

# Lake Superior Area Realtors<sup>®</sup>, INC.

## Regulations and Rules Relating to IDX and VOWS

### Internet Data Exchange (IDX) - Rules

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

#### Section 18.1 Authorization

Participants' consent for display of their listings by other participants pursuant to these rules and regulations is presumed unless a participant affirmatively notifies the MLS that the participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit the display of that participant's listings, that participant may not download, frame or display the aggregated MLS data of other participants. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display or other electronic forms of display or distribution.

#### Section 18.2 Participation

Participation in IDX is available to all MLS participants who are REALTORS<sup>®</sup> and who consent to display of their listings by other participants.

#### Section 18.2.1 Notification

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

#### Section 18.2.2 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 participant displaying the IDX 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; and (c) employing appropriate security protection such as firewalls on their websites and displays provided that any security measures required by MLS may not be greater than those employed by the MLS.

All electronic display of IDX information conducted pursuant to this policy must be controlled by the participant and be clearly identified as the participant's display. Any participant's electronic display of IDX information must be under the control of a single broker of record. The term controlled means that the participant must have the ability to add, delete, modify, and update information as required by this policy, and any operation, hosting and web site consultant(s) are directly responsible to the participant.

#### Section 18.2.3 Exclusions

Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing broker to withhold their listing or the listing's property address from all display on the Internet (including, but not limited to, publicly-accessible websites or VOWs) or other electronic forms of display or distribution.

#### Section 18.2.4 Display Selection

Participants may select the listings they choose to display through IDX based only on objective criteria including, but not limited to, factors such as geography or location ("uptown," "downtown," etc.), list price, type of property (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed through IDX 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 18.2.5 Timely Updates

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

#### Section 18.2.6 IDX Use Only

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

#### Section 18.2.7 Redistribution

Any IDX display controlled by a participant or subscriber that

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

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

#### Section 18.2.7 Display of Brokerage Firm Name

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

#### Section 18.2.8 Third Party Comments and AVMs

Any IDX display controlled by a participant or subscriber that

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

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

#### Section 18.2.9 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. Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

#### Section 18.2.10 Co-mingling of Information

An MLS Participant or MLS Subscriber may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in this policy, "co-mingling" means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display. No portion of the MLS database shall be co-mingled with any non-MLS listings on a participant's

web site.

#### Section 18.2.11

Participants shall not modify or manipulate information relating to other participants' listings. MLS participants may augment their IDX displays of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated from the data supplied by the MLS. The source(s) of the information must be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields.

#### Section 18.2.12 Thumbnails and Display of Brokerage

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

#### Section 18.3 Display

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

##### Section 18.3.1 Content

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

##### Section 18.3.1.1

The type of listing agreement (e.g., exclusive right to sell, exclusive agency, etc.) may not be displayed."

##### Section 18.3.4

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

##### Section 18.3.5

Non-principal brokers and sales licensees affiliated with IDX participants may display information available through IDX on their own websites subject to their participant's consent and control and the requirements of state law and/or regulation.

##### Section 18.3.7

All listings displayed pursuant to IDX shall show the MLS as the source of the information.\*

##### Section 18.3.8 Compliance

Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information is provided exclusively for consumers' personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that the data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect participants and/or the MLS from liability. \*

#### Section 18.3.9

The data consumers can retrieve or download in response to an inquiry shall be determined by the MLS but in no instance shall be limited to fewer than five hundred (500) listings or fifty percent (50%) of the listings available for IDX display, whichever is fewer.

#### Section 18.3.10

The right to display other participants' listings pursuant to IDX shall be limited to a participant's office(s) holding participatory rights in this MLS.

#### Section 18.3.12

Display of expired and withdrawn listings is prohibited.

#### Section 18.3.13

Display of seller's(s') and/or occupant's(s') name(s), phone number(s), and e-mail address(es) is prohibited.

#### Section 18.3.14 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 Lake Superior Area REALTORS® 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 – Lake Superior Area 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 18.3.15

Participants must maintain an audit trail of consumer activity on their website and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers.

#### Section 18.3.16 Written Agreement with Participant's Vendors

Lake Superior Area REALTORS® MLS requires a written data license agreement with a participant and his/her third party vendor that develops or designs the participant's IDX web site for display of IDX data.

