

# PAAR MLS RULES AND REGULATIONS

## Multiple Listing Service Rules



# Prescott

Area Association of REALTORS®

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**1. AUTHORITY.**

An Association of REALTORS® (hereinafter referred to as “AOR”) may maintain for the use of licensed real estate brokers and salespersons, and licensed or certified appraisers, a Multiple Listing Service (hereinafter referred to as “MLS” or “service”), which shall be subject to the bylaws of the AOR and such rules and regulations as may be hereinafter adopted by the Board of Directors of the AOR (hereinafter referred to as “BOD”).

**2. PURPOSE.**

A MLS is a means by which authorized MLS broker Participants establish legal relationships with other Participants making a blanket unilateral contractual offer of compensation and cooperation to other broker Participants; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals and other valuations of real property; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the Participants so that they may better serve their clients, customers and the public. Entitlement to compensation is determined by the cooperating broker’s performance as a procuring cause of the sale or lease.

**3. MULTIPLE LISTING SERVICE COMMITTEE.**

The MLS shall be governed by the Multiple Listing Service Committee (hereinafter “MLS Committee”) in accordance with the bylaws of the AOR and such rules and regulations as adopted by the BOD. All actions of the MLS Committee may be subject to the approval of the BOD.

**4. MLS HEARINGS AND APPEALS COMMITTEE.**

The BOD approved the formation of an MLS Hearings and Appeals Committee on November 8th, 2018. This committee has been charged with the authority to hear and render decisions relating to the disputes and fines assessed for violations of the MLS Rules and Regulations.

**5. PARTICIPATION AND AUTHORIZED ACCESS.**

**5.1 Participant.**

A Participant is any individual who applies and is accepted by the MLS, meets and continues to meet all of the following requirements of either a broker Participant or an appraiser Participant as defined below in sections 5.1.1 and 5.1.2.

**5.1.1 Broker Participant.**

A broker Participant is a Participant who meets all of the following requirements:

- a. The individual or corporation, for which the individual acts as a broker/officer, holds a valid Arizona real estate broker’s license
- b. The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal
- c. The individual or corporation for which the individual acts as a broker/officer offers and/or accepts compensation in the capacity of a real estate broker\*
- d. The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended

- e. The individual pays all applicable MLS fees.

\*Note: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm “offers and/or accepts compensation” means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and on-going basis during the operation of the Participant's real estate business. The “actively” requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit the MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website (“VOW”) [See Sec. 13.19] (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant “actively endeavors during the operation of its real estate business” to “offer and/or accept compensation” only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so.

The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants.

### **5.1.2 Appraiser Participant.**

An appraiser Participant is a Participant who meets all the following requirements:

- a. The individual holds a valid Arizona appraiser certification or license
- b. The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal
- c. The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended
- d. The individual pays all applicable MLS fees

### **5.1.3 Redundant Participant Qualifications.**

Participant type (Broker or Appraiser) must be selected during application for participation. A Participant with both an Arizona Real Estate Broker’s license and an Arizona Appraiser’s



certification or license must join as a “Broker Participant” to be a listing broker under Section 5.6 or a cooperating broker or selling broker under Section 5.7.

## **5.2 Subscriber.**

A Subscriber is an individual who applies and is accepted by the MLS, meets and continues to meet all of the following requirements of either a real estate Subscriber or appraiser Subscriber as defined below in sections 5.2.1 and 5.2.2:

### **5.2.1 Real Estate Subscriber.**

A real estate Subscriber is a Subscriber who meets all the following requirements:

- a. The individual holds a valid Arizona real estate salesperson’s or broker’s license
- b. The individual is employed by or affiliated as an independent contractor with a broker Participant
- c. The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended
- d. The individual pays all applicable MLS fees

### **5.2.2 Appraiser Subscriber.**

An appraiser Subscriber is a Subscriber who meets all the following requirements:

- a. The individual holds a valid Arizona real estate appraiser certification or license
- b. The individual is employed by or affiliated as an independent contractor with an Appraiser Participant
- c. The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended
- d. The individual pays all applicable MLS fees

### **5.2.3 Redundant Subscriber Qualifications.**

Subscriber type, real estate or appraiser, must correlate to the Participant type. A Subscriber who is both an Arizona Real Estate Licensee and an Arizona certified or licensed appraiser must join as a real estate Subscriber, unless their employing or affiliated Participant is an Appraiser Participant.

