

PRESERVE THE MOST VALUABLE ASSET OF YOUR MLS...DATA ACCURACY!!!!

AOR/MLS Data Integrity Standards (Revised April 11, 2008 Updated)

These Data Integrity Standards are to be considered common “Do’s” and “Don’ts” to help you implement MLS listing accuracy and to avoid potential MLS violations.

I. OVERVIEW

Recognizing the importance of accurate data to the success of our business, the Association of Realtors®/MLS **will issue citations and/or fines for MLS data inaccuracies** in the following areas which include but are not limited to: (all time frames are measured in business days, excluding week-ends and public holidays):

ACCURACY OF INFORMATION

- Active listing without Valid Listing Agreement
- Duplicate Listing by the Same Agent
- No Compensation Offered
- Property listed by a non-MLS member
- Wrong Property Type
- Wrong Bedrooms/Baths
- Wrong or Invalid APN#
- Wrong City
- Wrong Zip Code
- Wrong or Incomplete Address
- Wrong Area Number
- Wrong City Code
- Wrong Tract Code
- Wrong Thomas Guide Number
- Inaccurate Selling Information
- Inaccurate Status

LATE REPORTING

- Late Entry of a new listing (48 business hours)
- Late reporting Pending (48 business hours)
- Late Reporting Sale (48 business hours)

REMARKS AND GRAPHICS

- Incorrect info in “Listing Price Excludes”
- Lockbox Code in Public Remarks
- Incorrect or Restricted Entries in Remarks
- Gate Code in Public Remarks
- Discriminatory Compensation Language

http://www.fairhousing.com/legal_research/regs/fhr_109-htm

II. REGULATORY ISSUES

The success of an MLS depends upon the timely reporting of information so that all of the cooperating subscribers may benefit from the data found in the MLS system. Your local Association of Realtors®/MLS has established rules and regulations that govern the time frame in which you are to enter listing additions and changes into the MLS system. If you do not adhere to these rules you are in violation of MLS Rules.

- **New Listing**: **DO NOT** add a new listing to the MLS if you do not have a valid listing agreement signed by all parties.
- **Listing Exclusion**: It is acceptable to withhold a listing from the MLS with a signed authorization from the seller delivered to the Association/ MLS offices within 48 business hours of acquiring the listing.
- **Adding a Listing**: Your listing must be added into the system within 48 business hours of acquiring the listing.
- **Status Changes**: All listing status changes must be reported within 48 business hours of the change.
- **Pending Listing**: You are required to report a Pending Listing within 48 business hours of contract acceptance.
- **Sold Listing**: You are required to report that your listing has sold and closed within 48 business hours of the actual closing.

Failure to comply within the prescribed time period (48 business hours excepting weekends, holidays and postal holidays) may cause the Participant/Subscriber to be subject to discipline including fines as per Section 17: Non Payment of MLS Fees. See Appendix C: Fee Schedule.

If the participant and/or subscriber further disagree with the findings of the MLS Committee it may be referred to the Grievance Committee and a hearing, under this section shall be conducted in accordance with the California Code of Ethics and Arbitration Manual.

III. DATA INTEGRITY ISSUES

- **Address**

Each component of the address should be entered correctly and in the proper field – House number, Direction, Street name, Street type, Unit number, etc.

- **Area Number**

The Area Codes used in our system provides for further geographical breakdown within a City Code. The Area Codes that you place in your listing must accurately reflect the location of the property. When adding a listing, the MLS system will limit you to a valid set of Area Codes.

- **Assessor's Parcel Number**

The APN # is very important. Not only is it needed to link to the Tax database to locate tax, assessment and sales information; but it is also used to link listings within our history database.

Every listing must have the correct APN# as assigned by the County Assessor's office. The MLS system contains assessor files for all of our MLS areas, plus those immediate adjacent to our areas, from which the APN # can be derived. You can also auto-populate the APN #, and associated fields, directly from these files, If you cannot determine an APN # for your listing call the MLS coordinator at the Association of Realtors®/MLS for assistance. For Example:

- 1) The APN # must be entered without dashes, for example 1234567890, **NOT** 1234-567-890!
- 2) **DO NOT** enter an APN # from another property
- 3) **DO NOT** enter a partial APN#
- 3) **DO NOT** enter a dummy, or fake APN #

- **Auction Listings**

Compensation offered through the AOR/MLS to cooperating brokers on listings, which are offered by auction is for the amount published therein unless the listing broker indicates in the AOR/MLS that the sale and gross commission are based upon sales price. The listing price in the AOR/MLS shall be the reserve or minimum bid and state “compensation to cooperating agent for a successful bid only” must appear in the Agent/Private Remarks only. Auction listings shall have listing contracts, as required by the AOR/MLS, including terms and conditions of auction, provided to the AOR/MLS. The Public Remarks must contain the following” The List Price is the reserve or minimum bid subject to the seller’s acceptance”.

- **Citations**

The AOR/MLS may implement a schedule of fines for certain MLS rules violations and direct staff to issue citations for the specified MLS rules violations and implement a procedure whereby the Participant and Subscriber receiving the citation has the right to (1) pay the fine as imposed; (2) if the violation is a first time offense (one offense within a 18 month period) the participant or subscriber may attend a MLS Training Class within 30 days of receiving the citation and thereby have the fine waived within a 18 month period, or (3) **must** pay the amount specified on the citation before being eligible to request a full hearing in accordance with the procedures set forth in 17.2 and the California Code of Ethics and Arbitration Manual.

- **City Code**

The City Code used in our MLS system reflects the city in which the property is found. The list of cities in our system is taken from the Thomas Guide. The City Code that you place in your listing must accurately reflect the location of the property. If you auto-populate from the tax data you should double check to make sure the correct City Code was entered. If not, change it at the time you add the listing. For example:

1) **DO NOT** use another City Code just because it might seem more appealing to buyers.

- **Duplicate Listings**

There should only be **ONE** Active record in the MLS database for each property type that is for sale. Members should not try to gain additional exposure by adding the listing into the system more than once. It is misleading, skews the statistics and makes Comparative Market Analyses (CMA's) cumbersome and often incorrect. For example:

1) **DO NOT** add a listing in twice or more to reflect different CITY Codes.

2) **DO NOT** add a listing in twice or more to reflect a different number of bedrooms.

3) **DO NOT** add a listing in twice or more to gain additional exposure as another "new" listing.

4) **DO NOT** add a listing in twice or more to make it pop up on more searches.

- **IDX –Section 12.16 Use of Active Listing Information on Internet.**

1) In order to be an IDX, a Participant must be actively engaged in providing real estate brokerage services to buyers or sellers in residential real estate transactions.

2) If required by the AOR/MLS, all listings shall display the MLS approved icon except the listings belonging to the Participant/Subscriber who owns and/or operates the website.

3) Branding and/or contact information may only be displayed on listings belonging to the Participant/Subscriber who owns and/or operates the website.

4) A thumbnail display may only include the following: text data about the listing property, a photo of the listing property, the logo of the Participant/subscriber who owns and operates the website or MLS approved icon, and "buttons" providing links to other information.

5) A detailed display of another Participant/Subscriber's listing may not include any contact

information or branding of the Participant who owns the web site or any of it's agents within the "body" of the listing data. The "body" is defined as the rectangular space whose borders are defined by the utmost expanse in each direction of the listing text and photo data.

6) Any result identifying another Participant/Subscriber's listing shall include the disclaimer

"Information Deemed Reliable But Not Guaranteed."

7) Any IDX web site or any portion thereof must be controlled by a Participant/Subscriber and advertised as that Participant/Subscriber IDX web site.

8) A Participant/Subscriber must make changes to an IDX website necessary to cure a violation of the AOR/MLS rules within five business days of notice from the AOR/MLS.

- 9) When applicable, Participants may co-mingle IDX data, on their websites, from MLS's of which they are participants. Non MLS listings shall not be co-mingled.
- 10) Any IDX web site must be under the control of a Participant/Subscriber who owns and/or operates the website.
- 11) No portion of the IDX data shall be used, distributed, or provided by a Participant for any purpose other than the listing and selling of real estate by Participants.
- 12) The right to display other Participant's listings pursuant to IDX shall be limited to a Participant's office(s) holding 100% participatory rights in one of the MLS participating in the Southern MLS Alliance.
- 13) The MLS may terminate the raw data feed without notice if not used within 14 business days.
- 14) Participants and subscribers are not prohibited from linking their own internet sites where other broker's listings may be advertised or where MLS information may be licensed, provided such linking does not constitute false or misleading advertising and otherwise presents a "true picture" as is meant under Article 12 of the N.A.R. Code of Ethics, its Standards of Practice and its Case Interpretations.

- **Images in MLS listings**

Each residential (residential income, rental, mobile home, single family or condominium) listing in the MLS must have at least one photo, to be submitted within five business days of the listing submission. Failure to comply would result in an assessment per the MLS Rules Assessment Fee Schedule.

Images are not to contain inappropriate information or images.

Images uploaded to the system are meant to be representative of the listing and its surroundings - that is, pictures of the property, floor plans, maps (as long as not copyrighted), pictures of surrounding areas – neighborhoods, parks, schools, etc.

Images may **NOT** include such things as:

- 1) **DO NOT** include Agent or Broker photos
- 2) **DO NOT** include Agent or Broker names
- 3) **DO NOT** include phone numbers
- 4) **DO NOT** include website addresses
- 5) **DO NOT** include e-mail addresses
- 6) **DO NOT** include any billboards, open house signs, special promotion signs, etc. in your photos of the property
- 7) **DO NOT** include any advertising, marketing pieces, etc. (other than those specifically addressing the property)
- 8) **DO NOT** include messages or solicitations of any kind.
- 9) **DO NOT** include offensive photographs or images (the definition of offensive shall be left to the discretion of the MLS committee)
- 10) **DO NOT** use photo branding to place agent name, logo or other identifying information over the photo

- **Listings by non-MLS Members**
No listing may be added to the system unless the broker and agent associated with the listing are members of the MLS. A listing cannot be entered under another agent or brokers ID and then in the remarks have a non-MLS member referenced as the listing agent and primary contact. Also, an Assistant cannot be a co-lister. Once an Assistant starts listing property they must become an MLS member.

- **Property Already Listed by another Agent/Broker**
There should only be one listing per property in the system. If another agent already has a valid contract to sell a piece of property, you should not be entering that same listing. If you have a valid contract to list a property, the original Agent/Broker should have removed their listing from the system (expired, or canceled). If the original Agent/Broker has not removed their listing, then you are now in a professional standards situation and need to work it out broker-to-broker, or through a grievance through your Association(s).

- **Property Characteristics**
Any field which describes the characteristics of the property being listed must be accurate. For example, the entries you make in the Bedrooms and Baths fields must accurately reflect the correct number of bedrooms and total bathrooms found on the property as well as the correct breakdown of bathrooms. **DO NOT** inflate these numbers to make the property seem like a better deal.

- **Range Pricing (If Applicable)**
If a listing is specified as a Range Price Listing (denoted by a “v” in the Range Price flag) the Listing Agent or Broker must enter a valid range for the list price of that listing. In all cases the default “List Price” shall be the high end of the range, the low end of the range can be no less than 85% of this price, unless approved ranges have been filed with the California Department of Real Estate, in which case the filed ranges shall be used in all cases.