#### Section 18.4 Service Fees and Charges

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

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

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

#### Section 19.1 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/her participant's consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the participant's oversight, supervision, and accountability.

b. As used in Section 19 of these rules, the term "participant" includes a participant's affiliated non-principal brokers and sales licensees—except when the term is used in the phrases "participant's consent" and "participant's oversight, supervision, and accountability". References to "VOW" and "VOWs" include all 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 19.2 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 19.3 Prerequisites for access; Registration; terms of use.

a. Before permitting any consumer to search for or retrieve any MLS listing information on his/her VOW, the participant must take each of the following steps.

i. The participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter, “Registrants”). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.

ii. The participant must obtain the name of and a valid 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/her option, supply the user name and password or may allow the Registrant to establish its user name and password. The participant must also assure that any 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 19.4 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 19.5 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 19.6 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.

<p><b>Seller Opt-out Form</b></p> <p>1. Check one.</p> <p>a. I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.</p> <p>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.</p> <p>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.</p> <p>_____</p> <p>Initials of Seller</p>
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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 19.7 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 19.8 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 19.9 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 19.10 No other distribution permitted.

Except as provided in these rules, in the National Association of REALTORS<sup>®</sup> 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 19.11 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 19.12 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<sup>®</sup>.

Section 19.13 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 19.14 Multiple VOWs permitted.

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

#### Section 19.15 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 19.16 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 19.17 Notices; Disclaimers

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

#### Section 19.18

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

#### Section 19.19

A participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 500 current listings, or fifty (50%) of the listings in the MLS, whichever is less, and not more than 500 sold listings in response to any inquiry, or fifty (50%) of the listings in the MLS, whichever is less.

#### Section 19.20 Registrants' Passwords

A participant shall require that Registrants' passwords be reconfirmed or changed every 180 days.

#### Section 19.21 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/her behalf. However, a participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this section, co-branding will be presumed not to be deceptive or misleading if the participant's logo and contact information (or that of at least one participant, in the case of a VOW established and operated on behalf of more than one participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

## Section 19.22 Source of Listing

A participant shall cause any listing displayed on his/her 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 19.24 License agreement required

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

## **Data Sharing Networks**

### 20.1 Definitions.

20.1.1 “Data Sharing Network” or “DSN” means all the REALTOR® associations and multiple listing services (the “DSN MLSs”) that provide access to the multiple listing data of the Service in return for the Service providing its multiple listing data to the DSN MLSs. For purposes of these rules, the Service itself is a DSN MLS.

20.1.2 “Other MLS” means any DSN MLS, other than the Service, from which Participant or its salespeople wish to obtain access to listing information.

20.1.3 “Other MLS Policies” means the Other MLS’s bylaws, policies and procedures manual, and rules and regulations, as the Other MLS amends them from time to time. These policies may differ from those of the Service.

20.2. Purpose. The purpose of the DSN is to make it possible for participants and subscribers of each DSN MLS to disseminate listing information to, make offers of compensation to, and receive offers of compensation from participants in other DSN MLSs. The objective of the DSN is to facilitate the sharing of information and compensation among participants and subscribers of DSN MLSs. Only REALTORS® are permitted to use the DSN; firms that cannot make offers of compensation and are not entitled to active listing information in the service are not entitled to use the DSN.

20.3 Offers of Compensation. Each participant in each DSN MLS, including Participant, is bound by its offer of compensation in its home MLS with regard to all other Participants in DSN MLSs. In other words, if a broker with authorized DSN access in another MLS finds Participant’s listing in the Service and is the procuring cause of its sale, Participant is obliged to pay to that broker the compensation specified on the listing record in the Service, subject to these rules.

20.4 Listing brokers participating in more than one MLS. If a Participant in the Service is also a Participant in any other DSN MLS, and the Participant enters a listing for a property into the Service and any other DSN MLS with differing cooperating commission amounts, the follow provisions shall apply:

20.4.1 Cooperating broker chooses which offer to accept. If a cooperating brokerage is aware of multiple offers of compensation from a listing brokerage on the same property in different DSN MLSs,

the cooperating brokerage may select which offer of compensation it will accept. If the cooperating brokerage is the procuring cause of the sale of the property, it will be entitled to payment according to the offer of compensation that it accepted.

