

**MULTIPLE LISTING SERVICE
RULES AND REGULATIONS**

**MADISONVILLE-HOPKINS COUNTY
BOARD OF REALTORS®, INC.**

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MULTIPLE LISTING SERVICE, INC.**

RULES AND REGULATIONS

Adopted March 3, 1987

LISTING PROCEDURES

Section 1. Listing Procedures: Listing of real 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 Board of REALTORS® taken by Participant, shall be entered into the Multiple Listing Service within 72 hours of the effective date of the listing.

Single family homes for sale or exchange

- (a) Vacant lots and acreage for sale or exchange
- (b) Two-family, three-family, and four-family residential buildings for sale or exchange
- (c) Commercial

Only members of the Madisonville-Hopkins County Board of REALTORS® MLS shall be allowed to list properties or co-list properties in the Madisonville-Hopkins County Board of REALTORS® MLS system. (One-time listings will not be allowed in the Madisonville-Hopkins County Board of REALTORS® MLS system.

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:

- 1. May reserve the right to refuse to accept a listing form which fails to adequately protect the interest of the public and the Participants.
- 2. Assure that no listing form filed with the Multiple 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 contracts and exclusive agency listing contracts, and may accept other forms of agreement which makes it possible for the listing broker to offer cooperation and compensation to the other Participants of the Multiple Listing Service acting as subagents, buyer agents, or both.

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 listings. The Multiple Listing Service shall decline to accept Open Listings 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.

The listing agreement must include the owner of records written authorization to submit the agreement to the Multiple Listing Service.

3. The different types of listing agreements include:
 - (a) exclusive right to sell
 - (b) exclusive agency

The Service may not accept net listings because (1) 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 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. (Adopted 11/92) **M**

Note 4: Should a new listing be FLAGGED through Navica/MLS Provider for violating the 72 hour time frame it will be looked at and if there is not an acceptable reason, a \$250.00 fine may be enforced. Examples of an acceptable reason would be: Started as a: "Private Listing", "One Time Showing Agreement" or if documentation can be shown that the seller was late in getting paperwork back to listing agent with their reason, i.e. Foreclosures/Bank Owned properties or Seller not able to use online signatures. Any other "reasons" have to be sent in writing to AE and it will be taken to the Board of Directors for their consideration on what to do.

TYPES OF PROPERTIES: The following are some of the types of properties that may be published through the Service, including types described in the preceding paragraph that are required to be filed with the Service and other types that may be filed with the Service at the Participant's option provided, however, that any listing submitted is entered into within the scope of the Participant's licensure as a real estate broker:

1. Residential
2. Residential Income
3. Subdivided Vacant Lot
4. Land and Ranch
5. Business Opportunity
6. Motel-Hotel
7. Mobile Homes
8. Mobile Home Parks
9. Commercial Income
10. Industrial

Section 1.01 MLS Statement Clear Cooperation

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

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

Section 1.1 LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE: Any listing taken on a contract to be filed with the Multiple Listing Service is subject to the Rules and Regulations of the Service upon signature of the seller(s). **M**

Section 1.2 DETAIL ON LISTINGS FILED WITH THE SERVICE: A Listing Agreement or Property Input Form, when filed with the Multiple Listing Service by the listing broker, shall be complete in every detail which is ascertainable as specified on the Property Data Form.

Section 1.2.0 ACCURACY OF LISTING DATA

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

Section 1.2.1 PROPERTY ADDRESSES

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

Section 1.3 SQUARE FOOTAGE: The ANSI Standards are to be used as a guideline to report the square footage of homes with the following exceptions:

- a. Finished rooms below grade can be added to the total room count but cannot be added to the Total Square Footage.
- b. In regard to bi-level, tri-level and berm homes, the main, upper and lower finished square footage may be added in Total Square Footage. The basement or 4th level of a tri-level, which is typically entirely below grade, would be considered a basement and therefore would not be included in the Total Square Footage.

Section 1.4 EXEMPTED LISTINGS: If the seller refuses to permit the listing to be disseminated by the Service, the REALTOR® may then take the listing (“office exclusive”) and such listing shall be filed with the Service within 72 hours 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.

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

Section 1.5 CHANGE OF STATUS OF LISTING: Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the Service within 72 hours after the authorized change is received by the listing broker.

Section 1.6 WITHDRAWAL OF LISTING PRIOR TO EXPIRATION: Listings of property may be withdrawn from the Multiple Listing Service by the listing broker before the expiration date of the listing agreement provided notice is filed with the Service including a copy of the agreement between the seller and the listing broker which authorizes the withdrawal.

Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker’s concurrence. However, when a seller 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. **M**

Section 1.7 CONTINGENCIES APPLICABLE TO LISTINGS: Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants.

Section 1.8 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. **M**

Section 1.9 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 listing property has been sold, proper notification should be given to the Multiple Listing Service.

Section 1.10 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY 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 non-participants. **M**

Section 1.11 EXPIRATION OF LISTINGS: Listings filed with the Multiple Listing Service will automatically be removed from the compilation of current listings on the expiration dates specified in the agreement unless prior to that date the MLS receives notice that the listing has been extended or renewed.

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 filed with the Service. **M**

Section 1.12 TERMINATION DATE ON LISTINGS: Listings filed with the Service shall bear a definite and final termination date as negotiated between the listing broker and the seller. **M**

Section 1.13 SERVICE AREA: Only listings of the designated types of property located within the service areas of Caldwell, Christian, Crittenden, Daviess, Hancock, Henderson, Hopkins, Lyon, McCracken, McLean, Muhlenberg, Ohio, Trigg, Union and Webster are required to be submitted to the Service. Listings of property located outside the Board's MLS service area will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service. Note: Associations must choose whether the service will accept listings from beyond its service area into the MLS compilation. (Amended 11/17) **M**

Section 1.14 LISTINGS OF SUSPENDED PARTICIPANTS: When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board Bylaws, MLS 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 the service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Board (except where MLS participation without Board membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, a Board MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended participant's listings from the MLS, the

suspended Participant should be advised in writing of the intended removal so that the suspended Participant may advise his clients. **M**

Section 1.15 LISTINGS OF EXPELLED PARTICIPANTS: When a Participant of the Service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS shall, at the expelled Participant's option, be retained in the Service until sold, withdraw or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Board (except where MLS participation without Board membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, a Board MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised in writing of the intended removal so that the expelled Participant may advise his clients. **M**

Section 1.16 LISTINGS 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 1.17 ONLINE AUCTIONS: If, at any time, a listing goes up for auction and there will be no commission paid to the selling broker, the listing is to be removed from the MLS immediately.

