

DULUTH AREA ASSOCIATION OF REALTORS®, INC.

AND

MINNESOTA ARROWHEAD MLS

MULTIPLE LISTING SERVICES

RULES AND REGULATIONS

(Updated March, 2011)

DEFINITIONS

Multiple Listing Service

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

As used in these Rules and Regulations, the following terms shall have the meanings given to them in this Section 1.2:

"Service" shall mean the Multiple Listing Service of the Duluth Area Association of REALTORS® (as defined by the National Association of REALTORS®) from which a Participant receives its participatory rights.

Shared Association Services and Information (SASI) is a corporation established to facilitate a central database of listing information from participating Associations.

"MLS Compilation" shall mean any format in which property-listing data is collected and disseminated to the Participants, including, but not limited to, bound book, loose-leaf binder, computer database, card file, or any other format.

"Jurisdiction" shall mean the state of Minnesota.

"Internet Data Exchange" or "Broker Reciprocity" is a means by which each Participant subscribing to the program permits the display of its active listings appearing in MLS on each other IDXS's Internet web site.

"Internet Data Exchange Database" is the current aggregate compilation of all active exclusive right to sell listings of all Internet Data Exchange Subscribers except those listings where the property seller has opted out of Internet publication.

For the purpose of these rules the phrase "Business Day" means days of the week excluding weekends and postal holidays

Listing Procedures

Section 1 Listing Procedures

Listings of real or personal property of the following types, which are listed subject to a real estate broker's license, and are located within the territorial jurisdiction of the multiple listing services participating in this Shared Association Services & Information, LLC (MLS), and are taken by participants on exclusive agency and exclusive right to sell forms shall be delivered to the multiple listing service within two business days after all necessary signatures of seller(s) have been obtained:

- a. single family homes for sale or exchange
- b. vacant lots and acreage for sale or exchange
- c. two-family, three-family, and four-family residential buildings for sale or exchange / residential income
- d. farms and income-producing property/tillable land

Any listing a broker takes, of a required property type as defined in these Rules is required to be entered into and disseminated to the participants of this service, notwithstanding those listings properly filed with the service but not disseminated (Exempt Listings).

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

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

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

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

The different types of listing agreements include:

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

The service may not accept net listings because they are deemed unethical and, in most states, illegal. Open listings are not accepted except where required by law

because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.

The exclusive right-to-sell listing is the conventional form of listing submitted to the multiple listing service in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right-to-sell listings with named prospects exempted should be clearly distinguished by a simple designation such as a code or symbol from exclusive right-to-sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right-to-sell listings with no named prospects exempted. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right-to-sell listings with prospect reservations.

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

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

Section 1.1 Types of Properties

Any listing submitted is entered into MLS within the scope of the participant's licensure as a real estate broker:

MANDATORY property types for submission to the MLS database are:

- a. single family homes for sale or exchange (RESIDENTIAL)
- b. vacant lots and acreage for sale or exchange (VACANT LAND)
- c. two-family, three-family, and four-family residential buildings for sale or exchange / residential income (MULTIFAMILY)
- d. farms and income-producing property/tillable land (FARMS)
(Optional property type) Commercial /mixed use/five-units or more (leases) (COMMERCIAL)

Section 1.1.1 Listing Subject to Rules and Regulations of MLS

Any listing taken on a contract to be filed with the multiple listing service is subject to the rules and regulations of the service and MLS upon signature of the seller(s).

Section 1.2 Detail on Listings Filed with MLS

A listing agreement or property data form, when filed with the multiple listing service and MLS by the listing broker, shall be complete in every detail which is ascertainable as specified on the property data form.

Section 1.2.1 Limited Service Listings

Listing agreements under which the listing broker will not provide one, or more, of the following services:

- a. arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s)
- 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
- e. participate on the seller's(s') behalf in negotiations leading to the sale of the listed property will be identified with an appropriate code or symbol (e.g., LR or 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 brokers' clients, prior to initiating efforts to show or sell the property.

Section 1.3 Exempt Listings

If the seller refuses to permit the listing to be disseminated by the service, the participant may then take the listing (office exclusive) and such listing shall be filed with the service but not disseminated to the participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the service. The certification shall be delivered to the multiple listing service within two business days after all necessary signatures of seller(s) have been obtained.