20.4.2 Arbitration required. In the event of a dispute regarding compensation under this Section, listing brokerage and cooperating brokerage shall submit to arbitration under Article 17 of the Code of Ethics of the National Association of REALTORS® as provided in these rules.

20.4.3 Evidence to be considered. In the event of an arbitration arising in a dispute under this Section, the arbitration panel may consider, in addition to all other information, testimony from the cooperating brokerage regarding its awareness of listing brokerage's multiple offers and testimony and contemporaneous records from listing brokerage regarding the cooperating brokerage's stated expectation of compensation at the time the cooperating brokerage submitted the offer that was eventually accepted by the seller.

## 20.5 Commission Disputes

Participants must mediate or arbitrate (or both) any dispute over any commission offered through the DSN between Participant and any other broker or licensee participating in any DSN MLS. All mediation and arbitration will take place as set forth in Article 17 of the National Association of REALTORS® (NAR) Code of Ethics or under other provisions of the NAR Code of Ethics and Arbitration Manual.

20.6 Access to Other MLSs. Access to data of Other MLSs is subject to the following provisions:

### 20.6.1 Access to Listing Data in Other MLS

Participant and its salespeople may have access to the listings of an Other MLS through the DSN according to the terms of that Other MLS's rules and regulations. Access to listings in other DSN MLSs is available only to those Participants entitled to access to listings in the Service.

### 20.6.2 No Input

Neither Participant nor its salespeople are entitled to input any listing content into an Other MLS Database. These privileges are limited to brokers and licensees who become Participants and subscribers directly to the Other MLS.

## 20.7 Application of Other MLS rules.

If the Participant accesses or allows any of its salespeople to access the listing data of an Other MLS, Participant becomes bound by the rules and regulations of that Other MLS with regard to that listing data and with regard to any transaction arising from use of that data. The following provisions also apply.

### 20.7.1 Priority of Rules and Agreements

Access by Participant and its salespeople to the Other MLS Database is subject at all times to the limitations set out in the Other MLS Policies. In the event of an apparent conflict between the Other MLS Policies and these rules, Participant's obligations and rights shall be determined, in order of

precedence, by the Other MLS Policies, by any agreement between Participant or its salespeople and the Other MLS, and by these rules.

#### 20.7.2 Use limited

Participant and its salespeople may use the Other MLS Database solely for the purpose of selling, listing, leasing, and appraising real estate as provided in the Other MLS Policies. Except as expressly provided in the Other MLS Policies, Participant and its salespeople may not copy, create derivative works of, distribute, perform, or display the Other MLS Database or any part of it.

#### 20.7.3 Confidentiality.

Participant and its salespeople shall maintain the confidentiality of all user IDs, passwords, and tokens (if any) and of the Other MLS Database; Participant, its salespeople, and its employees shall not provide user IDs, passwords, or tokens (if any) to any third party. To maintain the confidentiality of all user IDs, passwords, and the Other MLS Database, Participant, its salespeople, and its employees shall take the greater of reasonable care or the care Participant takes to protect its own confidential information.

20.7.4 Consideration of alleged rule violations. Participant must submit the Other MLS Policies, whether relating to a listing record in the Other MLS Database or to another broker Participant in the Other MLS. Participant remains subject to the rules of the Service as well. As a result, it is possible that the same act or acts could constitute a violation of policy in both the Other MLS and the Service, and that Participant may be sanctioned for multiple violations if Participant is found culpable. Participant consents to the Service communicating the final resolutions of disciplinary proceedings to all DSN MLSs.

20.7.5 Other sanctions. In addition to fines, Participant may be subject to other sanctions levied by the Service, including discontinued access to the DSN, the Other MLS Database, or the Service itself.

20.8 Disclaimer of warranties. The Other MLS provides the Other MLS data on an “as is,” “as available” basis. Use of the Other MLS data and the information available through the Other MLS data are at Participant’s sole risk. The Service and the Other MLS do not warrant that the Other MLS data will be uninterrupted or error free, accurate, complete, current or reliable.

### **Consequences of Noncompliance with MLS Rules**

#### Section 21

In accordance with these Rules and Regulations, violations of these Rules and Regulations shall be subject to the consequences or fines as set from time to time by the Board of Directors, except where the MLS has reasonable basis for waiving the consequence or fine.