Section 1.18 FILING OF LISTINGS IN MULTIPLE STATUS'S : A property maybe listed in the MLS in more than one class at the same time if the zoning permits/supports it. When property is closed, the other listing will be deleted by the AE.

Section 1.19 MAIN PHOTO SUBMITTED TO THE MLS: The Main Photo shall be the exterior view of the structure, in the case of New Construction, the front elevation or house plans may be used. New Construction photos need to be updated as construction progresses.

Note: A listing entered in Navica as * Add Listing as Sold/Closed will need to follow the Rules & Regulations in regard to how to report sales to the service and must have a photo. If you have a problem adding a photo please email it to Association Executive and they will enter it for you.

Section 1.20 PHOTOS OF LISTINGS IN THE MULTIPLE LISTING SERVICE: Only the Listing Broker/Agent is allowed to make pictures of the properties in the MLS without prior written authorization of owner/seller/tenant.

Section 1.21 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.

Note 1: Section 1.3 is not required if the service does not require all (indicate type[s] of listing[s] accepted by the service) listings to be submitted by a participant to the service.

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

Section 1.22 PRIVATE LISTING/OFFICE EXCLUSIVE LISTINGS

Private Listing/Office Exclusive Listings Guidelines

From the Board of Directors Meeting, September 24, 2020 A Private Listing/Office Exclusive Listings are required to have the Seller acknowledges the fact that it is a Private Listing/Office Exclusive Listing. This is to be effective beginning October 29, 2020.

Should the Board Office receive a Private Listing that does not meet the guidelines set out below, the AE will email the Agent, Broker and Office manager that this is in violation. AE will attach a copy of this memo with the email. Listing Agent will then resubmit proper Private Listing to Board Office within 2 business days. Should the corrected form not be resubmitted to Board Office, AE will then notify the BOD.

The Listing agent must should discuss the advantages to the Seller of having their property entered into the MLS and on the internet. The Seller must be able to make an informed decision about NOT entering their property on the MLS.

Paragraph 7/MLS Authority of the Exclusive Right To Sell Contract should have it marked **NO** authorizing Listing Agent to place information on the MLS and **NO**, authorizing Listing Agent to enter property on the internet. Should the Seller at a later date request their property to go into the MLS, they will need to update Paragraph 7.

The Private Listing/Office Exclusive Listings are to shall be emailed to the Board Office within 72 hours from the date the Contract is signed.

SELLING PROCEDURES

Section 2 SHOWINGS AND NEGOTIATIONS: Appointments for showings and negotiations with the seller for the purchase of the 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 precluded such direct negotiations by cooperating broker. **M**

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

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. **M**

Section 2.3 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER: Cooperating participants or their representative have the right to participate in the presentation they secure to purchase or lease to the seller or lessor. They do not have the right to be present at any discussion or evaluation of the offer by the seller or lessor and the listing broker. However, if a seller or lessor gives written instructions to a listing broker that the cooperating broker may not be present when offers they procure are presented, cooperating brokers have the right to a copy of those instructions. This policy is not intended to affect listing brokers' right to control the establishment of appointments for presentation of offers. **M**

Where the cooperating broker is not present during the presentation of the offer, the cooperating broker can request in writing, and the listing broker must provide, written affirmation stating that the offer has been submitted to the seller, or written notification that the seller has waived the obligation to have the offer presented. **M**

Section 2.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFERS: The listing broker or his representative has the right to participate in the presentation of any counteroffer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counteroffer by the purchaser or lessee (except where 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 counteroffer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions. **M**

Section 2.5 REPORTING SALES TO THE SERVICE: Status changes, including final closing of sales and sales price, shall be reported to the multiple listing services by the listing broker with 24 hours after they have occurred. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report accepted offers and prices to the listing broker within 24 hours after occurrence and the listing broker shall report them to the MLS within 24 hours after receiving notice from the cooperating broker.

Note: A listing entered as * Add Listing as Sold/Closed will need to follow the Rules & Regulations in regard to how to report sales to the service.

Note 1: The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to 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 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 Participant.

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

In states where the actual sale prices of completed transactions are not publicly accessible, failure to report sale prices can result in disciplinary action only if the MLS:

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

The MLS may provide sale price information to governmental bodies only to be used for statistical purposes (including use of aggregated data for purposes of valuing property) and to confirm the accuracy of information submitted by property owners or their representatives in connection with property valuation challenges; and to third-party entities only to be used for academic research, statistical analysis, or for providing services to participants and subscribers. In any instance where a governmental body or third-party entity makes sale price information provided by the MLS available other than as provided for in this provision, a listing participant may request the sale price information for a specific property be withheld from dissemination for these purposes with written authorization from the seller, and withholding of sale price

information from those entities shall not be construed as a violation of the requirement to report sale prices.

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

Section 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES: The listing broker shall report to the Multiple Listing Service within 24 hours that a contingency on file with the Multiple Listing Service has been fulfilled or renewed, or the agreement cancelled. **M**

Section 2.7 ADVERTISING OF LISTING FILED WITH THE SERVICE: A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker. **M**

Section 2.8 REPORTING CANCELLATION OF PENDING SALE: The listing broker shall report immediately to the Multiple Listing Service the cancellation of any pending sale and the listing shall be reinstated immediately. **M**

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. **M**

Section 4.1 “FOR SALE” SIGNS: Only the “For Sale” signs of the listing broker may be placed on the property.