Section 1.4 Change of Status of Listing

Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be made available to the service upon request.

Section 1.5 Cancellation of Listing Prior to Expiration

Listings of property may be cancelled from the multiple listing service by the listing broker before the expiration date of the listing agreement, provided notice is filed with the service, including a copy of the agreement between the seller and the listing broker which authorizes the withdrawal.

Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated, the multiple listing service may remove the listing at the request of the seller.

Section 1.6 Contingencies Applicable to Listings

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

Section 1.7 Listing Price Specified

The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings, unless the property is subject to auction.

Section 1.8 Listing Multiple Unit Properties

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

Section 1.9 No Control of Commission Rates or Fees Charged to Participants

The multiple listing service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by participants. Further, the multiple listing service shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating participants or between participants and nonparticipants.

Section 1.10 Expiration of Listings

Listings filed with the multiple listing service will automatically be removed from the compilation of current listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed. Three business days after the listing is expired, it must be entered as new.

If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and be available to the service up request.

Section 1.11 Termination Date on Listings

Listings filed with the service shall bear a definite and final termination date, as negotiated between the listing broker and the seller.

Section 1.12 Jurisdiction

Only listings of the designated types of property located within the jurisdiction of the MLS are required to be submitted to the service. Listings of property located outside the MLS's jurisdiction will be accepted if submitted voluntarily by a participant, but cannot be required by the service.

Section 1.13 Listing of Suspended Participants

When a participant of the service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, association bylaws, MLS bylaws, MLS rules and regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended participant shall, at the participant's option, be retained in the service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement

in effect when the suspension became effective. If a participant has been suspended from the association (except where MLS participation without association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an association MLS is not obligated to provide MLS services, including continued inclusion of the suspended participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended participant's listings from the MLS, the suspended participant should be advised, in writing, of the intended removal so that the suspended participant may advise his clients.

Section 1.14 Listing of Expelled Participants

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

Section 1.15 Listing of Resigned Participants

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

Section 1.16 Photo

One exterior photo of the primary property, or a rendering of the front of a new construction dwelling, is required as the main photo for all required property types, except vacant land.

Section 1.17 Advertising and Branding Restrictions

MLS does not allow:

- advertising in Public Fields: name, contact information, photo of listing broker or agent, logos or signs
- branding of virtual tours
- branding or company signs identifiable in photos

Section 1.18 Duplicate Listings

Duplicate listings are not allowed with the exception of farms where the land and dwelling may be sold separately or together may be entered in Vacant Land and in Farms. A property with multiple dwelling units may be entered in Multi-unit and Commercial IF the building has a commercial component.

Selling Procedures

Section 2 Showings and Negotiations: Appointments for showings and negotiations with the seller for the purchase of listed property filed with the Multiple Listing Service shall be conducted through the listing broker, except under the following circumstances:

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

No Participant shall provide to any person, except another Participant, whether intentionally or through negligence, information providing a means for that person to enter a property listed with the Service unless the listing broker has given specific permission for such access.

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

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

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

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

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

Section 2.5 Reporting Sales to the Service

Status changes, including final closing of sales, shall be reported to the multiple listing service by the listing broker within 2 business days after they have occurred. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report accepted offers to the listing broker within within 24 hours after occurrence and the listing broker shall report them to the MLS within within 2 business days after receiving notice from the cooperating broker.

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

Section 2.6 Reporting Resolutions of Contingencies: The listing broker shall report to the Multiple Listing Service within twenty-four (24) hours that a contingency on file with the Multiple Listing Service has been fulfilled or renewed, or the agreement cancelled.

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

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

Section 2.9 Temporarily Unavailable to Show Listings. If a listing is not available for showings, the listing broker must complete the required form and submit it to the MLS. The MLS will change the status of the listing. It is the listings broker's responsibility to change the status of the listing prior to any showings being allowed.

Refusal to Sell

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

Prohibitions

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

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

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

Section 4.3—Solicitation of Listing Filed with the Service: Participants shall not solicit a listing on property filed with the Service unless such solicitation is consistent Minnesota Law and Article 16 of the REALTORS’ Code of Ethics, its Standards of Practice, and its Case Interpretations.