- **Selling Information**
When reporting a listing as “Pending” or “Sold” you are required to enter the accompanying SOLD Information (e.g., Selling Agent, Selling Office, Sales Price, Close of Escrow Date, etc.). The SOLD Information is critical for the accurate reporting of sales statistics as well as accurate Comparative Market Analyses (CMA’s).

- **Status**
The Status of your listing should correctly reflect the current status of that listing.
 - 1) **DO NOT** leave your listing in the Active status if it is off market or taking back-up offers.
 - 2) **DO NOT** leave your listing as Active and in remarks explain that it is off market or taking back-up offers.
 - 3) **DO NOT** use the “Back up Offer” status when you are waiting for escrow to close. The “Back up Offer” status is to be used when the Seller is soliciting backup offer(s).

- **Text Comments**

The system has several areas for text comments:

- 1) Marketing Remarks – this area should only be used to describe the property’s physical and aesthetic characteristics, the things that might make a buyer want to look more closely at the property.
- 2) Agent-Only Remarks – this is a “Confidential” area for agent-to-agent communications that is, the kinds of things members might communicate to one another, but not to the public.
- 3) Directions to Property – this area is to help your property be found.
- 4) Commission on Probate Sales-See Section 7.15.1

The following disclaimer must be displayed in the Private Remarks.

“The commission to Selling Office” is subject to change in accordance with court ruling. Refer to Section 7.15.1 of the AOR/MLS Rules and Regulations.”

Examples of restricted comments include but are not limited to:

- 1) **ALL** text fields must be entered in the English language **ONLY**
- 2) **DO NOT** put Gate Codes in Public Remarks.
- 3) **DO NOT** put Lockbox combinations in Public Remarks.
- 4) **DO NOT** put For Sale by Owner (FSBO) in Public Remarks. If the listing is legally in the MLS it cannot be a FSBO.
- 5) **DO NOT** put the word Vacant in Public Remarks. We have a separate field for that.
- 6) **DO NOT** put E-Mail Addresses in Public Remarks. We have a separate field for that.
- 7) **DO NOT** put Internet Web Site addresses in Public Remarks. We have a separate field for that.
- 8) **DO NOT** put Phone Numbers in the Public Remarks. We have several Phone Number fields.
- 9) **DO NOT** put Agent, Assistant, Co-Lister or Owner names in the Public Remarks.
- 10) **DO NOT** remove any Public Remarks when changing a listing from active to off market status.
- 11) **DO NOT** put language in the Public Remarks that violates any Fair Housing/HUD guidelines for improper or discriminatory language in advertising.
- 12) **DO NOT** put Open House Dates in the Public Remarks.

13) The content of any of the remarks fields - Agent, Financial, or Property Description - cannot contain discriminatory language regarding the payment of compensation. For example, do not include any of the following: "If [Listing Brokerage] agent shows property first to your buyer, there will not be a commission paid to you" or "No compensation paid to XYZ Brokerage" or "If [Listing Brokerage] agent shows property first your total office compensation is 1%". Procuring cause cannot be determined nor controlled via the compensation field.

- **Confidential Agent Remarks**

- 1) **DO NOT** include any reference to the selection or preference of any services, or selling office to pay MLS fees.

- **Public Remarks**
 - 1) Remarks shall be used for the purpose of marketing the property to the general public.
 - 2) Participants and subscribers shall not use the remarks in an Input Form or listing submitted to the MLS/AOR database for the purposes of disparaging other real estate agents or for conveying information about other offices.
 - 3) Participants and subscribers shall not include any reference to commission, bonus, or other compensation information, nor any reference to the selection or preference of services or selling office to pay MLS fees.
 - 4) Participants and subscribers shall not include any gate codes, alarm codes, occupancy information or any other sensitive information which is not for the dissemination to the general public.
 - 5) URL's, web addresses or e-mail addresses shall not be in public remarks.

- **Thomas Brothers Guide Number**

Many people search by the TG # to narrow down their searches to a particular geographic area (be sure to check the Radius search for additional functionality). The TG # that you enter in your listing should accurately reflect the correct TG location for the property. If you auto-populate from the tax data you should double check to make sure the correct TG # was entered. If not, change it.

- **Virtual Tour Links**

Virtual Tours and links to Virtual Tours, should not contain promotional pieces on the agent or broker, they should be limited to descriptive information on the property and surrounding areas, neighborhoods, parks, schools, etc.

Images & VT Links may NOT include such things as:

 - 1) **DO NOT** include any advertising, marketing pieces, etc. (other than those specifically addressing the property)
 - 2) **DO NOT** include messages or solicitations of any kind.

- **Withholding a Listing from the Internet**

DO NOT withhold your listings from the internet unless you have a signed acknowledgement from the owner, that they understand their property will not be marketed through this medium and that is their choice. It is only acceptable to withhold a listing from the MLS with a signed authorization from the seller delivered to the Association of Realtors®/MLS offices.

- **Wrong Property Type**

Be sure to enter the correct property type. For example, do not include Land or Mobile Homes under the "Residential" property type. We have separate property types to accommodate these types of properties. Also, be sure to enter the property subtype correctly, **DO NOT** place a Condominium in the system as a Single Family Residence.

- **Zip Code**
The ZIP Code that you place in your listing must accurately reflect the postal zip code associated with the property. If you auto-populate from the tax data you should double check to make sure the correct ZIP Code was entered. If not, change it.
1) **DO NOT** enter a dummy or fake zip code.

* Zip codes can be easily determined by looking up a property's address in the USPS database at:
<http://www.usps.com/zip4/>
- **Open Houses**
Participants and Subscribers should, upon entering the property, leave his/her business card.

Appendix A: Area List

<u>BURBANK</u>	BRB	Canyon Country 2	CAN2
Burbank East	BRBE	Canyon Country 3	CAN3
Burbank West	BRBW	Rainbow Glen	RBGL
		Sand Canyon	SAND
<u>CONEJO VALLEY</u>	CV	Castaic	CA
Agoura	AGOA	East Castaic	ECAS
Newbury Park	NBPK	Hasley Canyon	HASC
Thousand Oaks East	TOE	Hasley Hills	HSHL
Thousand Oaks West	TOW	Hillcrest	HILC
Westlake Village	WV	Live Oaks	LOAK
<u>SIMI/MOORPARK</u>	SVM	North Castaic	NCAS
Central Simi	SVC	Northlake	NLAK
East Simi	SVE	Parker Road	PRKR
Moorpark North	NMP	Val Verde	VVER
Moorpark South	SMP		
Santa Rosa	SRA	Newhall	NE
West Simi	SVW	Downtown Newhall	DNEW
Wood Ranch	SWR	Newhall 1	NEW1
<u>SANTA CLARITA VALLEY</u>	SCV	Newhall 4	NEW4
Acton	AC	Newhall 5	NEW5
Acton	ACTO	Placerita Canyon	PLAC
Agua Dulce	ADUL	Saugus	SAU
Agua Dulce	ADUL	Bouquet Canyon	BOUQ
		Circle J Ranch	CJRC
Canyon Country	CC	Copperhill North	COPN
Canyon Country 1	CAN1	Plum Canyon	PLUM

Stevenson Ranch	SR	Arleta	ARL
Stevenson Ranch	STEV	Kagel Canyon	KGY
South Stevenson Ranch	SOSR	Lake View Terrace	LVT
		Pacoima	PAC
Valencia	VAL	Panorama City	PC
Tesoro Del Valle	TSRO	San Fernando	SF
Valencia 1	VAL1	Shadow Hills	SHH
Valencia Belcaro	BCRO	Sunland	SUN
Valencia Bridgeport	VALB	Sun Valley	SUNV
Valencia Copperhill	VALC	Sylmar	SYL
Valencia Creekside	CRSD	Tujunga	TUJ
Valencia North	VALN		
Valencia Northbridge	NBRG	East South	ES
Valencia Northpark	NPRK		
Valencia Summit	VSUM		
Valencia West Creek	VLWC	West South	WS
Valencia West Hills	WLWH	Bell Canyon	BC
Valencia Westridge	VWES	Calabasas	CLB
Valencia Woodlands	VALW	Calabasas Highlands	CBH
		Calabasas Park	CBP
		Canoga Park	CP
		Hidden Hills	HHIL
		Monte Nido	MTN
		West Hills	WEH
		Winnetka	WIN
		Woodland Hills	WHLL
<u>OUT OF AREA</u>	OA		
		West North	WN
<u>SAN FERNANDO</u>		Chatsworth	CHT
<u>VALLEY</u>	SFV	Granada Hills	GH
		Mission Hills	MH
Central South	CS	North Hills	NOH
Encino	ENC	Northridge	NR
Lake Balboa	LKBL		
Reseda	RES		
Tarzana	TAR		
Van Nuys West	VNW		
East North	EN		
Cahuenga Pass	CPS		
Hollywood Hills East	HHE		
Lake Hollywood	LHO		
North Hollywood	NHO		
Sherman Oaks	SO		
Toluca Lake	TUL		
Valley Glen	VG		
Valley Village	VVL		
Van Nuys East	VNE		
Studio City	STUD		

Appendix B: Property Types

- Residential
- Residential Income
- Subdivided Vacant Lot
- Land and Ranch
- Business Opportunity
- Motel-Hotel
- Mobilehomes (only those that may be sold by real estate licensees)
- Mobilehomes
- Commercial Income
- Industrial

Appendix C: Fee Schedule;

A violation is the incorrect data of a specific field, ie; Thomas Guide, Area, etc. All violations are kept on record for a period of 18 months. Violations will be assessed according to the following schedule:

- First Violation.....\$250.00 **OR** MLS class with proof of error correction.
 Fines must be paid within 10 days of notice of violation and
 will be held until completion of class. The class must be taken within 60 days. When class has been completed, the fine will be refunded.
- Second Violation.....\$250.00 (No opportunity for class). If violation is not corrected within 48 hours, then second violation will be imposed.
- Third Violation.....\$500.00 and suspension of Brokerload services for six months.
- Subsequent Violations.....Referral to Grievance Committiee for further action.

SOUTHLAND REGIONAL
ASSOCIATION OF REALTORS, © INC.
DIRECTIONAL SIGN ORDINANCE REGULATIONS

"Use of open house directional signs. Open house directional signs will be up not more than sixty(60) minutes before or after an open house. Placement of such signs is regulated by City Sign Ordinance #161312, as stated below."

This rule remains in effect for all SRAR members' compliance.

The Los Angeles City Bureau of Street Maintenance has issued the following guidelines governing the placement of directional and open house signs, and these guidelines are enforced 24 HOURS A DAY.

FOR SALE

- No sign may be closer than 30 feet to another sign, regardless of whether it is a real estate, garage sale sign or any type.
(Brokers are encouraged to use generic signs on busy corners).
- Flags & balloons may not be attached to directional signs.
- Signs must not interfere with the city's easement over a parkway or constitute a safety hazard.
- Signs may not be placed within the curb or walk return area at corners.
- You must obtain written permission of the abutting property owner before placing your sign.
- All signs must be freestanding... on stakes in the ground or stand on their own base. They may not be on or attached to public property. Do not place signs on utility poles, stop signs, trees or sidewalks.