## **5.3 Clerical Users.**

Clerical Users are individuals (whether licensed or unlicensed) under the direct supervision of an MLS Participant or Subscriber that perform only administrative and clerical tasks that do not require a real estate license or an Appraiser’s certificate or license.

Clerical Users may join the MLS through their employing Participant or Subscriber. The Participant is responsible for the conduct of the Clerical User. Clerical Users must be linked in the system to at least one Participant. They may also be linked to a particular Subscriber. Each

Participant and Subscriber must provide the MLS with a list of all Clerical Users employed by or affiliated as independent contractors with the Participant or Subscriber and will immediately notify the MLS of any changes, additions, or deletions from the list. Clerical Users are subject to the following requirements:

- a. Clerical Users are given a unique passcode
- b. Clerical Users must have any fees paid in full
- c. Participant or Subscriber linked to the Clerical User may be fined, disciplined or terminated for Clerical User's misconduct; and
- d. Clerical Users must sign a written agreement to abide by the rules and regulations of the MLS

#### **5.4 Notification of Licensees.**

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

**For violation of this section, see Appendix A, Citable Infractions, 1.1.2, Failure of Participant to Notify the MLS Within 10 days of Termination, Transfer, or Addition of an Association under Participant's License.**

#### **5.5 Participation.**

Not Transferable. Participation in the MLS is on an individual basis and may not be transferred or sold to any corporation, firm or other individual. Any reimbursement of MLS fees is a matter of negotiation between those transferring the business or determined by internal contract arrangement within the firm.

#### **5.6 Listing Broker Defined.**

For purposes of these MLS rules, a listing broker is a broker Participant who is also a listing agent who has obtained a written listing agreement by which the broker has been authorized to act as an agent to sell or lease the property or to find or obtain a buyer or lessee. Whenever these rules refer to the listing broker, the term shall include the real estate Subscriber or a licensee acting for the listing broker but shall not relieve the listing broker of responsibility for the act or rule specified.

#### **5.7 Cooperating Broker or Selling Broker Defined.**

For purposes of these MLS rules, a cooperating broker or selling broker is a broker Participant who is also a selling agent who acts in cooperation with a listing broker to accept the offer of compensation to find or obtain a buyer or lessee. The cooperating broker or selling broker may be the agent of the buyer. Whenever these rules refer to the cooperating broker or selling broker, the term shall include the real estate Subscriber or licensee acting for the cooperating or selling broker but shall not relieve that broker Participant of responsibility for the act or rule specified.

## **5.8 Appraiser Defined.**

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

## **5.9 Denied Application.**

In the event an application for participation in the MLS is rejected by the MLS, the applicant, and his or her broker, if applicable, will be promptly notified in writing of the reason for the rejection. The broker shall have the right to respond in writing, and to request a hearing before the BOD.

# **6. MLS FEES AND CHARGES.**

## **6.1 Service Fees and Charges.**

Each year the MLS Committee shall submit for approval to the BOD, a schedule of proposed MLS fees. These may include the following services fees and charges:

### **6.1.1 Initial Participation Fee.**

An applicant for participation in the MLS shall pay an initial participation fee equal to proration of the annual MLS user fee for the current year.

### **6.1.2 MLS Only New Office Fee.**

A new office fee applying for participation in the service shall pay a new office subscription fee as established by the BOD with such fee being accompanied by the “application for subscription”.

### **6.1.3 MLS Only Application Fee.**

An application for participation in the MLS shall pay an application fee established by the BOD.

### **6.1.4 MLS Only Quarterly Broker Participation Fee.**

A broker Participant shall pay a quarterly participation fee established by BOD.