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

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

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

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

Section 4.4—Use of the Terms MLS and Multiple Listing Service: No MLS participant, subscriber, or licensee affiliated with any participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants, subscribers and licensees affiliated with participants shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

Division of Commissions

Section 5—Compensation Specified on Each Listing: The listing broker shall specify, on each listing filed with the Multiple Listing Service, the compensation offered to other Multiple Listing Service Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker’s performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker’s obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through

no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

Note 1: In filing a property with the Multiple Listing Service of a Association of REALTORS[®], the Participant of the Service is making blanket unilateral offers of compensation to the other MLS Participants, and shall therefore specify on each listing filed with the Service, the compensation being offered to the other MLS Participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.¹

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

This shall not preclude the listing broker from offering any MLS Participant compensation other than the compensation indicated on any listing published by the MLS, provided the listing broker informs the other broker, in writing, in advance of his producing an offer to purchase, and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants in the Service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount. Superseding offers of compensation must be renewed in writing by May 1 of each year.

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

¹ **The compensation specified on listings filed with the Multiple Listing Service shall appear in one of two forms. The essential and appropriate requirement by a Association Multiple Listing Service is that the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker, in writing, in advance of his producing an offer to purchase. The compensation specified on listings published by the MLS shall be shown in one of the following forms:*

- 1. by showing a percentage of the gross selling price*
- 2. by showing a definite dollar amount*

Note 2: The listing broker may, from time to time, adjust the compensation offered to other Multiple Listing Service Participants for their services with respect to any listing by advance published notice to the Service so that all Participants will be advised.

Note 3: The Multiple Listing Service shall make no rule on the division of commissions between Participants and nonparticipants. This should remain solely the responsibility of the listing broker.

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

5.1 Short Sales: Participants may, but are not required to, disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) to other participants and subscribers.

Section 5.2 Participant as Principal: If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any ownership interest in a property, the listing of which is to be disseminated through the Multiple Listing Service, that person shall disclose that interest when the listing is filed with the Multiple Listing Service and such information shall be disseminated to all Multiple Listing Service Participants.

Section 5.3 Participant as Purchaser: If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

Section 5.4 Dual or Variable Rate Commission Arrangements: The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/ leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a

buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

Confidentiality of MLS Information

Section 6 Confidentiality of MLS Information

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

Section 6.1 MLS Responsibility for Accuracy of Information

The information published and disseminated by the service is communicated verbatim, without change by the service, as filed with the service by the participant. The service does not verify such information provided and disclaims any responsibility for its accuracy. Each participant agrees to hold the service harmless against any liability arising from any inaccuracy or inadequacy of the information such participant provides.

Ownership of MLS Compilation and Copyright

Section 7 By the act of submitting any property listing content to the MLS the participant represents that he has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

Section 7.1 All right, title, and interest in each copy of every multiple listing compilation created and copyrighted by the local Association of REALTORS[®] and/or its MLS in the copyrights therein, shall at all times remain vested in the local Association of REALTORS[®] and/or its MLS. Ownership of data belongs to local MLSs; this compilation is owned by SASI.

The term MLS compilation, as used in Sections 3 and 4 herein, shall be construed to include any format in which property listing data is collected and disseminated to the participants, including but not limited to bound book, loose-leaf binder, computer database, card file, or any other format whatsoever.

Section 7.2 Each participant shall be entitled to lease from her Association/MLS a number of copies of each MLS compilation sufficient to provide the participant and each person affiliated as a licensee (including licensed or certified appraisers) with such participant with one copy of such compilation. The participant shall pay for each such copy the rental fee set by the association.

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

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

Use of Copyrighted MLS Compilation

Section 8 Distribution Participants shall, at all times, maintain control over and responsibility for each copy of any MLS compilation leased to them by their Association of REALTORS®/MLS, and shall not distribute any such copies to persons other than individuals who are affiliated with such participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and any other individuals as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification, and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed or published by an Association/Multiple Listing Service where access to such information is prohibited by law.

The MLS may authorize the use of a password and access to unlicensed assistants per the following procedures: completion of a form, declaration of relationship to broker/agent, or role in assisting with the real estate business and agreement to abide by the rules and procedures of the MLS.