FAILURE TO COMPLY WITH THE ABOVE SIGN REGULATIONS COULD RESULT IN YOUR RECEIVING CITY FINES OF \$194 AND HIGHER

For additional information, call Department of Street Maintenance (213) 485-3711

SIGN ORDINANCE INFORMATION LINKS

Please visit the links listed below for current sign regulation information for surrounding areas:

<http://www.santa-clarita.com/cityhall/admin/code/>

<http://www.burbankca.org/license/realord.htm>

http://www.simivalley.org/html/temporary_sign_regulations.htm

Acknowledgement Receipt

I acknowledge receipt of a copy of the Rules and Regulations and Data Integrity Standards, effective [*Date*] of The AOR/MLS®, and agree to abide by such Rules and Regulations as they have been amended.

Please Print

Date: _____

Name: _____

Office Name: _____

Signature: _____

Socal Tempo®
Regional
MLS Rules

*Rules and Regulations for an MLS Operated
As a Committee of local Associations/Boards
of REALTORS® in California*

Adopted November 2006
(Revised March 2008)

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1. AUTHORITY.

The Associations of REALTORS® (AOR)/Multiple Listing Service may maintain a Multiple Listing Service (“MLS” or “service”) for the use of licensed real estate Brokers and Salespersons and licensed or certified Appraisers under the terms of these rules as from time to time amended.

2. PURPOSE.

A Multiple Listing Service is a means by which authorized MLS Broker Participants establish legal relationships with other Participants by making a blanket unilateral contractual offer of compensation and cooperation to other Broker Participants; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals and other valuations of real property; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the Participants so that they may better serve their clients, customers, and the public.

3. THE AOR/MLS COMMITTEES.

The AOR/MLS shall be governed by its board of directors (hereinafter “Board of Directors”) in accordance with its articles of incorporation and its bylaws. Committees may be established to perform such functions as may be delegated, but all actions of committees shall be subject to the approval and confirmation of the Board of Directors.

4. PARTICIPATION AND AUTHORIZED ACCESS.

4.1 Participant. A Participant is any individual who applies and is accepted by the MLS, meets and continues to meet all of the following requirements of either a Broker Participant or an Appraiser Participant as defined below in Sections 4.1.1 and 4.1.2.

4.1.1 Broker Participant. A Broker Participant is a Participant who meets all of the following requirements:

- a. The individual or corporation, for which the individual acts as a Broker/officer, holds a valid California Real Estate Broker’s license;
- b. The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal;
- c. The individual or corporation for which the individual acts as a Broker/officer is capable of offering and accepting compensation in the capacity of a Real Estate Broker;
- d. The individual has signed a written agreement to abide by the rules and data integrity standards of the MLS in force at that time and as from time to time amended;
- e. The individual pays all applicable MLS fees; and

f. The individual has completed any required orientation program of no more than eight (8) classroom hours within thirty (30) days after access has been provided.

4.1.2 Appraiser Participant. An Appraiser Participant is a Participant who meets all of the following requirements:

- a. The individual holds a valid California Appraiser's certification or license;
- b. The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal;
- c. The individual has signed a written agreement to abide by the rules and data integrity standards of the MLS in force at that time and as from time to time amended;
- d. The individual pays all applicable MLS fees; and
- e. The individual has completed any required orientation program of no more than eight (8) classroom hours within thirty (30) days after access has been provided.

4.1.3 Redundant Participant Qualifications. Participant type (Broker or Appraiser) must be selected during application for participation. A Participant with both a California Real Estate Broker's license and a California Appraiser's certification or license must join as a "Broker Participant" to be a Listing Broker (see Section 4.5), Cooperating Broker, or Selling Broker (see Section 4.6).

4.1.4 Subscriber. A Subscriber is an individual who applies and is accepted by the AOR/MLS and meets and continues to meet all of the following requirements of either a R.E. Subscriber or Appraiser Subscriber as defined below in Sections 4.1.5 and 4.1.6.

4.1.5 R.E. Subscriber. A R.E. Subscriber is a Subscriber who meets all of the following requirements:

- a. The individual holds a valid California Real Estate Salesperson's or Broker's license;
- b. The individual is employed by or affiliated as an independent contractor with a Broker Participant;
- c. The individual has signed a written agreement to abide by the rules and data integrity standards of the MLS in force at that time and as from time to time amended;
- d. The individual pays all applicable MLS fees; and
- e. The individual has completed any required orientation program of no more than eight (8) classroom hours within thirty (30) days after access has been provided.

4.1.6 Appraiser Subscriber. An Appraiser Subscriber is a Subscriber who meets all of the following requirements:

- a. The individual holds a valid California Real Estate Appraiser's certification or license;
- b. The individual is employed by or affiliated as an independent contractor with an Appraiser Participant;
- c. The individual has signed a written agreement to abide by the rules and data integrity standards of the MLS in force at that time and as from time to time amended;
- d. The individual pays all applicable MLS fees; and
- e. The individual has completed any required orientation program of no more than eight (8) classroom hours within thirty (30) days after access has been provided.

4.1.7 Redundant Subscriber Qualifications. Subscriber type (R.E. or Appraiser) must correlate to the Participant type. A Subscriber who is both a California Real Estate Licensee and a California certified or licensed Appraiser must join as a "R.E. Subscriber," unless the employing or affiliated Participant is an Appraiser Participant.

4.2 Clerical Users. Individuals (whether licensed or unlicensed) under the direct supervision of an MLS Participant or Subscriber that perform only administrative and clerical tasks that do not require a real estate license or an Appraiser's certificate or license. Each Participant and Subscriber shall provide the MLS with a list of all Clerical Users employed by or affiliated as independent contractors with the Participant or Subscriber and shall immediately notify the MLS of any changes, additions, or deletions from the list.

4.3 Notification of Licensees. Each Participant shall provide the MLS with a list of all real estate licensees or certified or licensed Appraisers employed by or affiliated as independent contractors with such Participant or with such Participant's firm and shall immediately notify the MLS of any changes, additions, or deletions from the list. This list shall include any licensees under any Broker associate affiliated with the Participant.

4.4 Participation Not Transferable. Participation in the MLS is on an individual basis and may not be transferred or sold to any corporation, firm, or other individual. Any reimbursement of MLS fees is a matter of negotiation between those transferring the business or determined by internal contract arrangement within the firm. However, providing the first Participant consents, the AOR/MLS shall allow a firm to designate a different person as a Participant within the firm without additional initial participation fees. The AOR/MLS may charge an administrative fee for this service of reassigning Participants within a firm.

4.5 Listing Broker Defined. For purposes of these MLS rules, a Listing Broker is a Broker Participant who is also a listing agent as defined in California Civil Code Section 1086 who has obtained a written listing agreement by which the

Broker has been authorized to act as an agent to sell or lease the property or to find or obtain a buyer(s) or tenant(s). Whenever these rules refer to the Listing Broker, the term shall include the R.E. Subscriber or a Licensee acting for the Listing Broker but shall not relieve the Listing Broker of responsibility for the act or rule specified.

4.6 Cooperating Broker or Selling Broker Defined. For purposes of these MLS rules, a Cooperating Broker or Selling Broker is a Broker Participant who is also a selling agent as defined in California Civil Code Section 1086 who acts in cooperation with a Listing Broker to accept the offer of compensation and/or subagency to find or obtain a buyer(s) or tenant(s). The Cooperating Broker or Selling Broker may be the agent of the buyer(s) or, if subagency is offered and accepted, may be the agent of the seller(s). Whenever these rules refer to the Cooperating Broker or Selling Broker, the term shall include the R.E. Subscriber or Licensee acting for the Cooperating or Selling Broker but shall not relieve that Broker Participant of responsibility for the act or rule specified.

4.7 Appraiser Defined. For purposes of these MLS rules, an Appraiser is an Appraiser Participant, Appraiser Subscriber, or a licensed or certified Appraiser acting for the Appraiser Participant or Appraiser Subscriber. Whenever these rules refer to the Appraiser, the term shall also include the Appraiser Subscriber or a licensed or certified Appraiser employed by or affiliated as an independent contractor with the firm that employs the Appraiser but shall not relieve that Appraiser Participant of responsibility for the act or rule specified.

5. MLS FEES AND CHARGES.

5.1 Service Fees and Charges. The AOR/MLS Board of Directors shall establish a schedule of MLS fees applicable to the MLS, which may include the following service fees and charges:

5.1.1 Initial Participation and/or Application Fee. Applicants for MLS services may be assessed initial participation and/or application fees.

5.1.2 Recurring Participation Fee. The recurring participation fee of each Broker Participant shall be an amount equal to the fee set for each individual times the total number of (1) the Broker Participant, plus (2) the number of Salespersons who have access to and use of the MLS, whether licensed as Brokers or as Salespersons, who are employed by or affiliated as independent contractors with such Participant or the Participant's firm. If more than one principal Broker in the same firm elects to be a Participant, the number of Salespersons in the firm will only be used once in calculating the recurring participation fees. A Broker Participant is not obligated to pay recurring participation fees or other MLS fees and charges for real estate licensees affiliated with the Participant or the Participant's firm if such licensees work out of a branch office of the Participant or the Participant's firm that does not participate in or otherwise use the MLS.

The recurring participation fee of each Appraiser Participant shall be an amount times the total number of (1) the Appraiser Participant, plus (2) the number of Appraisers who have access to and use of the MLS, who are employed by or affiliated as independent contractors with such Participant or the Participant's firm. If more than one principal Appraiser in the same firm elects to be a Participant, the number of Appraisers in the firm will only be used once in calculating the recurring participation fees. An Appraiser Participant is not obligated to pay recurring participation fees or other MLS fees and charges for licensed or certified Appraisers affiliated with the Participant or the Participant's firm if such Appraisers work out of a branch office of the Participant or the Participant's firm that does not participate in or otherwise use the MLS.

5.1.3 Listing Fee. A listing fee may be charged for each listing submitted to the AOR/MLS.

5.1.4 Publication Fees. The Participant shall be responsible for publication fees for each MLS publication the Participant wishes to lease. The Participant may not obtain more MLS publications than the total number of Subscribers affiliated with the Participant where applicable.

5.1.5 Computer Access Fees. The recurring computer access fee for each Participant shall be an amount established and approved by the AOR/MLS Board of Directors equal to the total number of Subscribers and Salespersons licensed or certified as Appraisers, Brokers, or Salespersons, who are employed by or affiliated as independent contractors with such Participant.

5.1.6 Certification of Nonuse. Participants may be relieved from payment under Sections 5.1.2 and 5.1.5 hereunder by certifying to the MLS that a licensed or certified person in the office is engaged solely in activities that do not require a real estate license or certification (clerical, etc.), or that the real estate licensee or licensed or certified Appraiser will not use the MLS or MLS compilation in any way. In the event a real estate Licensee or Appraiser is found in violation of the nonuse certification, the Participant shall be subject to all MLS fees dating back to the date of the certification. The Participant and Subscriber may also be subject to any other sanction imposed for violation of MLS rules, including, but not limited to, a citation and suspension or termination of participation rights and access to the MLS.

5.1.7 Clerical Users. The Participant shall pay the applicable fees for computer access and a special pass code for Clerical Users in an amount established and approved by the AOR/MLS Board of Directors.