### **6.1.5 Recurring Participation Fee.**

The annual participation fee of each participant shall be an amount equal to \$300 times each salesperson and licensed or certified appraiser who has access to and use of the service, whether licensed as a broker, sales licensee, or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such participant. Payment of such fees shall be made on or before the first day of the fiscal year of the multiple listing service. Fees shall be prorated on a monthly basis.

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

**6.1.6 Clerical Users.**

Clerical users may be assessed application fees, etc. The Participant for the clerical user shall be responsible for the payment of all such fees.

**6.1.7 Certification of Nonuse.**

Participants may be relieved from payment under section 6.1.3 hereunder by certifying on the MLS Participation Waiver that a licensed or certified person in the office is engaged solely in activities that do not require a real estate license or certification (clerical, etc.), or that the real estate licensee or licensed or certified appraiser will not use the MLS or MLS compilation in any way. In the event a real estate licensee or appraiser is found in violation of the nonuse certification, the Participant shall be subject to all MLS fees dating back to the date of the certification. The Participant and Subscriber may also be subject to any other sanction imposed for violation of MLS rules including, but not limited to, a citation and suspension or termination of participation rights and access to the service.

**For violation of this section, see Appendix A, Citable Infractions, 1.1.1, Filing of False MLS Participation Waiver, Violation of MLS Participation Waiver.**

**6.1.8 Other Fees and Service Charges.**

Other fees and service charges that are reasonably related to the operation of the MLS may be adopted.

**6.2 Computer Training on MLS Programs.**

- a. Computer assistance will be available from 9am-5pm on regular office days if member office and/or agent have MLS questions/problems resulting from MLS system changes.
- b. MLS computer training session is available at the Association Office, at no charge and by appointment only.
- c. MLS program training will be required for all new REALTOR® Members and all new MLS only members and will be conducted in conjunction with new member orientation.

**7. REGIONAL AND RECIPROCAL AGREEMENTS.**

**7.1 MLS Committee Authority.**

The MLS Committee may recommend, subject to the BOD's approval, that the MLS enter into reciprocal or regional agreements with other AOR or MLS Corporations owned solely by the AOR to allow the other MLS Participants and Subscribers access to the service in exchange for comparable benefits to the Participants and Subscribers of this service. In the event of such agreements, the Participants and Subscribers agree to abide by the respective rules of the other MLSs receiving and publishing a listing pursuant to such agreements and to abide by such rules when accessing the other MLSs' databases.

**7.2 Additional Uses of Data.**

Reciprocal or regional agreements may, subject to the BOD’s approval, provide additional rights with regard to the co-mingling of data, or the access to data, for MLS Participants and Subscribers. These agreements may include MLS systems of the reciprocal or regional partner, or applications created by 3rd party technology vendors for the benefit of the MLS Participants and Subscribers.

**8. LISTING PROCEDURES.**

**8.1 Listings Subject to Rules and Regulations of the Service.**

Any listing filed with the service is subject to the rules and regulations of the service.

**8.2 Types of Listings; Responsibility for Classification.**

The service shall accept exclusive right to sell, and exclusive agency listings that satisfy the requirements of these MLS rules. Exclusive right to sell listings that contain any exceptions whereby the owner need not pay a commission if the property is sold to particular individuals shall be classified for purposes of these rules as an exclusive right to sell listing, but the listing broker shall notify all Participants of the exceptions. It shall be the responsibility of the broker Participant and real estate Subscriber to properly classify the type of listing, and if necessary, obtain a legal opinion to determine the correct classification. By classifying the type of the listing, the listing broker certifies that the listing falls under the legal classification designated. The MLS shall have no affirmative responsibility to verify the listing type of any listing filed with the service. However, the MLS shall have the right to have legal counsel make a determination as to the classification of the listing type and if the listing broker does not reclassify it accordingly, the AOR shall have the right to reject or remove any such listing that it determines falsely represents the classification of listing type.