Brokers may use MLS data for their business statistical purposes. Associations/MLSs may use all statistical data for business purposes.

Section 8.1 Display

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

Section 8.2 Reproduction

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

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

* It is intended that the participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the participant is seeking to promote interest. The term reasonable, as

used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent and thus reasonable in number, shall include, but are not limited to, the total number of listings in the MLS compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

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

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

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparables, or statistical information from utilizing such information to support an estimate of value on a particular property for a particular client. However, only such information that an association or association-owned multiple listing service 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 and regulations.

Use of MLS Information

Section 9 Limitations on Use of MLS Information

Information from MLS compilations of current listing information, from statistical reports, and from any sold or comparable report of the association or MLS may be used by MLS participants as the basis for aggregated demonstrations of market share or comparisons of firms in public mass-media advertising or in other public representations. This authority does not convey the right to include in any such advertising or representation information about specific properties which are listed with other participants, or which were sold by other participants (as either listing or cooperating broker).

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the association or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

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

Service Charges

Section 10—Service Fees and Charges: The following service charges for operation of the Multiple Listing Service are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed.

(a) Initial Participation Fee: An applicant for participation in the Service shall pay an application fee of \$350.00 with such fee to accompany the application.

(b) In addition, each Member shall pay a monthly service fee or dues equal to an amount set from time to time by the Board of Directors multiplied by the number of licensed sales personnel and licensed or certified appraisers employed by, or affiliated with, the Full Membership Broker. The computation of the service fee or dues in respect to such licensed sales personnel and licensed or certified appraisers shall exclude any such personnel for whom the Member has obtained a subscription waiver from the Committee. Such Waiver shall be issued by the Committee upon written application of the Member showing that the named licensee is operating outside the Association's jurisdiction and is not utilizing the Service, for medical reasons is unable to utilize the service, or a licensed or certified appraiser that does not utilize the service.

(c) Members who hold primary full MLS participation with another Multiple Listing Service and are outside the Association's jurisdiction may choose one of the following types of membership:

(1) MLS Only Membership: The monthly service fee shall be in an amount equal to an amount set from time to time by the Committee multiplied by the number of licensed sales personnel and licensed or certified appraisers employed by or affiliated with the Full Membership Broker. The computation of the service fee or dues for such members shall exclude any such personnel that are not utilizing the service. The broker shall designate those licensees utilizing the service.

(2) Allied Participation: The monthly service fee shall be a flat monthly amount, as set from time to time by the Board of Directors.

Section 10.1. Full Membership Broker Transfers. Full Membership Broker changes may be made upon filing the pertinent information as to the requested change and payment of a transfer fee of 50% of the current initiation fee. This shall not be construed to imply general open marketability of Full Broker Memberships. The intent is that any transfer to a Broker's Membership shall be between parties with a pre-existing business relationship with the firm.

Section 10.2. All MLS charges for each month shall be due and payable the last day of the month for service the following month. Any MLS charges not paid as of the first (1st) day of said month shall be considered delinquent, and no publication of the service or computerized MLS information services shall be available to the Member during the period of delinquency. Prior to reinstatement, the delinquent member shall pay all outstanding charges plus a reinstatement fee of ten percent (10%) of the outstanding charges or \$25.00, whichever is greater.

Section 10.3. If fees, fines or assessments owed to the Service are not paid within one (1) month after the due date and the nonpaying Member is a Member of the Duluth Area Association of REALTORS®, membership in the Association shall automatically terminate. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Duluth Area Association of REALTORS® Board Directors. A former Member who has had his membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provisions of these Rules and Regulations may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all amounts due as of the date of termination.

Compliance with Rules

Section 11—Compliance with Rules: The following action may be taken for noncompliance with the rules:

(a) If fees, fines or assessments owed to the Service are not paid within one (1) month after the due date and the nonpaying Member is a Member of the Duluth Area Association of REALTORS®, membership in the Association shall automatically terminate. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Duluth Area Association of REALTORS® Board of Directors. A former Member who has had his membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provisions of these Rules and Regulations may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all amounts due as of the date of termination.

