Lakes Country Association of REALTORS® may, at their discretion, lease keys to affiliate member of associations who are actively engaged in a recognized field of real estate practice or in related fields. In such instances, the lease agreement shall be signed by the key holder and by a principal, partner, or corporate officer of the key holder's firm. (Amended 11/97)

Individuals may be required to pay lockbox costs as part of association dues or as part of MLS participation fees pursuant to MLS Policy Statement 7.57, Categorization of MLS Services, Information, and Products and pursuant to NAR Bylaws Official Interpretation #32. No one shall be required to lease a key from the association except on a voluntary bases. (Adopted 5/17)

Associations and MLSs 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 who has been convicted of crime within the past seven (7) years under the following circumstances: (Amended 5/17)

- A. The association or MLS determines that the conviction(s) relates to the real estate business or puts clients, customers, other real estate professionals, or property at risk, for example through dishonest deceptive, or violent acts; and (Amended 5/17)
- B. The association or MLS gives the individual an opportunity to provide and the association or MLS must consider mitigating factors related to the individual's criminal history, including, but not limited to, factors such as:
 - the individual's age at the time of the conviction(s);
 - nature and seriousness of the crime
 - extent and nature of past criminal activity
 - time elapsed since criminal activity was engaged in;
 - rehabilitative efforts undertaken by the applicant since the conviction(s);
 - facts and circumstances surrounding the conviction(s); and
 - evidence of current fitness to practice real estate (Amended 5/17)

Lakes Country Association of REALTORS® will be sure to evaluate individuals uniformly, and avoid making exceptions for one individual while denying an exception to another individual with a similar criminal history. (Amended 5/17)

Lakes Country Association of REALTORS® may suspend the right of lock box key holders to use lockbox keys following their arrest and prior to a final determination on any such charge if, in the determination of the association or MLS, the charge relates to a crime that relates to the real estate business or puts clients, customers, other real estate professionals, or property at risk. (Amended 5/17)

Any home inspector who wishes to lease an electronic key from LCAR will be issued one under the same terms and fees as other subscribers with documentation that they are bonded and carry liability and E&O insurance. (Adopted locally 9/11)

4. **Audit requirement.** The Lakes Country Association of REALTORS® shall maintain current records as to all keys issued and in inventory, including registered users accessing lockboxes through applications and software used by mobile devices. 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 key holder and the designated REALTOR®, broker of record, or, in the case of an affiliate member, by a principal, partner, or corporate officer of the key holder's firm, attesting that the key is currently in possession of the key holder. (Amended 5/17)

Lakes Country Association of REALTORS® may, at their discretion, lease keys to affiliate members of associations who are actively engaged in a recognized field of real estate practice or in related fields. IN such instances, the lease agreement shall be signed by the key holder and by a principal, partner, or corporate officer of the key holder's firm (Amended 5/17).

An annual lock box audit is done by LCAR staff.

No member office shall retain more lock boxes than 125% of their active listings excluding vacant lots OR not more than ten (10) lock boxes above their current active listings, excluding vacant lots.

Each office will be charged the current replacement cost, plus shipping for unaccounted lock boxes, or will be assessed the current replacement cost per lock box above the defined amount herein. If boxes are returned that were previously unaccounted for, the member office shall receive a credit for the amount they were invoiced for replacement of each returned box. No credits shall be given for boxes returned from a prior lock box system. In all cases the ownership of lock boxes remains with the association.

A fine of \$250 shall be assessed to Brokers for not completing a lock box audit by the determined due date.

LCAR has the authority to receive lock boxes and other LCAR property from companies suspended or out of business. (Added 1/19).

Individuals may be required to pay lockbox costs as part of associations dues or as part of MLS participation fees pursuant to MLS Policy Statement 7.57, Categorization of MLS Services, Information, and Products and pursuant to NAR Bylaws Official Interpretation #32. NO one shall be required to lease a key from the association except on a voluntary basis (Adopted 5/17).

Lakes Country Association of REALTORS(s) 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 who has been convicted of a crime within the past seven (7) ears under the following circumstances: (Amended 5/17)

- A. Lakes Country Association of REALTORS® determines that the conviction(s) relates to the real estate business or puts clients, customers, other real estate professionals, or property at risk, for example through dishonest, deceptive, or violent acts; and (Amended 5/17)
- B. Lakes Country Association of REALTORS® gives the individual an opportunity to provide and Lakes Country Association of REALTORS® must consider mitigating factors related to the individual's criminal history, including, but no limited to, factors such as:

If, at the time of inventory, a key is unaccounted for, or if a key holder refuses or is unable to demonstrate that the key is within their physical control, then the key will be considered unaccounted for and any funds on deposit will be forfeited to the association

Deposits for electronic programmers or electronic keycards which are leased but which can be deactivated within thirty (30) days may be required as a matter of local determination. (Adopted 11/95).