**For violation of this section, see Appendix A, Citable Infractions, 3.1.1 Failure to Properly Specify Listing Class.**

**8.2.1 Scope of Service; Legal Obligations.**

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

**8.3 Types of Properties; Responsibility for Classification.**

The MLS shall accept listings that satisfy the requirements of these rules on the following types of property:

- a. Residential
- b. Vacant Land
- c. Commercial/Industrial
- d. Multi-Family

- e. Business Opportunity
- f. Residential Lease
- g. Commercial Lease

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

**For violation of this section, see Appendix A, Citable Infractions, 3.1.2, Failure to Properly Specify Property Class.**

Submission of duplicate listings is prohibited except in the following situations:

- i. As residential with two listings each having a different acreage amount included,
- ii. As a residence and a multi-family,
- iii. As vacant land with two listings each having a different acreage amount included,
- iv. As a residential and a commercial listing,
- v. As vacant land and residential where the residential status is “Build to Suit,”
- vi. As a residential listing, a commercial listing, and a business opportunity listing.

In the case that a listing submitted in multiple property types sells, one listing must be updated to ‘Sold’ and the other must be changed to ‘Cancelled.’

**For violation of this section, see Appendix A, Citable Infractions, 3.1.8, Submission of Duplicate Listings by the Same Participant within the Same Property Class.**

#### **8.4 Compliance with Arizona and Federal Law.**

Notwithstanding any other provision of these MLS rules and regulations to the contrary, the service shall accept any listing that it is required to accept under Arizona or federal law.

#### **8.5 Time Frame Definitions.**

Unless otherwise expressly indicated, where compliance time frames set forth “days,” “days” mean

calendar days; “days after” means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 p.m. on the final day; and “days prior” means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.

#### **8.6 Mandatory Submission.**

Broker Participants shall input exclusive right to sell or exclusive agency listings on one to four-unit residential property and vacant lots located within the service area of the MLS by the end of the third day after all necessary signatures of the seller(s) have been obtained on the listing. Only those listings that are within the service area of the MLS must be input. Listings of property located outside the MLS’s service area (see section 8.8) are not required by the service but may be input at the broker Participant’s option. Commercial/Industrial, 5+ Units, Business Opportunities, or Rental categories are not required to be included in the MLS Database.

**For violation of this section, see Appendix A, Citable Infractions, 2.1, Listing Not Loaded Within the Required Timeframe of Start Date of Listing.**

#### **8.7 Office Exclusive.**

If the seller refused to permit the listing to be disseminated by the multiple listing service (“MLS”), the participant may then take an Office Exclusive listing and such listing shall be maintained in the Broker’s file, available at the request of the MLS. Filing of the listing must be accompanied by certification signed by the seller that the seller does not desire the listing to be disseminated by the service. An Office Exclusive listing is not disseminated to Participants. The certification, signed by the seller, must be filed within 3 days of signing by the seller using the form available from the MLS Intranet.

In the event the property is marketed to the public, the listing broker must submit the listing to the MLS in Active Status within one business day after that marketing event.

#### **8.8 Coming Soon Status.**

As used in these rules, a listing is “Coming Soon” where there is a fully executed listing agreement between a listing broker and seller, and the listing broker and the seller are preparing the property for showings.

Note: This status is not intended to give the listing broker an advantage in finding a buyer for the property to the detriment of cooperating brokers or to circumvent the selling of the property on an open market. The intended use of this status is to provide a vehicle for participants and subscribers to notify other participants and subscribers of properties that will be made fully available for showings after preparations have been completed.