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

Section 11.1—Applicability of Rules to Users and/or Subscribers: Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these rules and regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the rules and regulations. Further, failure of any user or subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

MLS Management Committee

Section 12—Meetings of MLS Management Committee: The MLS Management Committee shall meet for the transaction of its business at a time and place to be determined by the Committee or at the call of the Chairperson.

Section 12.1—Meetings of MLS Participants: The Committee may call meetings of the Participants in the Service to be known as meetings of the Multiple Listing Service.

Section 12.2—Conduct of the Meetings: The Chairperson or Vice Chairperson shall preside at all meetings or, in their absence, a temporary Chairperson from the membership of the Committee shall be named by the Chairperson or, upon his failure to do so, by the Committee.

Section 12.3 - Appeal from Decision of the Committee. A Member of the Service may appeal in writing to the Directors and the Association any action taken by the Committee and said Board of Directors shall review and make final decision pertaining thereto. Any action taken by the Committee under the foregoing powers and duties is subject to review and a final decision by the Directors of the Association on its own motion at its next meeting.

Enforcement of Rules or Disputes

Section 13—Consideration of Alleged Violations: The Committee shall give consideration to all written complaints having to do with violations of the rules and regulations.

Section 13.1—Violations of Rules and Regulations: If the alleged offense is a violation of the rules and regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the MLS Management Committee, and if a violation is determined, the Committee may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Association in accordance with the bylaws and rules and regulations of the Association of REALTORS[®] within twenty (20) days following receipt of the Committee's decision.

Section 13.2—Complaints of Unethical Conduct: All other complaints of unethical conduct shall be referred by the Committee to the Chief Executive Officer of the Duluth Area Association of REALTORS[®] for appropriate action in accordance with the professional standards procedures established in the Association's bylaws.

Internet Data Exchange (IDX) - Rules

Section 14 IDX Defined

Internet Data eXchange (IDX) affords MLS Participants the option of authorizing display of their listings on other participants' Internet Web sites.

An IDX site is defined as a search feature on the public web site of a MLS Participant, which allows a consumer to view listing data on that web site as, provided for in these Rules.

"Participant" in this document is defined as the broker that is a participant of his Association/MLS and actively engaged in the real estate business.

Section 14.1 Authorization

Participants' consent for display of their listings by other participants, including participants of Association/MLSs who are participating in MLS, pursuant to these rules and regulations is

presumed unless a participant affirmatively notifies her Association/MLS that the participant refuses to permit display, either on a blanket or on a listing-by-listing basis.

If a participant refuses on a blanket basis to permit the display of that participant's listings, that participant may not download or frame the aggregated MLS data of other participants. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis as instructed by the seller.

Section 14.2.1 Notification

Participants must notify the Association/MLS of their intention to establish an IDX site and must make their site directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies.

Section 14.2.2 Security and Control

MLS participants may not use IDX-provided listings for any purpose other than display on their websites. This does not require participants to prevent indexing of IDX listings by recognized search engines.

Any web site used by a MLS participant for publication of MLS Content must be controlled by the participant and clearly identified as the participant's web site. Any participant's website must be under the control of a single broker of record. The term controlled means that the operation, hosting and web site consultant(s) are directly responsible to the participant.

Section 14.2.3 Exclusions

Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to, publicly-accessible web sites or VOWs) shall not be accessible via IDX sites.

Section 14.2.4 Display Selection

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

Participants excluding listings from their IDX site shall not represent in any manner that "all listings" are available on their web sites.

Section 14.2.5 Timely Updates

Associations/MLSs must refresh all MLS downloads and refresh all MLS data at least once every twenty-four (24) hours.

Section 14.2.6 Redistribution

Except as provided in the MLS Rules, an IDX site or a participant operating an IDX site may not distribute, provide, or make any portion of the MLS database available to any person or entity.

Section 14.2.8 Third Party Comments and AVMs

Any IDX site that

- a. allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
- b. displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing,

shall disable or discontinue either or both of those features as to the seller's listings at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all participants' websites. Except for the foregoing and subject to Section 18.2.9, a participant's IDX site may communicate the participant's professional judgment concerning any listing. Nothing shall prevent an IDX site from notifying its customers that a particular feature has been disabled at the request of the seller.