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

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

Note 1: 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 salesperson seeking the listing upon its expiration.

Without such protection, a seller could receive hundred of calls, communications, and visits from brokers and salespersons who have been made aware through MLS filing of the date of 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 precluded solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to Article 16 of the Code of Ethics. **M**

Section 4.4 USE OF THE TERMS MLS AND MULTIPLE LISTING SERVICE:

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

Section 4.5 SERVICES ADVERTISED AS “FREE”

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

DIVISION OF COMMISSIONS

Section 5 COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING:

The listing broker shall specify, on each listing filed with the Multiple Listing Service, the compensation offered to other Multiple Listing Service Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to

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

In filing a property with the Multiple Listing Service of a Board of REALTORS® the Participant of the Service is making blanket unilateral offers of cooperation 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 a right to know what his compensation shall be prior to his endeavor to sell. *

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

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

The listing broker retains the right to determine the amount of compensation offered to other Participants (acting as subagents, buyer agents or in other agency or 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 submitting an offer to purchase and provided that the modification in the specified compensation is not the result of any agreement among all or any 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.

Note 1: The Board Multiple Listing Service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the Board Multiple Listing Service shall not publish the total negotiated commission on a

listing which has been submitted to the MLS by a Participant. The Board Multiple Listing Service shall not disclose in any way the total commission negotiated between the seller and the listing broker.

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

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

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

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

Note 6: Multiple listing services must give participants the ability to disclose to other participants any potential for a short sale. As used in these rules, short sales are defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sales, and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies. Multiple listing services may, as a matter of local discretion, require participants to disclose potential short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they may, as a matter of local discretion, also be permitted to communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between listing and cooperating participants. All confidential disclosures and confidential information related to short sales must be communicated through dedicated fields or confidential “remarks” available only to participants and subscribers.

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Section 5.0.1 Disclosing Potential 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 where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) to other participants and subscribers.

Section 5.1 PARTICIPANT AS PRINCIPAL: If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any ownership interest in 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. **M**

Section 5.2 PARTICIPANT AS PURCHASER: If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed in writing to the listing broker not later than the time an offer to purchase is submitted to the listing broker. **M**

Section 5.3: DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS: The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease. **M**

Section 5.4 DISPLAY OF LISTING BROKER'S OFFER OF COMPENSATION
Participants and subscribers who share the listing broker's offer of compensation for an active listing must display the following disclaimer or something similar.

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

SERVICE CHARGES

Section 6 SERVICE FEES AND CHARGES: The following service charges for operation of the Multiple Listing Service are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed:

- a. Initial Participation Fee: An applicant for participation in the service shall pay an application fee set by the Board of Directors. Note: The initial participation fee shall approximate the cost of bringing the service to the participant.

- b. The monthly participation fee of each Participant shall be determined by the Service, with the approval of the Board of Directors, and shall approximate the cost of bringing the Service to the Participant.
- c. The annual participation fee of each participant shall be an amount established by the Service, with approval of the Board of Directors, for each salesperson and licensed or certified sales licensee, or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such participant. Payment of such fees shall be made on or before the first day of the fiscal year of the multiple listing services. Fees shall be prorated on a monthly basis.

However, MLSs must provide participants the option of a no-cost waiver of MLS fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS or CIE where the principal broker participates. MLSs may, at their discretion, require that Broker participants sign a certification for nonuse of its MLS services, by their licensees, which can include penalties and termination of the waiver if violated. * (Adopted 11/17 Aug 2018) **M**

Note 1: A multiple listing service may elect to have such fees payable on a quarterly or even on a monthly basis. However, added administrative services are necessitated by increased frequency of such payments.

Note 2: Multiple listing services that choose to include affiliated unlicensed administrative and clerical staff, personal assistants, and/or individuals seeking licensure or certification as real estate appraisers among those eligible for access to and use of MLS information as subscribers may, at their discretion, charge recurring fees. (Amended 11/17)

*Note: Mandatory waiver provision is effective no later than July 1, 2018.s.

- d. Listing Fee: A Participant shall pay a monthly listing fee in an amount equal to the number he had filed with the Service during the previous month multiplied by the listing fee established by the Service, with the approval of the Board of Directors.

COMPLIANCE WITH RULES

Section 7 COMPLIANCE WITH RULES-AUTHORITY TO IMPOSE

DISCIPLINE: By becoming and remaining a participant or subscriber in this MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a. Letter of warning
- b. Letter of reprimand
- c. Attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonable attend taking into consideration cost, location and duration
- d. Appropriate, reasonable fine not to exceed \$15,000

- e. Probation for a stated period of time not less than thirty (30) days nor more than one (1) year (Not a mandatory item from NAR)
- f. Suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year (NOTE: this is not Mandatory from NAR)
- g. Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years. **M**

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

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

Enforcement of Rules or Disputes

Section 7.1 Consideration of Alleged Violations: The Committee shall consider all written complaints having to do with violations of the MLS Rules and Regulations. By becoming and remaining a participant, each participant agrees to be subject to these rules and regulations, the enforcement of which is at the sole discretions of the MLS Committee and our Board of Directors. **M**

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

Complaints by REALTOR® members must be filed on the Association approved complaint form. The complaint information must cite by number the MLS rule violated, include details or proof of the infraction, and be signed by the complainant.

Report a Listing Button in Navica is a Class B violation. In order to use the “Report A Listing” button in Navica the Complainant must be a REALTOR® member or an Affiliate Member that has MLS privileges (Appraisers) and, the rule allegedly being violated must be cited.

Listings flagged by NAVICA for violating the MLS Rules & Regulations will also fall under the Class B violation even though it is not a fixable violation.

Complaints must be submitted to the Association within 90 days of the potential violation occurring. Complaints on potential MLS violations after that time period will not be considered by the Committee.