- a. Property Types allowed in the Coming Soon status:
  - i. Residential
  - ii. Vacant Land
  - iii. Commercial/Industrial
  - iv. Multi-Family
  - v. Business Opportunity
  - vi. Residential Lease
  - vii. Commercial Lease

- b. The use of the Coming Soon status requires authorization from the seller. The Coming Soon Seller Authorization Form must be completed and signed by all parties (i.e., listing broker, agent, and sellers) before the listing can be entered into the Coming Soon status. Upon request by the Service, and within one business day of such request, the listing broker will submit a copy of the completed Coming Soon Seller Authorization Form. If listing broker will use their own coming soon form, it must include substantially the same information as the PAAR provided form.
- c. Listings entered into the Coming Soon status must complete all required listing fields, except that the primary picture need not be of the exterior of the property, but can be a generic image indicating photos are coming soon. Such generic image cannot be of another property and must comply with all other photo entry requirements (e.g., no branding, etc.). The On-Market Date field is required for all listings using the Coming Soon status.
- d. Listings can be in the Coming Soon status for a maximum of 30 days from the date in which all necessary signatures have been obtaining on the listing agreement. The listing broker may change the On-Market Date at any time to shorten the 30 day period and change the listing to Active status.
- e. Listings entered into the MLS with Coming Soon status shall automatically transition to Active status on the OnMarket Date. If the listing is not ready to be shown on the On-Market Date, then listing will be required to be moved into the Temporarily Off Market status.
- f. Listings in the Coming Soon status may not be shown by anyone to anyone. In the event that a Seller desires that a Coming Soon listing be shown, the listing status must be changed to Active prior to the showing.
- g. Days on Market (DOM) will start when the listing transitions to the Active status.
- h. Participants and subscribers are permitted to share listings in Coming Soon status with their clients and customers indicating the date on which the listing will be Active; public marketing (e.g., flyers, For Sale signs, social media posts, etc.) is permitted subject to these rules and regulations.
- i. Listings in Coming Soon status are displayed in the MLS system and are viewable to all participants and subscribers. While the listing is in Coming Soon status, the MLS will not distribute the listing via advertising data feeds, including broker public advertising (IDX) or real estate listing websites (public portal websites). Listings in Coming Soon status are distributed to VOWs.
- j. Once the listing transitions from the Coming Soon status to the Active status or any other status, it cannot revert back to the Coming Soon status during the terms of the same listing agreement.

**For violation of this section, see Appendix A, Citable Infractions, 5.6, Coming Soon Status Violations.**



## **8.9 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.

“Public Marketing” (as defined by NAR) 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.

“Public” is defined as any person or entity that is not licensed under the listing brokerage.

**For violation of this section, see Appendix A, Citable Infractions, 2.2, Listing Not Entered Within One (1) Business Day of Public Marketing.**

## **8.10 Exempted Listings.**

Exempted Listings are not accepted by the service.

## **8.11 Service Area.**

The MLS’s service area shall be determined by the MLS Committee, subject to approval by the BOD. If the AOR has entered into regional MLS agreements or a regional MLS corporation with other MLSs and has enlarged the service area as part of the agreement or corporation, submission of the type of properties specified in section 8.3 is mandatory for the area covered by the combined service areas of the Associations signatory to the regional MLS agreement or part of the regional MLS corporation.

## **8.12 Change of Listing Information.**

Listing brokers shall input any change in listing information, including the listed price or other change in the original listing agreement, to the MLS by the end of the third calendar day after the authorized change is received by the listing broker. By inputting such changes to the MLS, the listing broker represents that the listing agreement has been modified in writing to reflect such change or that the listing broker has obtained other legally sufficient written authorization to make such change.

**For violation of this section, see Appendix A, Citable Infractions, 2.3, Listing Information Changes Not Reported by Deadline.**

**8.13 Withdrawal of Listing Prior to Expiration.**

Listings of property may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement provided the listing broker has received written permission from the seller to withdraw the listing. The MLS may require the listing broker to provide a copy of such written permission. Sellers do not have the unilateral right to require the MLS to withdraw a listing without the listing broker's concurrence. However, the MLS reserves the right to remove a listing from the MLS database if the seller can document that his or her listing agreement with the listing broker has been terminated or is invalid.

Listings that have been withdrawn from the MLS and subsequently resubmitted to the service by the same listing agent or same listing office within 90 days of the withdrawal will reflect the prior listings' days on market.