5.1.8 Other Fees. Other fees that are reasonably related to the operation of the MLS may be adopted.

5.2 Responsibility for Fees. In the event the AOR/MLS allows for direct billing or payment by a Subscriber for fees under these rules, such fees shall be the exclusive obligation of that Subscriber regardless of whether such Subscriber becomes affiliated with a different Participant. If the MLS does not allow for direct billing or payment by a Subscriber for MLS fees, such fees shall be the responsibility of the Participant with whom the Subscriber was affiliated with at the time the MLS fees were incurred. This section does not preclude in any way the ability of Participants to pursue reimbursement of MLS fees from current or past Subscribers or to establish agreements with Subscribers regarding payment or reimbursement of MLS fees.

6. REGIONAL AND RECIPROCAL AGREEMENTS.

The AOR/MLS Board of Directors may approve and enter into regional or reciprocal agreements with AORs or MLSs owned solely by AORs to allow the other MLS Participants and Subscribers access to the MLS in exchange for comparable benefits to the Participants and Subscribers of this service. In the event of such agreements, the Participants and Subscribers agree to abide by the respective rules of the other MLSs receiving and publishing a listing pursuant to such agreements and to abide by such rules when accessing the other MLSs' databases.

7. LISTING PROCEDURES.

7.1 Listings Subject to Rules and Regulations of the Service. Any listing filed with the MLS by a Broker Participant or R.E. Subscriber is subject to the rules of the MLS.

7.2 Types of Listings; Responsibility for Classification. The MLS shall accept exclusive right to sell, exclusive agency, open, auction, and probate listings as defined in California Civil Code Section 1086, et seq., that satisfy the requirements of these MLS rules. As used in these rules, "probate" includes conservatorships, guardianships, and similar protective proceedings in the Superior Court of California. Exclusive right to sell listings that contain any exceptions whereby the owner need not pay a commission if the property is sold to particular individuals shall be classified for purposes of these rules as an exclusive right to sell listing but the Listing Broker shall notify all Participants of the exceptions. It shall be the responsibility of the Broker Participant and R.E. Subscriber to properly classify the type of listing, and if necessary, obtain a legal opinion to determine the correct classification. By classifying the type of listing, the Listing Broker certifies that the listing falls under the legal classification designated. The MLS shall have no affirmative responsibility to verify the listing type of any listing filed with the MLS. However, the MLS shall have the right to have legal counsel make a determination as to the classification of the listing type, and if the Listing Broker does not reclassify it accordingly, the MLS shall have

the right to reject or remove any such listing that it determines falsely represents the classification of listing type.

7.2.1 Scope of Service; Limited Service Listings. Limited Service listings are listings whereby the Listing Broker, pursuant to the listing agreement, will not provide one, or more, of the following services:

- a. provide Cooperating Brokers with any additional information regarding the property not already displayed in the MLS but instead gives Cooperating Brokers authority to contact the seller(s) directly for further information;
- b. accept and present to the seller(s) offers to purchase procured by Cooperating Brokers but instead gives Cooperating Brokers authority to present offers to purchase directly to the seller(s);
- c. advise the seller(s) as to the merits of offers to purchase;
- d. assist the seller(s) in developing, communicating, or presenting counter-offers; or
- e. participate on the seller(s) behalf in negotiations leading to the sale of the listed property.

Said Limited Service listings will be identified with an appropriate code or symbol (e.g. "LS") in MLS compilations so potential Cooperating Brokers will be aware of the extent of the services the Listing Broker will provide to the seller(s), and any potential for Cooperating Brokers being asked to provide some or all of these services to Listing Broker's clients, prior to initiating efforts to show or sell the property.

7.2.2 Scope of Service; MLS Entry-Only Listings. MLS Entry-Only listings are listings whereby the Listing Broker, pursuant to the listing agreement, will not provide any of the following services:

- a. provide Cooperating Brokers with any additional information regarding the property not already displayed in the MLS but instead gives Cooperating Brokers authority to contact the seller(s) directly for further information;
- b. accept and present to the seller(s) offers to purchase procured by Cooperating Brokers but instead gives Cooperating Brokers authority to present offers to purchase directly to the seller(s);
- c. advise the seller(s) as to the merits of offers to purchase;

d. assist the seller(s) in developing, communicating, or presenting counter-offers; or

e. participate on the seller's(s') behalf in negotiations leading to the sale of the listed property.

Said MLS Entry-Only listings will be identified with an appropriate code or symbol (e.g. "EO") in MLS compilations so potential Cooperating Brokers will be aware of the extent of the services the Listing Broker will provide to the seller(s), and any potential for Cooperating Brokers being asked to provide some or all of these services to Listing Broker's clients, prior to initiating efforts to show or sell the property.

7.2.3 Scope of Service; Legal Obligations. The scope of service classifications set forth in these rules do not alter any obligations otherwise imposed on real estate licensees under California law, including Department of Real Estate Regulations, statutory law and common law. The MLS's acceptance or publication of listings eligible for MLS submission in no way constitutes a validation that said obligations have been met.

7.3 Types of Properties; Responsibility for Classification. The MLS shall accept listings that satisfy the requirements of these rules on the types of property as defined in the AOR/MLS data integrity standards.

It shall be the responsibility of the Broker Participant and R.E. Subscriber to properly classify the type of property listed, and if necessary, obtain a legal opinion to determine the correct classification. By classifying the type of property listed, the Listing Broker certifies that the listing falls under the classification designated. The MLS shall have no affirmative responsibility to verify the property type of any listing filed with the MLS. However, the MLS shall have the right to have legal counsel make a determination as to the classification of the property type, and if the Listing Broker does not reclassify it accordingly, the AOR/MLS shall have the right to reject or remove any such listing that it determines falsely represents the classification of property type listing.

7.4 Compliance with California and Federal Law. Notwithstanding any other provision of these MLS rules to the contrary, the MLS shall accept any listing that it is required to accept under California or federal law.

7.5 Mandatory Submission. Broker Participants shall input exclusive right to sell or exclusive agency listings on 1-4 units residential property types, and vacant lots located within the service area of the MLS within 48 hours (excepting weekends, holidays, and postal holidays) after all necessary signatures of the

seller(s) have been obtained on the listing. Only those listings that are within the service area of the MLS must be input. Open listings or listings of property located outside the MLS' service area (see Section 7.7) are not required by the MLS, but may be input at the Broker Participant's option. If the listing is submitted, it is automatically subject to the AOR/MLS rules and data integrity standards.

7.6 Exempted Listings. If the seller(s) refuses to permit the listing to be disseminated by the MLS, within 48 hours (excepting weekends, holidays, and postal holidays), the Listing Broker shall submit to the MLS a certification signed by the seller(s) that the seller(s) does not authorize the listing to be disseminated by the MLS.

7.7 Service Area. The AOR/MLS shall service the area common to the territorial jurisdiction of the AOR/MLS. At the option of the AOR/MLS, the MLS may adopt a policy to accept listings of properties located outside the territorial jurisdiction of the AOR/MLS. If the AOR/MLS have entered into regional MLS agreements or a regional MLS corporation with other MLSs and have enlarged the service area as part of the agreement, submission of the type of listings specified in data integrity standards is mandatory for the enlarged service area covered by the combined territorial jurisdictions of the AOR's signatories to the regional MLS agreement or part of the regional MLS corporation.

7.8 Change of Listing Information. Listing Brokers shall submit any change in listing information, including the listed price or other change in the original listing agreement, to the MLS within 48 hours (excepting weekends, holidays, and postal holidays) after the authorized change is received by the Listing Broker. By submitting such changes to the MLS, the Listing Broker represents that the listing contract has been modified in writing to reflect such change or that the Listing Broker has obtained other legally sufficient written authorization to make such change.

7.9 Withdrawal of Listing Prior to Expiration. Listings of property may be withdrawn from the MLS by the Listing Broker before the expiration date of the listing agreement provided the Listing Broker has received written permission from the seller(s) to withdraw the listing. The AOR/MLS may require the Listing Broker to provide a copy of such written permission. Sellers do not have the unilateral right to require the MLS to withdraw a listing without the Listing Broker's concurrence. However, the AOR/MLS reserves the right to remove a listing from the MLS database if the seller(s) can document that his or her listing agreement with the Listing Broker has been terminated or is invalid or for other legally sufficient reasons in the determination of the MLS.

- 7.9.1 A Listing Broker, on receiving notice that the title to a listed property has changed, such as by recorded deed or foreclosure, shall immediately remove the listing from the MLS. If not

removed voluntarily by the Listing Broker, the MLS may remove the listing upon receiving satisfactory evidence of a transfer of title. MLS staff shall consult with legal counsel where the issue is unclear. The Listing Broker will be immediately notified by the MLS of its decision to remove the listing.

7.10 Contingencies. Any contingency or condition of any term in a listing shall be specified and noticed to the Participants.

7.11 Detail on Listings Filed With the Service. Electronically input data or a property data form, when filed with the MLS by the Listing Broker, shall be complete in every detail as specified on the property data form, including full gross listing price, termination date, compensation offered to other Broker Participants, and any other item required to be included as determined by the AOR/MLS Board of Directors. Property data forms may be returned if incomplete, and if not completed and returned within 48 hours (excepting weekends, holidays, and postal holidays) from the day the incomplete property data form was returned to the Listing Broker, the Broker Participant and R.E. Subscriber may be subject to penalties for failure to submit the completed property data form in a timely manner.

7.12 Unilateral Contractual Offer; Subagency Optional. In filing a listing with the AOR/MLS, the Broker Participant makes a blanket unilateral contractual offer of compensation to the other MLS Broker Participants for their services in selling the property. Except as set forth in Rule 7.15 below or pursuant to California Civil Code Section 1087, a Broker Participant must specify some compensation to be paid to either a buyer's(s') agent or a subagent and the offer of compensation must be stated in one or a combination of, the following forms (1) a percentage of the gross selling price; or (2) a definite dollar amount. The amount of compensation offered through the MLS may not contain any provision that varies the amount of compensation offered based on conditions precedent or subsequent or on any performance, activity, or event. Furthermore, the AOR/MLS reserves the right to remove a listing from the AOR/MLS database that does not conform to the requirements of this section. At the Broker Participant's option, a Broker Participant may limit his or her offer of compensation to buyer's(s') agents only, to subagents only, or make the offer of compensation to both. Any such limitations on the contractual offer of compensation must be specified on the property data form and in the MLS. The amount of compensation offered to buyers' agents or subagents may be the same or different but must be clearly specified on the property data profile sheet. Broker Participants wishing to offer subagency to the other MLS Broker Participants must so specify on the property data profile sheet and on the MLS, otherwise the offer of compensation does not constitute an offer of subagency.

7.13 Acceptance of Contractual Offer. The Broker Participant's contractual offer (with or without subagency) is accepted by the Participant/Selling Broker by

procuring a buyer(s) which ultimately results in the creation of a sales or lease contract. Payment of compensation by the Participant/Listing Broker to the Participant/Cooperating Broker under this section is contingent upon either (1) the final closing, or (2) the Participant/Listing Broker's receipt of monies resulting from the seller's(s') or buyer's(s') default of the underlying sales or lease contract. Notwithstanding this section, the Listing Broker and/or Cooperating Broker shall still retain any remedies they may have against either the buyer(s) or seller(s) due to a default under the terms of the purchase agreement, listing agreement, or other specific contract. Any dispute between Participants arising out of this section shall be arbitrated under Local AOR Rules, C.A.R. Interboard Arbitration Rules, or Section 16 of these rules and shall not be considered an MLS rules violation.