After submitting the complaint form to the MLS, the MLS Committee may allow or request complainant to appear at a meeting to explain the details.

In the event the MLS Committee discovers additional infractions that were contained in confidential documents (purchase agreements, listing agreements, etc.) that the Complainant would not have access to or knowledge of when they filed the complaint, then the Committee is authorized to conduct further investigation and shall (only) advise the Participant (Principle Broker) of additional infractions discovered by the Committee.

Withdrawing a Rule Violation Complaint: Once a formal rule violation complaint has been received by the MLS, if the complainant wishes to withdraw the complaint a written notice must be submitted to the MLS. Failing which, MLS Staff (Association Executive) and the Committee must process the complaint as required under this section.

Section 7.2 Notification of Alleged Rule Violations: Upon receipt of a written complaint, the Association Executive shall notify the alleged rule violator (Respondent) of the complaint, and the notice shall reference the enforcement process according to rules Section 7 through Section 7.4. MLS Staff (Association Executive) may request any and all necessary documentation, including electronic, to be provided to MLS within two (2) business days. The end of the business day is defined as 4:00 p.m. The AE will ask for a response to Confirm Receipt of email. The Respondent may provide a written response to the alleged violation within five (5) business days for MLS Committee to review. (See MHCBOR Administrative Rules & Regulation Complaint Process filed in Governing Documents)

If the alleged offense is a violation of the Rules and Regulations of the MLS, it may be administratively considered and determined by the MLS Committee. If there are questions about the written complaint, or questions that arise from the administrative consideration regarding the complainant and/or the respondent, the MLS Committee or staff may ask for additional information (including transaction documentation) from the complainant and/or the respondent. Any additional information requested must be provided within five (5) business days from the date of the request.

Communication of an alleged violation shall consist of providing notice to the Subscriber/Respondent and Principle Broker (Participant) by email and if necessary, a text message.

If a violation is determined, the MLS Committee will send their recommendations to the Board of Directors for their approval and the Board of Directors would direct the imposition of a fine based upon Section 7.3

Appeal Process – The Respondent may request a due process hearing before the Professional Standards Committee of the Kentucky REALTORS® within 20 days of the notice. In the event of an appeal by a Respondent, the Complainant will be required to testify in person at the appeals hearing. In the event the Complainant is unable or unwilling to appear before the appeal hearing panel, the Board/Association will recommend to the Kentucky REALTORS® Professional Standards Committee that the complaint should be dropped. The Respondent may appeal the KYR hearing panel’s decision to the Board of Directors of the Kentucky REALTORS® within 20 days of the hearing panel’s decision.

Infraction Classifications

Section 7.3 Class A - Infractions Based on Calendar Year Starting January 1
(Note: OFFENSES IN WHICH THERE IS NOT THE OPPORTUNITY TO CORRECT)
If Option D in Section 7 of MHCBOR Rules & Regulations is chosen, these are the amounts of the fines to be imposed.

- 1st Offense – Not Less Than \$1,000.00 and not to exceed \$15,000.00
- 2nd Offense – Not Less Than \$1,500.00 and not to exceed \$15,000.00
- 3rd Offense – Not Less Than \$2,000.00 and not to exceed \$15,000.00 and Automatic 30-day MLS suspension with \$100.00 reinstatement fee

If deemed serious enough violation - Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.
In addition to above listed fines, MLS Committee and Board of Directors can apply any portion of Section 7 – Compliance with Rules – Authority to Impose Discipline

Class – B Infractions

Note: OFFENSES IN WHICH THERE IS AN OPPORTUNITY TO CORRECT WITHOUT FINE OR A LISTING IS FLAGGED BY NAVICA FOR VIOLATING ONE OF THE MLS RULES & REGULATIONS.

- No fine if corrected in two (2) business days \$250.00 fine if not corrected in two (2) business days
- If the violation is not fixable, a \$250.00 fine may be assessed to the Listing Broker. (See Section 1: NOTE)

When an error/complaint is reported to the Association Executive (AE), the agent and the agent's principal broker (Participant) is not fined immediately. The AE will follow up on the alleged complaint and see if it is in fact wrong by checking the information entered into Navica. The AE will then copy and paste the complaint that was sent in (removing and negative comments not pertaining to the violation) into an email. The email will go to the Listing Agent, Listing Broker and Office Manager if applicable. The AE will copy and paste the Section of the Rules and Regulations that the alleged violation is regarding. In the email the AE will also copy and paste the Section of the Rules and Regulation that shows the sanctions if the violation is not corrected in the time frame listed. (No parties will know who used the "Reported A Listing" button.)

If the "Add Listing as Sold/Closed" in NAVICA is used to enter a listing it will need to follow the MLS Rules & Regulations. These violations will fall under the Class B Infractions even though the violation is not a fixable one. New Listings are FLAGGED by Navica if they violate the Rules & Regulations. If there is a listing that started out as a "Private Listing" or "One Time Showing Agreement" it MUST be noted in the Private Remarks. Then the AE will know why it is past the 72 hours from effective date of listing. If the reason for the listing being past the 72 hours is not one of the reasons listed above, the listing agent will email AE the reason. It will be presented to the BOD at their next monthly meeting for consideration. They may impose a \$250.00 fine which will be billed to the Listing Broker.

Section 7.4 Notice to Broker: The Principal Broker (Participant) will be notified when a complaint has been filed relating to listings or sales, and/or a fine has not been paid by an agent.

Section 7.5 COMPLIANCE WITH RULES: The following action may be taken for noncompliance with the rules;

- a. For failure to pay a service charge or fee within one (1) month of the date due, and provided that at least ten (10) days notice has been given, the Service shall be suspended until service charges or fees are paid in full.
- b. For failure to comply with any other rule, the provisions of Sections 9 and 9.1 shall apply.

Section 7.6 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 sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participants ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

MEETINGS

Section 8 MEETINGS: The meetings of the Participants of the Service or the Board of Directors of the Service for transaction of business of the Service shall be held in accordance with the provisions of Article 7, Bylaws of the Service.