Section 14.2.9 Means to Receive Comments

Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property displayed on the IDX site. Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 14.3 Display

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

Section 14.3.1 Content

Listings displayed pursuant to IDX shall contain only those fields of data designated by MLS and as defined in the MLS Dataset Definition. Display of all other fields (as determined by MLS) is prohibited. Confidential fields intended only for other participants and users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed on IDX sites. These fields may not be displayed on IDX sites: list and expiration dates; Private/Agent remarks; type of listing; compensation.

Listings displayed shall contain the minimum, but no more than the maximum, information as defined in the MLS Dataset Definition, as may be modified from time to time by MLS.

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

Section 14.3.2 Co-mingling of Information

A participant may co-mingle the listings of other participants with listings from other multiple listing services on its web site, provided all such displays are consistent with these rules. No

portion of the MLS database shall be co-mingled with any non-ML listings on a participant's web site. Co-mingling is (a) the ability for a visitor to the site to execute a single search that searches any portion of the IDX database at the same time it searches listing data for any other source(s); or (b) the display on a single web page of any portion of the IDX database and listing data from any other source.

Section 14.3.3 Thumbnails and Display of Brokerage

Thumbnail prints must display the wording "Broker Reciprocity," and the detail view of the listing must display the brokerage name. The typeface of the brokerage name shall not be smaller than the median typeface used for listing data and shall be in a readily visible color and in a reasonably prominent location.

Section 14.3.4 Disclaimers

A participant's web site must credit the native (home) MLS organization as the source of other participants' listings appearing on the IDX web site.

All listings displayed pursuant to IDX shall show a statement disclaiming any liability for the accuracy of the data. The disclaimer shall be in a form approved in writing by the Association/MLS. The following disclaimer has been approved. "Information is supplied by seller and other third parties and has not been verified."

The following copyright statement must appear at the bottom of each such listing - "Copyright 20XX – Duluth Area Association of REALTORS® MLS – All Rights Reserved."

A display of Open House Information must include the following disclaimer, "Open House information is subject to change without notice."

Section 14.3.5 Avoid Stealing of Data.

MLS participants may not use IDX-provided listings for any purpose other than display on their websites. This does not require participants to prevent indexing of IDX listings by recognized search engines. Any participant displaying the Broker Reciprocity Database or any portion thereof shall make reasonable efforts to avoid "scraping" of the data by third parties or displaying of that data on any other web site. Reasonable efforts shall include but not be limited to: (a) monitoring the web site for signs that a third party is "scraping" data; and (b) prominently posting notice that any use of search facilities of data on the site, other than by a consumer looking to purchase real estate, is prohibited. If a participant suspects "scraping" of the data has occurred, the suspicion and any evidence must be reported to native MLS immediately for investigation and action.

Section 14.3.6 Written Agreement with Website Developers

Any participant using a third party to develop or design its web site shall have a written agreement with that third party in the form prescribed by his native MLS.

Section 14.3.7 End User License Agreement

Participants shall indicate on their web sites that IDX information is provided exclusively for consumers' personal, non-commercial use and that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing (in the form of a click-through EULA).

Section 14.3.8 Compliance

All MLS sites are subject to ongoing compliance auditing by the Associations/MLSs.

Changes to a MLS site necessary to cure a violation of MLS IDX Rules must be accomplished within ten calendar days of the transmittal of notice from MLS of such violation.

Violations may subject Associations/MLSs to sanctions, including but not limited to the immediate termination of the download agreement to receive or republish MLS information.

MLS IDX rules are in addition to all other adopted MLS Rules and Regulations of the Associations/MLSs.

Section 14.3.9 IDX Data Set Definition

Active Data Display Appendix (minimum fields)

Sold Data Display Appendix (minimum fields)

Fields that may be displayed on SOLD listings:

List Office Name (required)

Primary photo

Street Address

Municipality

State

Zip Code

Status

Sale Price

Sold Date

MLS Number

Property Type

County

School District

Style

Year Built

Total Bedrooms

Total Bathrooms

Garage Stalls

Acres

Lot Size

Parcel ID Number

Latitude

Longitude

Virtual Office Websites (VOWs)