7.14 Consent to Act as Dual Agent. By offering compensation and/or subagency to Broker Participants, the Listing Broker is not automatically representing that the seller(s) have consented to the Cooperating Broker acting as a dual agent representing both the buyer(s) and the seller(s). No Cooperating Broker shall act as both an agent of the buyer(s) and the seller(s) without first contacting the Listing Broker and ascertaining that the seller(s) have consented to such dual agency.

7.15 Estate Sale, Probate, Bankruptcy, Auction, and Lender Approval Listings.

7.15.1 Probate and Bankruptcy Listings. Compensation offered through AOR/MLS to Cooperating Brokers on probate or bankruptcy listings is for the amount published therein as long as the Cooperating Broker produces the contract which is ultimately successful and confirmed by the court, if court confirmation is required. In the event the contract produced by the Cooperating Broker is overbid in court and the overbid contract is confirmed, the original Cooperating Broker shall receive the amount of compensation specified as "unconfirmed Cooperating Broker's compensation" or "u.c.b." in the property data profile sheet and on the MLS. Seller agrees to pay to Broker from the proceeds of the sale, as compensation for services irrespective of agency relationships, and subject to California Probate Code, or an amount determined by the court. For probate listings, the compensation offered through the MLS under these rules and this section shall be considered an agreement as referred to in California Probate Code Section 10165 and is specifically intended to supersede any commission splits provided by statute as permitted in Section 10165. This section contemplates that probate and bankruptcy judges have broad discretion and therefore is not intended as a guarantee of a specific result as to commissions in every probate or bankruptcy sale.

7.15.2 Lender Approval Listings. Compensation offered through the MLS to Cooperating Brokers on listings which require lender approval

(commonly referred to as “short sale” listings) is for the amount published therein unless the Listing Broker indicates on the MLS the following: (a) the fact that the sale and gross commission are subject to lender approval; and (b) the amount or method by which the compensation offered through the MLS will be reduced if the lender reduces the gross commission. All short pay listings will have “This is a short pay listing and all terms and conditions may be subject to lender approval”, as the first sentence of the agent confidential remarks section.

7.15.3 Auction Listings. Compensation offered through the AOR/MLS to Cooperating Brokers on listings which are offered by auction is for the amount published therein unless the Listing Broker indicates in the AOR/MLS that the sale and gross commission are based upon sales price. The listing price in the AOR/MLS shall be the reserve or minimum bid and must state “compensation to cooperating agent for a successful bid only” in the Agent/Private Remarks only. Auction listings shall have written listing contracts, as required by the AOR/MLS, including terms and conditions of auction, provided to the AOR/MLS. The Public Remarks must contain the following: “The List Price is the reserve or minimum bid subject to the seller’s(s’) acceptance.”

7.16 Changes to Offer of Compensation to All Broker Participants. The Listing Broker may, from time to time, adjust the published compensation offered to all MLS Broker Participants with respect to any listing by changing the compensation offered on the MLS or providing written notice to the MLS of the change. Any change in compensation will be effective after the change is published in the MLS, either through electronic transmission or printed form, whichever occurs first. The Listing Broker may revoke or modify the offer of compensation in advance as to any individual Broker Participant in accordance with general contract principles and subject to applicable law, but in no event shall the Listing Broker revoke or modify the offer of compensation without the Cooperating Broker’s consent later than the time the Cooperating Broker (a) physically delivers or transmits by fax or e-mail to the Listing Broker a signed offer from a prospective buyer(s) or tenant(s) to purchase or lease the property for which the compensation has been offered through the MLS, or (b) notifies the Listing Broker in person or by telephone, fax, or e-mail that the Cooperating Broker is in possession of such a signed offer and is awaiting instructions from the Listing Broker as to the manner of presentation or delivery of that offer. Any independent advance revocations, or modifications of the offer or agreements between Real Estate Brokers, are solely the responsibility of such Brokers and shall not be submitted to, published by, or governed in any way by the MLS.

7.17 Broker Participant or R.E. Subscriber as Principal. If a Listing Broker or Subscriber has any interest in a property, the listing which is disseminated through the MLS shall contain a disclosure of that interest on the MLS.

7.18 Multiple Unit Properties. All properties which are to be sold or which may be sold separately must be indicated individually in the MLS and will be published separately. When part of a listed property has been sold, the Listing Broker shall input the appropriate changes on the MLS within 48 hours (excepting weekends, holidays and postal holidays).

7.19 Expiration, Extension, and Renewal of Listings. Listings shall be removed from the MLS database on the expiration date specified on the listing unless the listing is extended or renewed by the Listing Broker. The Listing Broker shall obtain written authorization from the seller(s) before filing any extension or renewal of a listing. Any renewals or extensions received after the expiration date of the original listing shall be treated as a new listing and will be subject to any fees applicable to new listings. The calculation of Days on Market (DOM) is based on the MLS #. The calculation of Cumulative Days on Market (CDOM) is based on APN # until a change of ownership has occurred or not available for sale and no Listing Agreement for a period of 6 months or more. At any time and for any reason, the MLS has the right to request a copy of the seller's(s') written authorization to extend or renew a listing. If a Listing Broker is requested to provide a copy of such authorization and does not do so within forty-eight (48) business hours (excepting weekends, holidays, and postal holidays) of the request, the listing shall be subject to immediate removal from the MLS.

7.20 Listings of Participants or Subscribers Suspended, Expelled, or Resigned.

7.20.1 Failure to Pay MLS Fees; Resignation. When a Participant or Subscriber of the MLS is suspended or expelled from the MLS for failure to pay MLS fees or charges, or if the Participant or Subscriber resigns from the MLS, the MLS shall cease to provide services to such Participant or Subscriber, including continued inclusion of listings in the MLS compilation of current listing information. In the event listings are removed from the MLS pursuant to this section, it shall be the sole responsibility of the Participant to notify the sellers(s) that the property is no longer listed in the MLS.

7.20.2 Violations of MLS Rules. When a Participant or Subscriber is suspended or expelled from the MLS for a violation of the MLS rules, the MLS shall cease to provide services to such Participant or Subscriber except that the listings in the MLS at the time of suspension or expulsion shall, at the suspended or expelled Participant's option, be retained in the MLS compilation of current listing information 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. In the event listings are removed from the MLS

pursuant to this section, it shall be the responsibility of the Participant to notify the seller(s) that the property is no longer listed in the MLS.

7.20.3 Suspensions or Expulsion for Rules Violations. In the event a participant or subscriber is suspended or expelled from his/her Home MLS for violations of the MLS Rules, the Home MLS will notify the Reciprocating MLS's, the but submitted listings of that participant/subscriber will remain in any Reciprocating Database but will not be allowed to be renewed or extended. Further, the Signatories to the SC Alliance will not permit the suspended or expelled participant/subscriber to access the Home MLS through their MLS Service until notified by the Home MLS that such participant has been reinstated.

7.21 No Control of Commission Rates or Fees Charged by Participants. The MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non-Participants.

7.22 Dual or Variable Rate Commission Arrangements (Listing Broker Advantage). The existence of a dual or variable commission arrangement shall be disclosed by the Listing Broker by a key, code, or symbol as required by the MLS. A dual or variable rate commission arrangement is one in which the seller(s) or owner agrees to pay a specified commission if the property is sold by the Listing Broker without assistance and a different commission if the sale results through the efforts of a Cooperating Broker, or one in which the seller(s) or owner agrees to pay a specified commission if the property is sold by the Listing Broker either with or without the assistance of a Cooperating Broker and a different commission if the sale results through the efforts of a seller. 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 that results through the efforts of the seller(s) or owner. If the Cooperating Broker is representing a buyer(s) or tenant(s), the Cooperating Broker must then disclose such information to his or her client before the client makes an offer to purchase or lease.

7.23 Right of Listing Broker and Presentation of Counter-Offers. The Listing Broker has the right to participate in the presentation of any counter-offer made by the seller(s) or landlord(s). The Listing Broker does not have the right to be present at any discussion or evaluation of a counter-offer by the buyer(s) or tenant(s) (except where the Cooperating Broker is a subagent). However, if the buyer(s) or tenant(s) give 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 buyer's(s') or tenant's(s') written instructions.

8. DOCUMENTATION; PERMISSION; ACCURACY OF INFORMATION.

8.1 Listing Agreement and Seller's Permission. Prior to submitting a listing to the MLS, the Listing Broker shall obtain the written agreement of the seller(s) expressly granting the Listing Broker authority to:

- a. file the listing with the MLS for publication and dissemination to those authorized by the MLS;
- b. act as an agent for the seller(s);
- c. abide by the rules of the MLS;
- d. provide timely notice of status changes of the listing to the MLS;
- e. provide sales information, including selling price, to the MLS upon sale of the property for publication and dissemination to those authorized by the MLS; and
- f. publish sales information after the final closing of a sales transaction in accordance with these MLS rules (See Section 10.1).

8.2 Written Documentation. Listing Brokers filing listings with the MLS shall have a written listing agreement with all necessary signatures in their possession. Only listings that create an agency relationship between the seller(s) and the Broker Participant are eligible for submission to the MLS. By submitting a listing to the MLS, Broker Participants and R.E. Subscribers represent that they have in their possession such written agreements establishing agency and the represented type of listing agreement. The MLS shall have the right to demand a copy of such written listing agreements and verify the listing's existence and adequacy at any time. The MLS shall also have the right to demand a copy of seller's written authorization required under these rules. If the Broker Participant or R.E. Subscriber fails to provide documentation requested by the MLS within 48 hours (excepting weekends, holidays, and postal holidays), the MLS shall have the right to immediately withdraw any listings from the database in addition to disciplining the Participant and Subscriber for a violation of MLS rules.

8.3 Accuracy of Information; Responsibility for Accuracy. By inputting information into the MLS computer database, the Listing Broker represents that the information input is accurate to the best of the Listing Broker's knowledge. The Listing Broker shall use good faith efforts to determine the accuracy of the information and shall not submit or input information which the Listing Broker knows to be inaccurate. Upon receipt of the first publication or electronic transfer by the MLS of such information, the Listing Broker shall make all necessary corrections. The MLS merely publishes the MLS information and has no affirmative responsibility to verify the accuracy of the MLS information. The MLS, however, reserves the right to require Participants and Subscribers to change their MLS information if the MLS is made aware of alleged inaccuracies in the MLS information and the MLS determines that such inaccuracies do in fact exist. If a Participant or Subscriber fails to make necessary or required corrections to their MLS information, the Participant and Subscriber shall indemnify and hold harmless the MLS for any claims, cost, damage, or losses, including reasonable attorney fees and court costs, incurred by the MLS as a

result of such failure. In no event will the MLS be liable to any MLS Participant, Subscriber, or any other party for any indirect, special, or consequential damages arising out of any information published in the MLS, and all other damages shall be limited to an amount not to exceed the MLS fees paid by the Listing Broker.

8.4 Input Defined. All references or uses of the word “input” shall also include information which is submitted to the MLS for input in the MLS database by the MLS staff, whether such information was provided to the MLS staff on a “property data form” or otherwise.

8.5 Buyer, Seller, Purchase, and Sale Defined. All references to the buyer(s) shall also include tenant(s) and lessee(s). All references to the seller(s) shall also include landlord(s) and lessor(s). All references to a purchase shall also include a lease. All references to a sale shall also include a lease.