5. **Seller authority required.** Lock boxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or any other written document. Inclusion in MLS compilations cannot be required as a condition of placing lock boxes on listed property. (Amended 11/17)
6. **Reporting missing keys.** Associations must charge key holders and their cosignatories with the joint obligation of immediately reporting lost, stolen, or otherwise unaccountable for keys to the association. Upon receipt of notice, the association must take any steps deemed necessary to re-secure the system. (Amended 5/17)
7. **Rules and procedures governing lockbox systems.** Associations must adopt written, reasonable, and appropriate rules and procedures for administration of lock box systems which may include appropriate fines, not to exceed \$5,000. Any issuing fees, recurring fees, or other administrative costs shall be established at the discretion of the association and set forth in the rules and procedures. All key holders, whether or not they are association members or not, shall agree, as a condition of the key lease agreement, to be bound by the rules and procedures governing the operation of the lock box system. (Amended 5/17)

Key lease agreements may contain a liquidated damages provision to offset some or all of the costs in reestablishing the security of the system if it is determined that the security has been compromised through the negligence or fault of the key holder. (Amended 11/97)

8. **Issuing electronic programmers or keypads on temporary basis.** In the event electronic lock box programmers or keypads are sold or leased, a designated REALTOR® principal or an office's broker of record may purchase or lease additional programmers or keypads to be issued on a temporary basis to other key holders in the same office in the event their programmer or keypad becomes non-functional outside normal business hours or under circumstances where a replacement programmer or keypad is not reasonably available from the issuing association or MLS. When a programmer or keypad is issued on a temporary basis, it shall be the responsibility of the REALTOR® principal or the broker of record to advise the association or MLS in writing that the programmer or keypad has been issued, to whom, and the date and time of issuance within forty-eight (48) hours. It shall also be the responsibility of the REALTOR® principal or the broker of record to advise the association or MLS in writing within 2 business days after possession of the previously issued programmer or keypad has been reassumed. (Adopted 5/17) **M**

9. **Requiring "approved" lockboxes systems.** As a matter of local discretion, associations may require placement of an "approved" lock-box on listed properties if any device giving access to real estate professionals or service providers is authorized by the seller and occupant and is placed on the property. The purpose of this requirement, if adopted by an association or MLS, is to ensure cooperating participants and subscribers have timely access to listed properties. Requiring that a lock-box or other access device be "approved" does not limit the devices that satisfy the requirement to lock-boxes leased or sold by an association or MLS. The association may require that the devices be submitted in advance for approval, and the access device may be any lock-box or other access device that provides reasonable, timely access to listed property. The association also may revoke the approval or subject the participant to discipline if the device is used in a manner that fails to continue to satisfy this requirement. (Adopted 5/17) **M**.

Section 18.3 Lock Box Key Deposits

Any funds accepted by a member association or association MLS as deposits for lock box keys shall be retained by the association or its MLS in a separate account so that the funds will be available to be refunded to depositors upon return of the lock box key to the association or its MLS. The funds deposited are to be retained for this purpose only and are not to be utilized in any other manner. The separate fund may be an interest bearing account with the interest retained by the association or association MLS unless as a requirement of law, or at the discretion of the association or association MLS, such interest shall be paid to the depositors.

Section 18.4 XpressKEY Return

Upon termination from MLS participation by agent or appraiser, the XpressKEY is to be returned immediately to the Lakes Country Association of REALTORS® office and the deposit will be refunded to the key holder at that time. If the XpressKEY is not returned within 14 days after termination from the MLS, the deposit will be considered forfeited.

Section 18.5 Unauthorized XpressKEY Usage

The key is to be used only by the key holder to who it is issued. Unauthorized usage, when reported to Lakes Country Association of REALTORS®, may result in: 1. a written warning, 2. a financial fine, 3. forfeiture of deposit, 4. suspension of MLS privilege.

Virtual Office Website (VOW)

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 a 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. **M**

(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. **M**

(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. **M**

(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. **M**

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. **M**

(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"). **M**

(c) Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate permission from other MLS Participants whose listings will be displayed on the Participant's VOW. **M**

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 users name and password. The Participant must also assure that any email address is associated with only one user name and password. **M**

(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. **M**

(c) If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant. **M**

(d) The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a "Terms of Use" provision that provides at least the following:

- (i.) That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
- (ii.) That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;
- (iii.) That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;

- (iv.) That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;
- (v.) That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database. **M**

(e) The Terms of Use Agreement may not impose a financial obligation on the Registrant or create an 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. **M**

(f) The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the VOW. The Agreement must also include such other provisions as may be agreed to between the Participant and the Registrant. **M**

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 the Participant and displayed on the VOW. **M**

Section 19.5

A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping" and other unauthorized use of MLS Listing Information. A Participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS. **M**

(NOTE: MLSs 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 MLS.)

Section 19.6

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

(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. **M**

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. **M**

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 Participant's 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". **M**

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. **M**

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. **M**

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. **M**

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. **M**

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, or type of property. **M**

Section 19.13

A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies. **M**

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. **M**

Section 19.15

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

- i. Expired and withdrawn listings.
- ii. The compensation offered to other MLS Participants
- iii. The type of listing agreement, i.e. exclusive right to sell or exclusive agency.
- iv. The seller's and occupant's name(s), phone number(s), or e-mail address(s).
- v. Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.
- vi. Sold information.

Section 19.16

A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS Listing Information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields.

Section 19.17

A Participant shall cause to be placed on his or her VOW a notice indicating that the MLS Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by the MLS. A Participant's VOW may include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

Section 19.18

A participant shall cause any listing that is displayed on his or her VOW to identify the name of the listing firm, the listing broker or agent, and the email or phone number provided by the listing participant in a readily visible color, in a reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.

Section 19.19

A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 100 current listings and not more than 100 sold listings in response to any inquiry.

(Note: The number of listings that may viewed, retrieved, or downloaded should be specified by the MLS in the context of this rule but may not be fewer than 100 listings or 5% of the listings in the MLS, whichever is less.) **M**

Section 19.20

A Participant shall require that Registrant's passwords be reconfirmed or changed every 180 days.

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

Section 19.21

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

Section 19.22

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

Section 19.23

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

Section 19.24

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

Section 19.25

Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within 48 hours.