**For violation of this section, see Appendix A, Citable Infractions, 3.2, Failure to Withdraw a Listing after Written Permission/Instruction to Withdraw the Listing Has Been Received from the Seller, 3.4.3 Submitting a Listing as Withdrawn When Not Withdrawn by Seller, 3.4.4 Extending a Listing Without Written Authorization from the Seller, and 3.4.7 Entry of a Listing as New after Withdrawn Without a New or Amended Listing Contract.**

**8.14 Contingencies.**

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

**8.15 Detail on Listings Filed with the Service.**

All listings input into the MLS shall be complete in every detail including full gross listing price, listing expiration date, compensation offered to other broker Participants and any other information required to be included as determined by the MLS Committee and approved by the BOD. Listings that are incomplete shall be ineligible for publication in the MLS and subject to immediate removal.

**For violation of this section, see Appendix A, Citable Infractions, 3.1.4, Listing Information Incomplete or Not Kept Current.**

**8.16 Unilateral Contractual Offer.**

In filing a property with the MLS, the broker Participant makes a blanket unilateral contractual offer of compensation to the other MLS broker Participants for their services in selling the property. Except as set forth in Section 8.15, a broker Participant must specify some compensation to be paid to either a buyer's agent and the offer of compensation must be stated in one, or a combination of, the following forms (1) a percentage of the gross selling price; or (2) a definite dollar amount. The amount of compensation offered through the MLS may not contain any provision that varies the amount of compensation offered based on conditions precedent or subsequent or on any performance, activity or event. Furthermore, the MLS reserves the right to remove a listing from the MLS database that does not conform to the requirements of this section.

**8.17 Acceptance of Contractual Offer.**

The broker Participant's contractual offer is accepted by the Participant/selling broker by procuring a buyer which ultimately results in the creation of a sales or lease contract. Payment of compensation by the Participant/listing broker to the Participant/cooperating broker under this section is contingent upon either (1) the final closing or (2) the Participant/listing broker's receipt of monies resulting from the seller's or buyer's default of the underlying sales or lease contract. Notwithstanding this section, the listing broker and/or cooperating broker shall still retain any remedies they may have against either the buyer or seller due to a default under the terms of the purchase agreement, listing agreement or other specific contract. Any dispute between Participants arising out of this section shall be arbitrated under our agreement with the Arizona REALTORS® and shall not be considered an MLS rules violation.

**8.18 Consent to Act as Dual Agent.**

By offering compensation to broker Participants, the listing broker is not automatically representing that the seller has consented to the cooperating broker acting as a dual agent representing both the buyer and the seller. No cooperating broker shall act as both an agent of the buyer and the seller without first contacting the listing broker and ascertaining that the seller has consented to such dual agency.

**8.19 Changes to Offer of Compensation by Listing Broker to All Broker Participants.**

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

**8.20 Changes to Offer of Compensation for Specific Individuals.**

The Listing Broker may not offer a reduced commission or no commission to the selling agent when the buyer is a licensed agent/broker or a relative of the buyer.

**8.21 Broker Participant or Real Estate Subscriber as Principal.**

If a listing broker has any interest in property, the listing of which is to be disseminated through the service, that person shall disclose that interest on the MLS.

## **8.22 Multiple Unit Properties.**

All properties which are to be sold or which may be sold separately must be indicated individually in the MLS and will be published separately. When part of a listed property has been sold, the listing broker shall input the appropriate changes on the MLS.

## **8.23 Expiration, Extension, and Renewal of Listings.**

Listings shall be removed from the MLS database on the expiration date specified on the listing unless the listing is extended or renewed by the listing broker. The listing broker shall obtain written authorization from the seller(s) before filing any extension or renewal of a listing. At any time and for any reason, the MLS has the right to request a copy of the seller's written authorization to extend or renew a listing. If a listing broker is requested to provide a copy of such authorization and does not do so within twenty-four (24) hours of the request, the listing shall be subject to immediate removal from the MLS.

### **8.23.1 Resetting Days on Market.**

Listings previously reported as Withdrawn/Cancelled or Expired will reflect the previous listings' days on market unless the listing is off- market for more than 90 days. Listings changed to any of the Active statuses from Temporarily Off Market will always reflect the time previously on market.