9. SELLING PROCEDURES.

9.1 Showings and Negotiations. Appointments for showings and negotiations with the seller(s) for the purchase of listed property filed with the MLS 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 with the seller(s), or
- b. after reasonable effort and no less than 24 hours, the Cooperating Broker cannot contact the Listing Broker or his or her representative. However, the Listing Broker, at his or her option, may preclude such direct negotiations by the Cooperating Broker by giving notice to all Participants through the MLS. In the event all showings and negotiations will be conducted solely by the seller(s), the Listing Broker shall clearly set forth such fact in the listing information published by the MLS.

9.2 Disclosing the Existence of Offers. Listing Brokers, in response to inquiries from buyers or Cooperating Brokers, shall, with the seller’s(s’) approval, disclose the existence of offers on the property. Where disclosure is authorized, the Listing Broker shall also disclose whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a Cooperating Broker.

9.3 Availability to Show or Inspect. Listing Brokers shall not misrepresent the availability of access to show or inspect a listed property.

9.4 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. In the event the Listing Broker will not be participating in the presentation of offers, the Listing Broker shall clearly indicate this fact in the listing information published by the MLS.

9.5 Submission of Offers and Counter-Offers. The Listing Broker shall submit to the seller(s) all offers and counter-offers until closing unless precluded by law,

governmental rule, or expressly instructed by the seller(s)/landlord(s) otherwise. The Cooperating Broker acting for a buyer(s)/tenant(s), shall submit to buyer/tenant all offers and counter-offers until acceptance unless precluded by law, governmental rule, or expressly instructed by the buyer(s)/tenant(s) otherwise.

9.6 Right of Cooperating Broker in Presentation of Offer. The Cooperating Broker has the right to participate in the presentation of any offer to purchase he or she secures. The Cooperating Broker does not have the right to be present at any discussion or evaluation of that offer by the seller(s) and the Listing Broker. However, if the seller(s) give written instructions to the Listing Broker requesting that the Cooperating Broker not be present when an offer the Cooperating Broker secured is presented, the Cooperating Broker shall convey the offer to the Listing Broker for presentation. In such event, the Cooperating Broker shall have the right to receive a copy of the seller's(s') written instructions from the Listing Broker. Nothing in this section diminishes or restricts the Listing Broker's right to control the establishment of appointments for offer presentations.

9.7 Change of Compensation Offer by Cooperating Broker. The Cooperating Broker shall not use the terms of an offer to purchase to attempt to modify the Listing Broker's offer of compensation nor make the submission of an executed offer to purchase contingent on the Listing Broker's agreement to modify the offer of compensation. However, failure of a Cooperating Broker to comply with this rule shall not relieve a Listing Broker of the obligation to submit all offers to the seller(s) as required by Section 9.4.

9.8 Cooperating Broker as a Buyer. If a Cooperating Broker wishes to acquire an interest in property listed with a Listing Broker, such contemplated interest shall be disclosed to the Listing Broker prior to the time an offer to purchase is submitted to the Listing Broker.

NOTE: Nothing in these rules shall preclude the Listing Broker and Cooperating Broker from entering into a mutual agreement to change cooperative compensation.

10. REPORTING SALES AND OTHER INFORMATION TO THE SERVICE.

10.1 Reporting of Sales. Listings with accepted offers shall be reported to the MLS or input into the MLS database as "pending" or "Back-Up Offers (B)" or "First Right of Refusal (F)" within 48 hours (excepting weekends, holidays, and postal holidays) of the acceptance by the Listing Broker unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the Cooperating Broker shall notify the listing broker of the "pending" or "Back Up Offers (B)" or "First Right of Refusal (F)" within 48 hours of acceptance, whereby the listing broker shall then report or input the change to the MLS within 48 hours of receiving notice from the cooperating broker. The listing shall be published on the MLS as pending with no price or terms prior to the final closing. Upon final

closing, the Listing Broker shall report or input the listing in the MLS as “sold” and report the selling price within 48 hours (excepting weekends, holidays, and postal holidays) of the final closing date unless the negotiations were carried on under Section 9.1 (a) or (b) in which case, the cooperating broker shall notify the listing broker of the “sold” status and selling price within 48 hours after the final closing date, whereby the listing broker shall then report or input the status change and selling price to the MLS within 48 hours of receiving notice from the cooperating broker. Listings which were not input into the MLS as a result of the seller’s(s’) instructions may be input into the MLS “sold” data at the Listing Broker's option.

10.2 Reporting Cancellation of Pending Sale. The Listing Broker shall report to the MLS within 48 business hours the cancellation of any pending sale and the listing shall be reinstated immediately as long as there is still a valid listing.

10.3 Contingencies. Listing Participants shall report, in writing, to the Regional MLS within forty eight (48) business hours that a contingency is on file with the Regional MLS.

10.4 False Information. Information reported to the Regional MLS shall be accurate, in particular as to date of close of escrow, sales closing price, sales office, sales agent and terms of sale. False reporting shall subject the Regional MLS Participant to a fine as per the attached schedule for each occurrence and/or other disciplinary action as set forth under Article 14.

11. OWNERSHIP OF MULTIPLE LISTING SERVICE COMPILATIONS AND COPYRIGHTS.

11.1 MLS Compilation Defined. The term “MLS compilation” includes, but is not limited to, the MLS computer database, all printouts of data from the MLS computer database, and all MLS publications.

11.2 Active Listing MLS Compilation Defined. “Active listing MLS compilation” shall mean that portion of the MLS compilation which includes listings currently for sale and all other indexes and other information relating to the current listing information.

11.3 Comparable Data MLS Compilation Defined. “Comparable Data MLS compilation” shall mean that portion of the MLS compilation that includes the off market data, sold and appraisal information regarding properties that are not currently for sale, and all indexes and information relating to the sold information compilation.

11.4 Authority to Put Listings in MLS Compilation. By submitting any property listing data form to the MLS or inputting listing information into the MLS compilation, Participants and Subscribers represent that they have been authorized to grant and also thereby do grant authority for the MLS to include the

property listing data in its copyrighted MLS compilation. By submitting any property listing data form to the MLS, Participants and Subscribers represent that they have been authorized to report information about the sales, price, and terms of a listing, have authority to grant and also thereby do grant authority for the MLS to include the sold information in its copyrighted MLS compilation.

11.5 Photographs on the MLS. By submitting photographs 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 and Subscribers the right to reproduce and display the photographs in accordance with these rules. Use of photographic media by a subsequent listing agent requires prior written authorization from the originating participant and/or subscriber or other appropriate party. Photographic media may not contain other information which goes beyond a presentation of the property.

11.6 Copyright Ownership. All right, title, and interest in each copy of every MLS compilation created and copyrighted by the MLS, and in the copyrights therein, shall at all times remain vested in the MLS. The MLS shall have the right to license such compilations or portions thereof to any entity pursuant to terms agreed upon by the Board of Directors.

11.7 Leasing of MLS Compilations. Each Participant shall be entitled to lease from the MLS the number of copies of each MLS compilation of active listing information sufficient to provide the Participant and Subscriber with one copy of such MLS compilation. Participants and Subscribers shall acquire by such lease only the right to use the MLS compilations in accordance with these rules. Clerical Users may have access to the information solely under the direction and supervision of the Participant or Subscriber. Clerical Users may not provide any MLS compilation or information to persons other than the Participant or the Subscriber under whom the Clerical User is registered.

11.8 Removal of Historical Records. The removal of history information from the MLS compilation is forbidden. No exceptions are to be made at any time.

12. PROHIBITIONS AND REQUIREMENTS.

12.1 Notification of California Department of Real Estate (DRE) or California Office of Real Estate Appraisers (OREA) Action. Participants and Subscribers are required to notify the MLS within 24 hours of any final action taken by the California Department of Real Estate (DRE) or the Office of Real Estate Appraisers (OREA) against the Participant, Subscriber, or any Licensee affiliated with the Participant or Subscriber, including, but not limited to, any final decisions restricting, suspending, or revoking a real estate license or Appraiser's certification or license of a Participant, the Participant's firm or corporation under which the Participant or Subscriber acts, or any licensee affiliated with the Participant or the Participant's firm or Licensee or Appraiser

who was affiliated with the Participant or Participant's firm at the time of the underlying act.

12.2 Violations of the Law. If a Participant, Subscriber, Appraiser, or a Licensee affiliated with a Participant or Subscriber commits a felony or a crime involving moral turpitude or violates the Real Estate Law or the laws relating to Appraisers, the Participant and Subscriber shall be in violation of this section. However, a Participant or Subscriber shall not be found to have violated this section unless the Participant, Subscriber, Appraiser, or Salesperson licensed to the Participant has been convicted, adjudged, or otherwise recorded as guilty by a final judgment of any court of competent jurisdiction of (1) a felony, or (2) a crime involving moral turpitude, or (3) on a determination by any court of competent jurisdiction, or official of the State of California authorized to make the determination, that the Participant or Subscriber violated a provision of the California Real Estate Law or a Regulation of the Real Estate Commissioner or law relating to Appraisers.

12.3 Supervision of R.E. Licensees and Appraisers. In addition to the notification requirements of Section 12.1, a Participant may not allow any Licensee, under the Participant's license, whose license has been revoked, suspended or restricted by the California Department of Real Estate (DRE) to use the MLS in any manner while the DRE discipline is in effect except that the Licensee may use the MLS under a restricted license providing such use is consistent with and does not violate such license restrictions.

12.4 Solicitation of Listing Filed With the MLS. Participants and Subscribers shall not solicit a listing filed with the MLS unless such solicitation is consistent with Article 16 of the N.A.R. Code of Ethics, its Standards of Practice, and its Case Interpretations. The purpose of this section is to encourage sellers to permit their properties to be filed with the MLS by protecting them from being solicited through unwanted phone calls, visits, and communications, prior to expiration of the listing, by Brokers and Salespersons seeking the listing upon its expiration. This section is also intended to encourage Brokers to participate in the MLS by assuring them that other Participants and Subscribers will not attempt to persuade the seller(s) to breach the listing agreement or to interfere with the Listing Broker's attempts to market the property. This section does not preclude solicitation of listings under circumstances otherwise permitted under Article 16 of the N.A.R. Code of Ethics, its Standards of Practice, and its Case Interpretations.

12.5 Misuse of Remarks and Graphics. Participants and Subscribers may not use the remarks and graphics in a property data profile sheet or listing submitted to the MLS or inputted directly into the MLS database for purposes of disparaging other real estate agents or conveying information about other offices or for conveying any other information that does not directly relate to the marketing of the listing.

12.6 “For Sale” Signs. Only the “For Sale” signs of the Listing Broker may be placed on the property.

12.7 “Sold” Signs and Use of the Term “Sold.” Only Real Estate Brokers or R.E. Subscribers who participated in the transaction as the Listing Broker or Cooperating Broker (Selling Broker) may claim to have “sold” the property. Prior to closing, a Cooperating Broker may post a “sold” sign on a property only with the consent of the Listing Broker. This section does not, however, prohibit any Broker from advertising the addresses and prices of the properties that have sold in a neighborhood after the information regarding the properties has been published as long as the advertisement does not imply the agent was involved in the transaction unless such is the case and as long as the advertisement otherwise presents a ‘true picture’ as is meant under Article 12 of the N.A.R. Code of Ethics, its Standards of Practice, and its Case Interpretations.