ENFORCEMENT OF RULES OR DISPUTES

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

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

Section 9.1 VIOLATIONS OF RULES AND REGULATIONS: If the alleged offense is a violation of the Rules and Regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the Board of Directors of the Service, and if a violation is determined, the Board of Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Board in accordance with the Bylaws and Rules and Regulations of the Board of REALTORS® within (20) days following receipt of the Director's decision.

If, rather than conducting an administrative review, the MLS has a procedure established to conduct hearings, any appeal of the decision of the hearing tribunal may be appealed to the board of directors of the MLS within twenty (20) days of the tribunal's decision. Alleged violations involving unethical conduct shall be referred to the professional standards committee of the association of REALTORS® for processing in accordance with the professional standards procedures of the association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the board of directors of the association of REALTORS®. **M**

Section 9.2 COMPLAINTS OF UNETHICAL CONDUCT: All other complaints of unethical conduct shall be referred to the Board of Directors of the service for appropriate action in accordance with the professional standards procedure established in the terms of the Association's Bylaws. **M**

Section 9.3 COMPLAINTS OF UNAUTHORIZED USE OF LISTING CONTENT: Any participant who believes another participant has engaged in the unauthorized use or display of listing content, including photographs, images, audio or video recordings, and

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

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

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

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

Section 9.4 MLS Rules Violations

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

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

CONFIDENTIALITY OF MLS INFORMATION

Section 10 CONFIDENTIALITY OF MLS INFORMATION: Any information provided by the Multiple Listing Service to the Participants shall be considered official information of the Service. Such information shall be considered confidential and exclusively for the use of Participants and real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants. **M**

Section 10.1 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION:

The information published and disseminated by the Service is communicated verbatim, without change by the Service, as filed with the Service by the Participant. The Service does not verify the 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 COMPILATIONS* AND COPYRIGHTS

Section 11 OWNERSHIP OF MLS COMPILATIONS* AND COPYRIGHTS:

By the act of submitting any property listing content to the MLS, the Participant represents and warrants that he or she is fully license the property listing content as contemplated by and in compliance with this section and these rules and regulations, and also thereby does grant to the MLS to include the property listing content in its copyrighted MLS compilation, and also in any statistical report on comparable'. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to the listed property. **M**

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

Note: The Digital Millennium Copyright Act (DMCA) is a federal copyright law that enhances the penalties for copyright infringement occurring on the Internet. The law provides exemptions or “safe harbors” from copyright infringement liability for online service providers (OSP) that satisfy certain criteria. Courts construe the definition of “online service provider” broadly, which would likely include MLSs as well as participants and subscribers hosting an IDX display.

One safe harbor limits the liability of an OSP that host a system, network or website on which Internet users may post user generated content. If an OSP complies with the provisions of this DMCA safe harbor, it cannot be liable for copy right infringement if a user posts infringing material on its website. This protects an OSP from incurring significant sums in copyright infringement damages, as statutory damages are as high as \$150,000 per work. For this reason, it is highly recommended that MLSs, participants and subscribers comply with the DMCA safe harbor provisions discussed herein.

To qualify for this safe harbor, the OSP must:

1. Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, participant, subscriber, or other individual or entity.
2. Develop and post a DMCA compliant website policy that addresses repeat offenders.

3. Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the copyright owner fails to initiate a copyright lawsuit with ten (10) days, then the OSP may restore the removed material.
4. Have no actual knowledge of any complained-of infringing activity.
5. Not be aware of facts or circumstances from which complained-of infringing activity is apparent.
6. Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

Full compliance with these DMCA safe harbor criteria will mitigate an OSP's copyright infringement liability. For more information see 17 U.S.C §512.

Section 11.1. Each Participant shall be entitled to lease from the Madisonville-Hopkins County Board of REALTORS® a number of copies of each MLS Compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such Compilation. The Participant shall pay, for each such copy, the rental fee set by the Board.**

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

Section 11.2. All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Madisonville-Hopkins County Board of REALTORS®, and in the copyrights therein, shall at all times remain vested in the Madisonville-Hopkins County Board of REALTORS®.

*The term MLS Compilations, as used in Sections 11 and 12 herein, shall be construed to include any format in which property listing data is collected and disseminated to the Participants, including, but not limited to, bound book, loose-leaf binder, computer data base, card file, or any other format whatever.

**This Section should not be construed to require the Participant to lease a copy of the MLS Compilation for any licensee (including licensed or certified appraisers) 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 nor use of the MLS information or MLS facility of the Board.

USE OF COPYRIGHTED MLS COMPILATIONS

Section 12. DISTRIBUTION: Participants shall at all times maintain control over and responsibility for each copy of any MLS Compilation leased to them by the Board of REALTORS®, and shall not distribute any such copies to persons other than subscribers who are affiliated with such Participants as licensees, those individuals who are licensed or certified by an appropriate state regulatory to engage in the appraisal of real property,

and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by laws.

Section 12.1 DISPLAY: Participants and those persons affiliated as licensees with such Participants, shall be permitted to display the MLS Compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing and able buyers for the properties described in said MLS Compilation. **M**

Section 12.2 REPRODUCTION: Participants or their affiliated licensees shall not reproduce any MLS Compilation or any portion there except in the following limited circumstances:

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

Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data of properties other than that in which the prospective purchaser has expressed interest, or in which the Participant or the affiliated licensees are seeking to promote interest, does not appear on such reproduction.

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 provide 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 a Board or Board-owned Multiple Listing Service has deemed to be nonconfidential 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. **M**

*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.

USE OF MLS INFORMATION

Section 13 LIMITATION ON USE OF MLS INFORMATION: Use of information from the MLS compilation of current listing information, from the Board’s “Statistical Report”, or from any “sold” or “comparable” report of the Board or MLS for public mass-media advertising by a MLS Participant or in other public representation may not be prohibited.