Section 15.1 VOW Defined

- a. A “Virtual Office Website” (VOW) is a participant’s Internet website, or a feature of a participant’s website, through which the participant is capable of providing real estate brokerage services to consumers with whom the participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS listing information, subject to the participant’s oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a participant may, with his participant’s consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the participant’s oversight, supervision, and accountability.
- b. As used in Section 19 of these rules, the term “participant” includes a participant’s affiliated non-principal brokers and sales licensees—except when the term is used in the phrases “participant’s consent” and “participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all Virtual Office Websites, whether operated by a participant, by a non-principal broker or sales licensee, or by an “Affiliated VOW Partner” (AVP) on behalf of a participant.
- c. “Affiliated VOW Partner” (AVP) refers to an entity or person designated by a participant to operate a VOW on behalf of the participant, subject to the participant’s supervision, accountability, and compliance with the VOW policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a participant. No AVP has the right to use MLS listing information, except in connection with operation of a VOW on behalf of one or more participants. Access by an AVP to MLS listing information is derivative of the rights of the participant on whose behalf the AVP operates a VOW.
- d. As used in Section 19 of these rules, the term “MLS listing information” refers to active listing information and sold data provided by participants to the MLS and aggregated and distributed by the Association/MLS to participants.

Section 15.2 Scope limited; Other services permitted; No listing broker permission required.

- a. The right of a participant’s VOW to display MLS listing information is limited to that supplied by the Association/MLS(s) in which the participant has participatory rights. However, a participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.
- b. Subject to the provisions of the VOW policy and these rules, a participant’s VOW, including any VOW operated on behalf of a participant by an AVP, may provide other features, information, or functions, e.g., “Internet Data Exchange” (IDX).
- c. Except as otherwise provided in the VOW policy or in these rules, a participant need not obtain separate permission from other Association/MLS participants whose listings will be displayed on the participant’s VOW.

Section 15.3 Prerequisites for access; Registration; terms of use.

- a. Before permitting any consumer to search for or retrieve any MLS listing information on his VOW, the participant must take each of the following steps.
 - i. The participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter, "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
 - ii. The participant must obtain the name of and a valid e-mail address for each Registrant. The participant must send an e-mail to the address provided by the Registrant confirming that the Registrant has agreed to the terms of use (described in Subsection d., below). The participant must verify that the e-mail address provided by the Registrant is valid and that the Registrant has agreed to the terms of use.
 - iii. The participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The participant may, at his option, supply the user name and password or may allow the Registrant to establish its user name and password. The participant must also assure that any e-mail address is associated with only one user name and password.
- b. The participant must assure that each Registrant's password expires on a date certain, but may provide for renewal of the password. The participant must at all times maintain a record of the name, e-mail address, user name, and current password of each Registrant. The participant must keep such records for not less than one hundred eighty (180) calendar days after the expiration of the validity of the Registrant's password.
- c. If the Association/MLS has reason to believe that a participant's VOW has caused or permitted a breach in the security of MLS listing information or a violation of MLS rules, the participant shall, upon request of the Association/MLS, provide the name, e-mail address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The participant shall also, if requested by the Association/MLS, provide an audit trail of activity by any such Registrant.
- d. The participant shall require each Registrant to review and affirmatively to express agreement (by mouse click or otherwise) to a terms-of-use provision that provides at least the following:
 - i. the Registrant acknowledges entering into a lawful consumer-broker relationship with the participant
 - ii. all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use
 - iii. the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW

- iv. the Registrant will not copy, redistribute, or retransmit any of the information provided, except in connection with the Registrant's consideration of the purchase or sale of an individual property
 - v. the Registrant acknowledges the MLS's ownership of and the validity of the MLS's copyright in the MLS database.
- e. The terms of use agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the participant. Any agreement entered into at any time between the participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the participant must be established separately from the terms of use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- f. The terms of use agreement shall also expressly authorize the Association/MLS and other Association/MLS participants or their duly authorized representatives to access the VOW for the purposes of verifying compliance with MLS and MLS rules and monitoring display of participants' listings by the VOW. The agreement may also include such other provisions as may be agreed to between the participant and the Registrant.

Section 15.4 Contact information; Response to inquiries.

A participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the participant to ask questions or get more information about any property displayed on the VOW. The participant or a non-principal broker or sales licensee licensed with the participant must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that participant and displayed on the VOW.

Section 15.5 Preventing unauthorized use of data.