12.8 Advertising of Listing Filed With the MLS. A listing shall not be advertised by any Participant or Subscriber, other than the Listing Broker, without the prior consent of the Listing Broker except as provided in Section 12.16 relating to display of listings on the Internet.

12.9 Limitations on Use of MLS Information in Advertising. Except as provided in Sections 12.7, 12.8, 12.11 and 12.15, truthful use of information from the MLS compilation of current listing information, from the MLS’ “statistical report,” or from any “sold” or “comparable” report of the MLS for public mass media advertising by an MLS Participant or Subscriber or in other public representations for purposes of demonstrating market share is not prohibited. However, any print or non-print forms of advertising or other forms of public representations must clearly demonstrate the period of time over which such claims are based and must include the following notice in a type size not less than 9 point type:

Based on information from the Association of REALTORS®/Multiple Listing as of [date the AOR/MLS data was obtained] and /or other sources. Display of MLS data is deemed reliable but is not guaranteed accurate by the MLS. The Broker/Agent providing the information contained herein may or may not have been the Listing and/or Selling Agent.

12.10 False or Misleading Advertising and Representations. True Picture-Standard of Conduct. Participants and Subscribers may not engage in false or misleading advertising, including, but not limited to, advertisements or representations regarding the Participant’s or Subscriber’s relationship to the MLS, about the MLS itself, or about any property listed with the MLS. MLS Participants and subscribers shall present a true picture in their advertising and representations to the public, including the URLs and domain names they use, and participants and subscribers may not engage in deceptive or unauthorized framing of real estate brokerage websites;

- (a) manipulate (e.g. presenting content developed by others) listing content in any way which produces a deceptive or misleading result; or
- (b) deceptively use metatags, keywords or other devices/methods to direct, drive, or divert internet traffic, or to otherwise mislead consumers.

12.11 Use of MLS Information. In recognition that the purpose of the MLS is to market properties and offer compensation to other Broker Participants and R.E. Subscribers for the sole purpose of selling the property, and that sellers of properties filed with the MLS have not given permission to disseminate the information for any other purpose, Participants and Subscribers are expressly prohibited from using MLS information for any purpose other than to market property to bonafide prospective buyers or to support market evaluations or appraisals as specifically allowed by Sections 12.14, 12.15 and 12.16. Any uses of MLS information inconsistent with these sections is expressly prohibited. Nothing in this section, however, shall limit the MLS from entering into licensing agreements with MLS Participants and Subscribers or other third parties for use of the MLS information.

12.12 Confidentiality of MLS Information. Any information provided by the MLS to the Participants and Subscribers shall be considered and treated as confidential by Participants and Subscribers and shall be for the exclusive use of the Participants and Subscribers for purposes described in Sections 2, 12.7, 12.11, 12.14, 12.15, 12.16 and this section. Participants and Subscribers shall at all times maintain control over and responsibility for each copy of any MLS compilation leased to them by the MLS and shall not distribute any such copies to persons other than Participants and Subscribers. Participants and Subscribers are responsible for the security of their pass codes and shall not give or allow use of or make available their pass codes to any person. Participants and Subscribers may reproduce or display the information as provided in these rules.

12.12.1 Clerical Users. Clerical Users may have access to MLS information solely under the direction and supervision of the Participant or Subscriber. Clerical Users may not provide any MLS information to persons other than the Participant or Subscriber under whom they are registered. Access by Clerical Users to the database is solely for clerical and administrative functions for the Participant or Subscriber under whom the Clerical User is registered.

12.13 Access to Comparable and Statistical Information. AOR/MLS members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in

part by the MLS, including “comparable” information, “sold” information, and statistical reports. This information is provided for the exclusive use of AOR/MLS members and individuals affiliated with AOR/MLS members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm except as otherwise specified in these rules.

12.14 Display. Subject to Sections 12.15 and 12.16, Broker Participants and R.E. Subscribers shall be permitted to display the MLS compilation in either electronic or printed format to specifically identified and bonafide prospective buyers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation. Broker Participants and R.E. Subscribers shall be permitted to display the MLS compilation in either electronic or printed format to specifically identified and bonafide sellers or prospective sellers only in conjunction with their ordinary business activities in listing properties. Appraiser Participants and Appraiser Subscribers shall be permitted to display the MLS compilation to the person requesting the appraisal only in conjunction with their ordinary business activities of producing a written appraisal. Such displays under this section shall be only in the immediate presence of the MLS Participant or Subscriber.

12.14.1 Clerical Users. Clerical Users are expressly prohibited from displaying or distributing MLS information to anyone other than the Participant or Subscriber under whom the Clerical User is registered.

12.15 Reproduction. “Reproduction” shall include, but not be limited to, making photocopies, computer printouts, electronic transfers (including email), or downloading of MLS data or compilations. Participants and Subscribers or their affiliated Licensees shall not reproduce any MLS compilation or any portion thereof except as provided in Section 12.16 and in the following limited circumstances:

12.15.1 Copies to Prospective Buyers. Broker Participants and R.E. Subscribers may reproduce from the MLS compilation, and distribute to prospective real estate buyers, copies of those portions of the MLS compilation consisting only of a description of the property, including the address, features, financing, and price, as well as photo(s).

12.15.2 Information Reproduced. Unless the Participant or Subscriber obtains prior written consent from the Listing Broker, the information reproduced pursuant to this section shall not include the following:

- a. Property owner’s name, phone number, and address (if different than the listed property);
- b. Instructions or remarks intended for Cooperating Brokers, including, but not limited to, showing instructions or security

- references (ex: lock box, burglar alarm, or security system, vacancies) regarding the listed property;
- c. Type of listing;
 - d. Compensation or bonuses offered to Cooperating Brokers; and.
 - e. Other information which goes beyond a description of the property.

12.15.3 Copies for Appraisals. Participants and Subscribers may reproduce from the MLS compilation, and attach to an appraisal as supporting documentation copies of those portions of the MLS compilation consisting only of such information on properties necessary to support a written appraisal or estimate of value on a particular property.

12.15.4 Downloading into Computers. Participants and Subscribers may download MLS information into a computer or computer system as long as:

- a. Access to the computer or computer system receiving the information is strictly limited to authorized Participants, Subscribers, and Clerical Users as defined in these rules; and
- b. The information is only retransmitted to the Participants, Subscribers, and Clerical Users authorized to access the computer or computer system by these rules; and
- c. The information is not reformatted or used to create another product except as may be used by the Participant who downloaded the data and such use strictly complies with Sections 12.7, 12.11, 12.15 and 12.16.

12.15.5 Sold Information. Individuals legitimately in possession of current listing information, “sold” information, “comparables” or statistical information may utilize such information to support an estimate of value on a particular property for a particular client. However, only such information that the MLS has deemed to be non-confidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules.

12.16 Use of Active Listing Information on Internet (Also known as Internet Data Exchange (“IDX”)). Participants and Subscribers may download, display, or reproduce their own listing information on the Internet. An Internet Data Exchange may republish all or a portion of the Internet Data Exchange (IDX) Database on the Internet in accordance with the following provisions and in keeping with any policies that may adopt from time to time. Unless expressly contravened by the provisions of this section, all other rules remain in full force and effect. The downloading of raw data will be through the Participant only.

“Internet Data Exchange” is a means by which each Participant subscribing to the

program (IDX) permits the display of its active listings appearing in Regional MLS on each other IDX Participant's Internet website.

The "Internet Data Exchange Database" is the current aggregate compilation of all active listings of all Internet Data Exchange Participants except those listings where the property seller has opted out of Internet publication by so indicating on the listing contract.

(a) Subject to paragraphs (b) through (l) below, and notwithstanding anything in these rules to the contrary, Participants and Subscribers may display on their public websites aggregated MLS active listing information through either downloading and placing the data on the Participant's or Subscriber's public access websites or by framing such information on the MLS or AOR public access website (if such a site is available).

(b) The Listing Broker's consent for such Internet display is presumed, in satisfaction of Rule 12.8, unless a Listing Broker affirmatively notifies the MLS that the Listing Broker refuses to permit display on either on a blanket or on a listing-by listing basis. Listing Brokers that refuse to permit other MLS Participants or Subscribers to display their listing information on a blanket basis may not display MLS active listing information of other Brokers' listings.

(c) Participants and Subscribers shall not display confidential information fields, as determined by the MLS in the MLS' sole discretion, such as that information intended for Cooperating Brokers rather than consumers.

(d) All listings on a Participant's or Subscriber's site displayed by framing or other electronic means shall identify the name of the listing firm and the name of the listing agent in a manner designed to easily identify such listing firm or agent.

(e) Participants and Subscribers shall not modify the information displayed pursuant to these MLS rules.

(f) Information displayed shall indicate the source of the information being displayed and the most recent date updated. Participants and Subscribers shall update all downloads and refresh all data at least once every seven (7) days.

(g) Sharing of the MLS compilation with any third party not authorized by the MLS is prohibited. Participants and Subscribers shall indicate on their websites that the information being provided is for consumers' personal, non-commercial use and may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing.

(h) Participants' and Subscribers' websites must protect MLS data from misappropriation by employing reasonable efforts to monitor for and prevent "scraping" and other unauthorized accessing, reproduction, or use of the MLS database.

(i) Listings or property addresses of sellers who have directed their Listing Brokers to withhold their listing or their property address from display on the Internet (including, but not limited to, publicly-accessible websites) shall not be accessible via IDX sites. This does not preclude listing Participants or Subscribers from displaying on their IDX sites or their other website(s) the listing or property address of consenting sellers.

(j) Not all listings from the MLS must be displayed as long as any exclusions from display on Participants' and Subscribers' IDX sites are based on objective criteria, e.g., type of property, listed price, or geographical location.

(k) No portion of the MLS database shall be distributed, provided to or made accessible to any person except as provided for in these rules and/or in the National Association of REALTORS® IDX policy.

(l) When displaying listing content, a Participant's or Subscriber's website must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.

12.16.1 Notification by Authorized Participants and Subscribers.

Participants and Subscribers partaking in the display of MLS active listing information of other Brokers' listings pursuant to Section 12.16 must notify the MLS before displaying said MLS active listing information and must make their website directly accessible to the MLS and other MLS Participants for purposes of monitoring/ensuring compliance with applicable rules and policies.

12.16.2 Right to Charge for Download. The MLS has the right to charge the costs of adding or enhancing its downloading capacity to Participants and Subscribers who request downloading of listing information pursuant to Section 12.16.

12.17 Applicability of Rules to MLS. These rules are binding on the MLS Participants and Subscribers. Nothing in these rules shall limit the right of the MLS to enter into licensing agreements with third parties for use of the MLS compilations or any portion thereof in accordance with terms approved by the Board of Directors.

12.18 Listing Broker's Right to Opt Out of Internet Advertising of MLS Information. If the MLS advertises MLS information on the Internet or licenses MLS information for advertising on the Internet, the Listing Broker shall have the right to opt out of such advertising in accordance with the MLS's procedures for opting out. The Listing Broker shall have the right to refuse to have listings displayed on a blanket basis or on a listing-by-listing basis in accordance with Section 12.16 by affirmatively notifying the MLS in accordance with the MLS procedures for opting out. Notwithstanding anything in these rules to the contrary, the AOR/MLS Board of Directors reserve the right to determine whether to provide Internet advertising services and whether such services are to be made available to non-REALTOR® members.