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

“Based on information from the Madisonville-Hopkins County Board of REALTORS® Inc. (alternatively, from the Madisonville-Hopkins County Board of REALTORS® Multiple Listing Service, Inc.) for the period (date) through (date). **M**

Section 14 MULTIPLE LISTING POLICY ELECTRONIC

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

The following rules shall apply to all participants (Principal Brokers and Appraisers) and subscribers (licensees) of the Madisonville-Hopkins County Board of REALTORS®, Inc. Multiple Listing Service (MHCBOR-MLS), authorized individuals seeking licensure as real estate appraisers who under the direct supervision of a MHCBOR-MLS participant and affiliates (appraisers and inspectors only) of the Madisonville-Hopkins County Board of REALTORS®, Inc. (MHCBOR) participating in the SENTRILOCK Electronic KeyBox Service, and shall remain in full force and affect until changed or modified by the MHCBOR-MLS Committee with approval of the MHCBOR Board of Directors.

Section 14.1 PARTICIPANTS/SUBSCRIBERS

Note 1: Use of Keys and Lockboxes: MLS

Subscribers may not provide a key or keybox code to a consumer or unauthorized person or persons to enter a listed property. MHCBOR highly recommends that members use the Service's Electronic Keybox System. If the member chooses to use a combination keybox on MLS listings, please be advised that an appointment is still required and unauthorized use of the keybox is prohibited.

- a. Complaints of unauthorized use of all types of lockboxes will be handled in the same manner as written in the MHCBOR Rules and Regulations, Section 14.10 Enforcement of Rules/Fines and Penalties.

Qualification status:

- (a) Be a (I) MHCBOR-MLS participant, (II) MHCBOR-MLS subscriber, (III) authorized individual seeking licensure as a real estate appraiser, who is under the direct supervision of a MHCBOR-MLS participant or (IV) MHCBOR affiliate member.
- (b) Be a member in good standing with the MHCBOR or be a licensee affiliated with a member in good standing with MHCBOR and SENTRILOCK.
- (c) Have executed a National Cooperative Bank Keyholder Lease Agreement for SENTRILOCK KeyBox System. In the case of non-principal broker, sales licensees, and licensed or certified appraisers, the lease agreement shall be cosigned by the firm's principal or office manager;
- (d) Made payment for the annual fee plus tax and if applicable, new issuance fee, as established by the MHCBOR-MLS and SENTRILOCK;
- (e) Agree to abide by and comply to these Rules and Regulations by signing a MHCBOR-MLS Electronic SENTRILOCK KeyBox/ Service Participation Agreement; and
- (f) Received training from SENTRILOCK or the MHCBOR on how to operate the SENTRILOCK KeyBox System.

*The annual participation fee shall be based on the amount of KeyBoxes times SENTRILOCK users and shall be reviewed, and if needed, adjusted on an annual basis by SENTRILOCK as outlined in the MHCBOR's Operating Agreement.

Section 14.2 SECURITY

Participant/Subscriber agrees as follows:

- a) To keep the SENTRILOCK CARD and or SENTRISMART APP and KEYBOXES in participant's/subscriber's possession or a safe place at all times;
- b) To safeguard the PIN#/code for SENTRILOCK CARD and SENTRISMART APP from all other individuals and entities, whether or not an authorized participant/subscriber;

- c) Not to loan or otherwise transfer the SENTRILOCK CARD to any person or entity, or permit any person or entity to use the SENTRILOCK CARD, whether or not a real estate broker or salesperson, for any reason whatsoever;
- d) Not to assign, transfer or pledge the SENTRILOCK CARD;
- e) Not to destroy, alter, modify, disassemble, or tamper with the SENTRILOCK CARD or unknowingly allow anyone else to do so;
- f) Return any non-operating SENTRILOCK KEYBOXES to the MHCBOR-MLS; and pay the replacement fee should the product fail due to users neglect;
- g) To notify the MHCBOR-MLS immediately in writing (within 48 hours) of any loss or theft of a SENTRILOCK CARD OR KEYBOX including all circumstances surrounding such loss or theft and pay the replacement fee for each; and
- h) To follow all additional security procedures as specified by SENTRILOCK and the MHCBOR-MLS.
- i) Not to attempt to duplicate the SENTRILOCK CARD are non-duplicative, meaning it cannot be readily copied in the manner that other types of keys ordinarily are);
- j) Only use SENTRILOCK CARD obtained from the original manufacturer SENTRILOCK Products;
- k) Participate in the Boards annual SENTRILOCK Key Box audit
- l) After all necessary signatures of the seller have been obtained; the KeyBox must be placed on the property within 48 hours.
- m) Once the property has been sold or once it has expired, the KeyBox is to be removed from the property immediately.
- n) To enter the property only for purposes that are related to your profession, e.g., home inspectors for home inspections, appraisers for appraisals, etc.

Entering and leaving property:

Participant/subscriber shall never enter property without first getting authorization of the listing agent, listing broker or authorized listing office personnel.

Note to affiliate members:

In order for an affiliate member to access a KeyBox by using his/her SENTRILOCK CARD OR SENTRISMART APP, he/she must contact the listing agent, broker, or authorized office personnel to set any appointment and to get the CBS code to the KeyBox.

Section 14.3 SENTRILOCK

Fees:

Annual Fee is \$205.68 *(including tax) from August 24, 2016 through August 24, 2017, prorated on a monthly basis.

The MHCBOR-MLS staff upon participant's/subscriber's request shall change PIN numbers.

*Price subject to change without notice. *The annual participation fee shall be based on the amount of KeyBoxes times SENTRILOCK users and shall be reviewed, and if needed, adjusted on an annual basis by SENTRILOCK as outlined in the MHCBOR's Operating Agreement.