A participant's VOW must employ reasonable efforts to monitor for and prevent misappropriation, scraping, and other unauthorized uses of MLS listing information. A participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the Association/MLS.

Section 15.6 Sellers withholding listings and addresses from Internet.

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

- b. A participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision.

Seller Opt-out Form

1. Check one.

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

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

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

Initials of Seller

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

Section 15.7 Third-party commentary; Automated valuation; Professional judgment.

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

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

Section 15.8 Means to correct errors.

A participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the participant beyond that supplied by the Association/MLS and that relates to a

specific property displayed on the VOW. The participant shall correct or remove any false information relating to a specific property within forty-eight (48) hours following receipt of a communication from the listing broker explaining why the data or information is false. The participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 15.9 Frequency of updates.

A participant shall cause the MLS listing information available on its VOW to be refreshed at least once every three (3) days.

Section 15.10 No other distribution permitted.

Except as provided in these rules, in the National Association of REALTORS[®]' VOW policy, or in any other applicable Association/MLS rules or policies, no participant shall distribute, provide, or make accessible any portion of the MLS listing information to any person or entity.

Section 15.11 Privacy policy required.

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

Section 15.12 Listings excluded from display based on objective criteria.

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

Section 15.13 Access to VOW for compliance evaluation.

A participant who intends to operate a VOW to display MLS listing information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS participants for purposes of verifying compliance with these rules, the VOW policy, and any other applicable MLS rules or policies.

Section 15.14 Multiple VOWs permitted.

A participant may operate more than one VOW himself or through an AVP. A participant who operates his own VOW may contract with an AVP to have the AVP operate other VOWs on his behalf. However, any VOW operated on behalf of a participant by an AVP is subject to the supervision and accountability of the participant.

Section 15.15 Restricted fields

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

- a. the type of listing agreement, i.e., exclusive right-to-sell or exclusive agency
- b. instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property

Section 15.16 Listing Content

A participant shall not change the content of any MLS listing information that is displayed on a VOW from the content as it is provided in the MLS. The participant may, however, augment

MLS listing information with additional information not otherwise prohibited by these rules or by other applicable MLS rules or policies, as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS listing information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields.

Section 15.17 Notices; Disclaimers

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

Section 15.21 Advertising and Co-Branding

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

Section 15.22 Source of Listing

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

Section 15.23 Displaying Listings from Other Sources

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

Section 15.24 License agreement required.

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

Consequences of Noncompliance with MLS Rules

Section 16 The following schedule applies except where the MLS has reasonable basis for waiving the consequence or fine.

MLS Rule Reference	Consequence of Non-Compliance
Section 1 – Listing not entered into database within 2 business days of contract signing	\$25 per day fine

Section 1 - Entering a listing into MLS without a valid contract	\$1,000 fine
Section 1.2 – Incomplete/incorrect information	If listings appear in the MLS compilation with incomplete or improper information, a fine will be assessed as follows: \$25 after 3 days. The fine will increase by \$5.00/day for each day the incomplete/blank information appears in the compilation. For the legal description field, at least a partial legal is required.
Section 1.3 – Exempt listing certification not filed within 2 business days	\$25 per day fine
Section 1.4 – No change of status filing within 2 business days of seller’s written authorization	\$25 per day fine
Section 1.16 – No photo at time of listing	\$25 per day fine
Section 1.17 – Unauthorized advertising	\$100 fine plus removal of offending information
Section 2.9-Allow showings on listing Temporarily Unavailable for Showings	\$500 fine A fine of \$50 will be levied for having an active listing in the MLS with a notation in the remarks or addendum that states that no showings will be allowed until a certain date.
Section 4 – Unauthorized access to MLS	\$1,000 fine
MLS Request for Documentation	The MLS may request documentation on any listing. The documentation must be provided within 2 business days after the request had been made. If the documentation is not received, a fine of \$100/day will be assessed until the documentation is received by the MLS office or the issue is resolved under the Invalid Listing policy. The tabulation for the fine will include weekends.

Changes in Rules and Regulations

Section 19—Changes in Rules and Regulations: Amendments to the rules and regulations of the Service shall be by a majority vote of the Members of the MLS Management Committee, subject to approval by the Board of Directors of the Duluth Area Association of REALTORS®.