12.19 Use of Downloaded Listing Information. Only Participants whose primary business is the listing and selling of real estate may be provided with a download of listing information.

12.20 Website Name and Status Disclosure. MLS participants' firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner. Websites of subscribers affiliated with a participant's firm shall disclose the firm's name and the subscriber's state(s) of licensure in a reasonable and readily apparent manner.

12.21 Use of the Terms MLS and Multiple Listing Service. No MLS participant or subscriber shall, through the name of their firm, their URLs, their email addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate and MLS. Participants and subscribers shall not represent, suggest, or imply that consumer 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.

13. LOCKBOXES.

13.1 Eligibility for Lockboxes. MLS Participants and Subscribers are eligible for lockbox privileges if they otherwise qualify under this section. Clerical Users are not eligible for lockbox privileges. MLS Participants and Subscribers shall be eligible to hold a lockbox key provided:

- a. The key holder signs a lease agreement with the lockbox provider.
- b. The Participant to which the key holder is licensed cosigns the lease agreement with the lockbox provider.
- c. The key holder continues to comply with all MLS rules relating to lockbox keys.
- d. The key holder and Participant to whom the key holder is licensed remain eligible for MLS services.

13.2 Key Use and Service. Keys may not be used under any circumstances by anyone other than the key holder, including, but not limiting to, lending, borrowing or sharing keys with others. The MLS is not obligated to provide service on keys or lockboxes to an individual who is not the registered lessee or owner of the component. The entry card will only be used for the purpose of facilitating the sale/lease of a property.

13.3 Temporary Keys. Not Applicable.

13.4 Accountability. Key holders must account for keys at the time of any inventory conducted by the MLS or at any time requested by the MLS. Key holders who cease to participate or subscribe to the MLS shall return all keys in their possession to the MLS. Failure to return a key(s) will subject the key holder and/or the key holder's Participant to fines and penalties and to being responsible for all costs incurred by the MLS to secure the lockbox key system as a result of the failure to return the key(s).

13.5 Deemed Unaccountable. Keys shall be deemed unaccounted for if a key holder refuses or is unable to demonstrate that the key is within the key holder's physical control.

13.6 Written Authority. Participants and Subscribers shall not place a lockbox on a property without written authority from the seller(s) and occupant if other than the seller(s).

13.7 Listing Broker's Permission. No MLS Participant or Subscriber may enter a property with or without a lockbox without the Listing Broker's permission. Such permission may be granted by the Listing Broker by specifying permission to use the lockbox through the MLS. Appraiser Participants are expressly prohibited from using lockbox keys to enter a property without either the owner's or Listing Broker's permission.

13.8 Unaccountable Keys. Key holders and Participants cosigning with a key holder shall immediately report lost, stolen, or otherwise unaccountable keys to the MLS.

13.9 Deposits. All key holders shall be required to give the MLS deposits in accordance with the deposit schedule approved by the MLS Board of Directors. Key holders shall forfeit the deposits if the key is lost, stolen, or unaccounted for. Key holders shall not be entitled to any interest on their deposits. The MLS is not obligated to refund deposits to an individual who is not the registered lessee or owner of the key.

13.10 Rules Violations. Failure to abide by rules relating to lockboxes as set forth in this section or failure to abide by the key lease agreement may result in

discipline as provided in Sections 14 and 15 of these rules, in addition to loss of or restriction on all lockbox and key privileges.

13.11 Right to Limit Access. The MLS reserves the right to refuse to issue a key or limit access to lockboxes if, in its sole discretion, it determines the security of the system would be compromised by issuing such keys or granting access to lockboxes.

13.11.1 MLS Participants shall return key(s) to the lockbox immediately after showing property and prior to leaving premises.

13.11.2 MLS Participants shall leave property in the same condition as when they entered the property and external doors closed and locked.

14. VIOLATIONS OF RULES AND REGULATIONS. All references to *California Code of Ethics and Arbitration Manual* to the publication of the California Association of REALTORS® as amended from time to time.

14.1 Grounds for Disciplinary Action and Sanctions. After a hearing by a hearing panel as provided in the *California Code of Ethics and Arbitration Manual*, the Board of Directors may take disciplinary action and impose sanctions against any Participant and Subscriber:

- a. For violation of any MLS rule.
- b. On the Participant's or Subscriber's being convicted, adjudged, or otherwise recorded as guilty by a final judgment of any court of competent jurisdiction of (1) a felony, or (2) a crime involving moral turpitude, or (3) on a determination by any court of competent jurisdiction, or official of the State of California authorized to make the determination, that the Participant or Subscriber violated a provision of the California Real Estate Law or a Regulation of the Real Estate Commissioner or the laws relating to Appraisers or a Regulation of the Office of Real Estate Appraisers (OREA).
- c. For any violation of subsection (a) by any person, including, but not limited to, a Clerical User or a Salesperson, who is not a Participant or Subscriber but is employed by or affiliated with such Participant or Subscriber and was providing real estate related services within the scope of the Participant's or Subscriber's license. Lack of knowledge by the Participant or Subscriber of such Salesperson's conduct shall only go to mitigation of discipline imposed.
- d. For any violation of the N.A.R. Code of Ethics while a member of any Association of REALTORS®.

14.2 Sanctions. Sanctions or disciplinary action for violation of an MLS Rule may consist of one or more of those specified in the *California Code of Ethics and Arbitration Manual*.

14.3 Citations. The AOR/MLS may implement a schedule of fines for certain MLS rules violations and direct staff to issue citations for the specified MLS rules

violations and implement a procedure whereby the Participant and Subscriber receiving the citation has the right to (1) pay the fine as imposed; (2) if the violation is a first time offense (one offense within a 18 month period); the Participant or Subscriber may attend an MLS Training Class within 30 days of receiving the citation and thereby have the fine waived within a 18 month period; or (3) **must** pay the amount specified on the citation before being eligible to request a full hearing in accordance with the procedures set forth in 17.2 and the *California Code of Ethics and Arbitration Manual*.

15. PROCEDURES FOR MLS RULES HEARINGS.

All MLS rules hearings shall be processed in accordance with the *California Code of Ethics and Arbitration Manual* as from time to time amended which is hereby incorporated by reference. Failure to abide by the procedures of the *California Code of Ethics and Arbitration Manual* shall be a violation of these MLS rules.

16. ARBITRATION.

16.1 Mandatory Arbitration. By becoming and remaining a Participant or Subscriber in the MLS, each Participant and Subscriber agrees to submit disputes arising out of the real estate business which also arises out of, or is in conjunction with, any listing filed with the MLS or any appraisal, to binding arbitration with any other Participant or Subscriber of this MLS, or Participants or Subscribers of any other MLS who are authorized to have access to this MLS under Section 6 of these rules. Such arbitrations shall be governed by the *California Code of Ethics and Arbitration Manual* as from time to time amended which is hereby incorporated by reference. This shall be deemed an arbitration agreement within the meaning of Part 3, Title 9 of the California Code of Civil Procedure. Failure to submit to arbitration as provided herein shall be a violation of these MLS rules.

16.2 Other Arbitration Agreements. Notwithstanding any other provision of these rules, if any Participant or Subscriber enters into an agreement (either before or after a dispute arises) with another Participant or Subscriber to arbitrate a dispute utilizing non-MLS facilities, such persons are not bound to arbitrate the dispute covered by such agreement under these rules utilizing the AOR/MLS facilities.

16.3 Arbitration Between Association Members. Notwithstanding any other provision of these rules:

- a. If all disputants are members of the same AOR, they shall arbitrate under that AOR in accordance with its rules.
- b. If the disputants are members of different AORs, they shall arbitrate in accordance with any applicable regional or shared professional standards agreement. In the absence of such an agreement, the disputants remain obligated to arbitrate in accordance with the Interboard Arbitration Rules of the California Association of REALTORS® (“C.A.R.”).

16.4 Arbitration Involving Non-Association Members. Notwithstanding any other provision of these rules:

- a. If one or more of the disputants are non-AOR members and all disputants receive MLS services through the same AOR, they shall arbitrate at the AOR unless the AOR participates in a regional MLS, in which case, they shall arbitrate in accordance with any applicable regional agreements between the AOR and the regional MLS
- b. If one or more of the disputants are non-AOR members and the disputants receive MLS services through different AORs and the AORs participate in a regional MLS, they shall arbitrate in accordance with any applicable regional agreements between the AORs and the regional MLS.
- c. In the absence of a regional agreement regarding the location of the arbitration, any dispute under subsection (a)-(c) may be conducted at any AOR where the respondent(s) holds AOR membership or receives MLS services.

16.5 Same Firm. Arbitration between persons from the same firm shall not be available and is not mandated by these rules unless covered by arbitration rules relating to the obligations of AOR members to arbitrate.

16.6 Timing. For purposes of this Section 16, the duty to arbitrate shall be determined when facts giving rise to the dispute occurred. Therefore, a Participant or Subscriber shall have a duty to arbitrate if the person was an MLS Participant or Subscriber when facts giving rise to the dispute occurred. Termination of MLS participation or subscription shall not relieve the arbitration duty under this section for disputes that arose when the person was an MLS Participant or Subscriber. Requests for arbitration must be filed within one hundred and eighty (180) days after the closing of the transaction, if any, or after the facts constituting the matter could have been known in the exercise of reasonable diligence, whichever is later.

17. NONPAYMENT OF MLS FEES.

17.1 Nonpayment of MLS Fees. If MLS fees, fines, charges, or other amounts owed the MLS are not paid on the due date specified on the semi-annual invoices, the nonpaying Participant and/or Subscriber's MLS services shall be subject to suspension until such outstanding amounts are paid in full. The MLS may suspend MLS services under this section provided the MLS gives the Participant and/or Subscriber at least twenty (20) calendar days' prior notice of the proposed suspension date. Such notice may be included with the original billing statement for MLS fees, fines, or charges or any time thereafter. In the event the amounts owed remain unpaid for three months after the due date, the nonpaying Participant and/or Subscriber's MLS services shall automatically terminate regardless if notice of such termination is given.

17.2 Disputed Amounts. If a Participant and/or Subscriber disputes the accuracy of amount owed, the Participant and/or Subscriber may request a hearing before

the Board of Directors. In order to request such a hearing, the Participant and/or Subscriber must first pay the disputed amount in whole which may be refunded in whole or part in accordance with the Board of Directors' determination. Hearings under this section shall be conducted in accordance with the *California Code of Ethics and Arbitration Manual*. In the event the Board of Directors confirms the accuracy of the amount owed, the Participant and/or Subscriber shall also be subject to paying interest at the rate of ten (10%) per annum on such past due amounts.

17.3 Reinstatement. Any Participant and/or Subscriber whose MLS services have been terminated for nonpayment of MLS fees may reapply for participation in the MLS. However, prior to being granted access, such Participant and/or Subscriber must pay all fees applicable to new applicants and all past due amounts owed, including paying interest at the rate of ten (10%) per annum on such past due amounts.

18. CHANGE IN RULES AND REGULATIONS.

The rules of the MLS may be amended by a majority vote of the AOR/MLS Board of Directors. Any changes to these rules which are mandated by the National Association of REALTORS® shall automatically be incorporated into these rules and do not require AOR/MLS Committee or Board of Directors approval. All changes to the rules shall be submitted to all reciprocating MLS.