Section 14.4 KEYBOXES

Fees:

- (a) Purchase fee \$89.00* plus tax and shipping per box
Replacement fee \$89.00* plus tax and shipping per box

*Price subject to change without notice. *The annual participation fee shall be based on the amount of KeyBoxes times SENTRILOCK users and shall be reviewed, and if needed, adjusted on an annual basis by SENTRILOCK as outlined in the MHCBOR's Operating Agreement.

Preset access information:

All KeyBoxes are preset with Access Hours Feature Enabled. Showing time starts at 7:00 a.m. and stops at 9:00 p.m. Central Daylight Savings Time.

Note 1: CBS "Call Before Showing" mode can be activated if the agent modifies their default lockbox settings when connected to the lockbox via Bluetooth using the SentiSmart App. Once enabled, the agent will need to activate the setting in the SentiSmart App under Lockbox tools for it to be active on that specific lockbox.

Note 2: All KeyBoxes are preset with their own shackle release code. This code will be issued when the KeyBox is leased/purchased by the user. Should the user desire to have his/her codes customized the KeyBox will need to be customized on the SentiSmart app per the users preference.

(b) Distribution:

The Principal Broker shall lease one (1) KeyBox for each active single dwelling property needing a KeyBox. KeyBoxes shall be distributed to subscribers by his/her Principal Broker.

The Principal Broker shall be accountable for all his/her KeyBoxes leased from the MHCBOR-MLS and must confirm to the MHCBOR-MLS for the accountability of his/her KeyBoxes on a quarterly basis.

(c) Acknowledgments:

Participant/subscriber acknowledges that he/she shall not be required to place KeyBoxes on listed property. However, participants/subscribers are encouraged to use the Electronic KeyBox on all listed property.

Before the participant/subscriber installs or uses any KeyBox on real property, the participant/subscriber shall:

- 1) Inform the property owner that they are not required to have an electronic KeyBox placed on his/her property;
- 2) Disclose to the property owner, and also, if applicable, any tenants in possession of the property, that the electronic lock box Service is not a form of any security system;
- 3) Obtain written authorization from the property owner and also, if applicable, any tenant in possession of the property, to install the KeyBox; and

- 4) Use extreme care to ensure that no water is left running, all lights are turned off, all window and doors are closed and locked; and that the key to the listed property is secure inside the KeyBox before leaving the listed property.

Section 14.5 REFUND POLICY: Participant/subscriber shall not receive a refund for his/her leased SENTRILOCK upon returning them back into the MHCBOR-MLS, providing any and all indebtedness to SENTRILOCK and the MHCBOR-MLS is paid in full and the item is in working order.

If a key holder decides to: a) no longer participate in the lockbox service, b) no longer remain an active licensed sales associate, or c) transfer to a different company, the key holder is responsible for notifying the lockbox system administrator of such action. In the case of discontinuing the service, the key holder is responsible for turning in his/her key, leased lockboxes, and fulfilling any other requirements as agreed upon in the lease agreement. The key holder is responsible for all equipment damages. Note: An agent may, alternatively, assign his/her inventory of leased lockboxes to another agent and avoid any future lockbox financial responsibility to SENTRILOCK. This assignment must be reported to the lockbox administrator, and any out standing fees owed must be paid by the resigning key holder.

Section 14.6 BILLING: SENTRILOCK CARD holders will be billed annually for their service fee, and are responsible for full payment to the leasing company.

The annual service billing shall be prepared and emailed by SENTRILOCK to each participant/subscriber within 30 days of the due date. The MHCBOR-MLS shall send each Principal Broker a courtesy list of all non-paid subscribers affiliated with his/her firm.

Section 14.7 CHANGE OF OFFICE: Upon joining a new office, a letter to this effect signed by the Broker/DR must be mailed or faxed to the MHCBOR within five (5) days.

Section 14.8 TERMINATION: The participant/subscriber shall notify the MHCBOR-MLS (within 24 hours) in writing following the termination of his/her affiliation with the MHCBOR and return key to Board office.

Failure to pay the annual service fee within five (5) days from the due date will result in termination of the Service to the participant/subscriber.

Section 14.9 RE-ACTIVATION: The participant/subscriber may reactivate the Service once all indebtedness to SENTRILOCK and the MHCBOR-MLS are paid in full to SENTRILOCK and the MHCBOR-MLS.

Section 14.10 ENFORCEMENT OF RULES/FINES & PENALTIES: A key holder not abiding by the LockBox Rules and Regulations, shall be required to pay liquidated damages to offset all of the costs in reestablishing the security of the overall SENTRILOCK lockbox system if it is determined the security has been compromised through the negligence or fault of the key holder.

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 Board of Directors of the Service and if a violation is determined, the Board of Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Board in accordance with the Bylaws and Rules and Regulations of the MHCBOR Board of REALTORS® within twenty (20) days following receipt of the Director's decision. If the Board of Directors of the Service has a procedure established to conduct hearings, any appeal of the decision of the Board of Directors of the Service may be appealed to the Board of Directors of the Board. The sanctions shall be:

- 1st offense: \$100.00 fine to be paid within 5 working days. If not paid, suspension after 30 days.
- 2nd offense: \$200.00 fine paid within 5 working days. If not paid, suspension after 30 days.
- 3rd offense: \$300 fine and 30-day suspension.

NOTE: The Principal Broker shall be required to obtain and keep the suspended subscriber's SENTRILOCK CARD in the Principal Broker's possession during the duration of the suspension.

All other written complaints of unethical conduct shall be referred to the MHCBOR Board of Directors for appropriate action in accordance with the usual procedures under the terms of the MHCBOR Bylaws.

INTERNET DATA EXCHANGE (IDX)

Section 15 IDX Defined: IDX affords MLS participants the ability to authorize limited electronic display and delivery of their listings by other participants via the following authorized mediums under the participant's control: websites, mobile apps, and audio devices. As used throughout these rules, "display" includes "delivery" of such listings.

Section 15.1 Authorization: Participants' consent for display of their listings by other participants pursuant to these rules and regulations must be established in writing. If a participant withholds consent 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 15.2 Participation: Participation in IDX is available to all MLS participants who are REALTORS® who are engaged in real estate brokerage and who consent to display of their listings by other participants.

Section 15.2.1 Participants must notify the MLS of their intention to display IDX information and must give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies.

Section 15.2.2 MLS participants may not use IDX-provided listings for any purpose other than display as provided for in these rules. This does not require participants to prevent indexing of IDX listings by recognized search engines.

Section 15.2.3 Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing brokers to withhold their listing or the listing's property address from all display on the Internet (including, but not limited to, publicly accessible Web sites or VOWs) or other electronic forms of display or distribution.

Section 15.2.4 Participants may select the listings they choose to display through IDX based only on objective criteria including, but not limited to, factors such as geography or location ("uptown," "downtown", etc.), list price, or type of property (e.g., condominiums, cooperatives, single-family detached, multi-family), or type of listing (e.g., exclusive right-to-sell, exclusive agency). Selection of listings displayed through IDX must be independently made by each Participant. **M**

Section 15.2.5 Participants must refresh all MLS downloads and displays automatically fed by those downloads not less frequently than every 12 hours.

Section 15.2.6 Except as provided in the IDX policy and these rules, an IDX site or a participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity.

Section 15.2.7 Any IDX display controlled by a participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the IDX policy and these rules, "control" means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules.

Section 15.2.8 Any IDX display controlled by a participant or subscriber that

- a. Allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
- b. Displays an automated estimate of the market value of the listing (or hyperlink to such an 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 15.2.9, 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 15.2.9 Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property. Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 15.2.10 An MLS Participant (or where permitted locally, and MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display

Section 15.2.11 Participants shall not modify or manipulate information relating to other participants listings. MLS Participants may augment their IDX display of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated by the data supplied by the MLS. The source(s) of the information must be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of MLS data display of fewer than all of the available listings or fewer authorized fields.

Section 15.2.12 Listings displayed pursuant to IDX shall identify the listing firm, and the email or phone number provided by the listing participant in a reasonable prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. *M

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

Section 15.2.13 Display of expired, and withdrawn, and sold listings ** is prohibited. (Amended 11/15) O

Section 15.3 The consumers can retrieve or download in response to an inquiry shall be determined by the MLS but 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.

VIRTUAL OFFICE WEBSITES (VOWs)

Section 16.1 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 the MLS Listing Information, subject to the Participant’s oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant may, with his or her Participant’s consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant’s oversight, supervision, and accountability.

(b) As used in Section 16 of these Rules, the term “Participant” includes a Participant’s affiliated non-principal brokers and sales licensees – except when the term is used in the phrases “Participant’s consent” and “Participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner (“AVP”) on behalf of a Participant.

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

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

Section 16.2

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

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

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

Section 16.3

(a) Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:

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

(ii) The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.

(iii) The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.

(b) The Participant must assure that each Registrant’s password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant’s password.

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

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

i. That the Registrant acknowledges entering into a lawful consumer-brokerage relationship with the Participant;

ii. That all information obtained by the Registrant from the VOW is intended only for the Registrant’s personal, non-commercial use;

iii. That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW.

iv. That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property.

v. That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.

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

SECTION 16.3.1 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., showing instructions, and property security information.) may not be displayed.

Section 16.4: A Participant's VOW must prominently display an email 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 16.5: A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of MLS Listing Information. A Participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

Section 16.6:

(a) A Participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide

to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.

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

Seller Opt-Out Form

1. Please check either Option a or Option b

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

OR

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

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

Initials of Seller

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

Section 16.7:

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

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

Section 16.8: A Participant's VOW shall maintain a means (e.g., email address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 48 hours following receipt of a communication from the listing broker explaining why the data or

information is false. The Participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 16.9: A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

Section 16.10: Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.

Section 16.11: A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

Section 16.12: A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property. **M**

Section 16.13: A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

Section 16.14: A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the Participant.

Section 16.15: A Participant's VOW may not make available for search by, or display to, Registrants any of the following information:

- a. Expired and withdrawn listings.
- b. The compensation offered to other MLS Participants
- c. The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- d. The seller's and occupant's name(s), phone number(s), or email address(es).
- e. Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.
- f. Sales price if sold information is not publicly accessible in the jurisdiction of the MLS Sold information

(Important Note: If sold information is publicly accessible in the jurisdiction of the MLS, Subsection 16.15 (f) must be omitted.) **M**

Section 16.16: A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies as long as the source of such 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 16.17: A Participant shall cause to be placed on his or her VOW a notice indicating that the MLS Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by the MLS. A Participant's VOW may include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

Section 16.18: A Participant shall cause any listing that is displayed on his or her VOW to identify the name of the listing firm the listing broker or agent, and the email or phone number provided by the listing participant in a readily visible color, in a reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.

Section 16.19: A participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 500 current listings and not more than 50% sold listings in response to any inquiry.

NOTE: The number of listings that may be viewed, retrieved, or downloaded should be specified by the MLS in the context of this rule, but may not be fewer than five hundred (500) listings or fifty percent (50%) of the listings in the MLS, whichever is less.

CHANGES IN RULES AND REGULATIONS

Section 17: CHANGES IN RULES AND REGULATIONS

Amendments to the Rules and Regulations of the Service shall be by consideration and approval by the Board of Directors of the Madisonville-Hopkins County Board of REALTORS®.

Section 18: ORIENTATION

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within thirty (30) days after access has been provided. **M**

AMENDMENT TO RULES AND REGULATIONS

These Rules and Regulations are subject to change if approved by the MHCBOR Board of Directors.

Revised: March 24, 1995
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Revised: June 26, 2009
Revised: December 14, 2009
Revised: August 31, 2011
Revised: June 21, 2012
Revised: May 22, 2014
Revised: February 25, 2016
Revised: July 28, 2016
Revised: April 26, 2018
Revised: June 28, 2018
Revised: August 2018
Revised: March 2019
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Revised: July 2020
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