## **8.24 Photos on Listing.**

Any listing entered into the MLS must have at least one photo before it is set to active status. The photo must be of the listed property.

### **8.24.1 Primary Photo.**

The Primary Photo on the listing must be of the exterior of the property/house and can identify the property on approach. Aerial photos are acceptable. In the case of "under construction" or "build to suit" the photo can be a photo or rendering of the model.

### **8.24.2 Build to Suit/Under Construction Photos.**

In the case of Build to Suit and Under Construction listings where the Primary Photo is a photo or rendering of the model, the photo must be superimposed or watermarked with the residential status of either "Build to Suit" or "Under Construction". If the Primary Photo cannot identify the property on approach, the second photo must be a true representation of the property in its current state.

**For violation of this section, see Appendix A, Citable Infractions, 5.5, Failure to Properly Upload Photos to a Listing.**

## **8.25 Addresses.**

Residential listings filed with the MLS must include a property address where one exists at the time the listing is filed and must be based on the postal code of the property. If a property address is unavailable, then the parcel identification number must be submitted at the time the listing is filed. If no address or parcel identification number is available at the time the listing is filed, the listing must, at a minimum, contain a legal description of the property sufficient to describe the location of the property. This information shall be available to participants and subscribers at the time of filing.

**For violation of this section, see Appendix A, Citable Infractions, 3.1.11, Failure to Enter a**

## **Correct Address Based on the Postal Code of the Property.**

### **8.26 Listings of Participants or Subscribers Suspended, Expelled or Resigned.**

#### **8.26.1 Failure to Pay MLS Fees; Resignation.**

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

#### **8.26.2 Violation of MLS Rules.**

When a Participant or Subscriber is suspended or expelled from the service for a violation of the MLS rules and regulations, the MLS shall cease to provide services to such Participant or Subscriber except that the listings in the MLS at the time of suspension or expulsion shall, at the suspended or expelled Participant's option, be retained in the MLS compilation of current listing information until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. In the event listings are removed from the MLS pursuant to this section, it shall be the responsibility of the Participant to notify the seller(s) that the property is no longer listed in the MLS. If a suspended or expelled Participant opts to keep listings in the MLS until sold, withdrawn or expired under this Section 8.23.2, the Participant must comply with all applicable MLS rules and regulations during such time, or the MLS may immediately remove the listings from further display. In addition, the suspended or expelled Participant must inform staff in writing of any changes needed to the MLS listing so that staff can make the online changes until sold, withdrawn, or expired.

### **8.27 No Control of Commission Rates or Fees Charged by Participants.**

The MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non-Participants.

### **8.28 Dual or Variable Rate Commission Arrangements.**

The existence of a dual or variable commission arrangement shall be disclosed by the listing broker by a key, code or symbol as required by the MLS. A dual or variable rate commission arrangement is one in which the seller or owner agrees to pay a specified commission if the property is sold by the listing broker without assistance and a different commission if the sale results through the efforts of a cooperating broker, or one in which the seller or owner agrees to pay a specified commission if the property is sold by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale results through the efforts of a seller or owner. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale that results through the efforts of the seller or owner. If the cooperating broker is representing a buyer or tenant, the cooperating broker must then disclose such information to his or her client before the client makes an offer to purchase or lease.

**For violation of this section, see Appendix A, Citable Infractions, 3.4.5, Failure to Report a**

## **Dual or Variable Rate Commission.**

### **8.29 Co-listings.**

Only the listings of Participants and Subscribers will be accepted by the MLS. Inclusion of co-listings where the co-listing broker/agent is not a Participant or Subscriber in the MLS is prohibited.

### **8.30 REO Disclosure.**

Participants and Subscribers submitting foreclosure, bank-owned or real estate owned ("REO") listings to the service shall disclose said status upon submission of the listing to the service.

### **8.31 Lender Approval Listings.**

Compensation offered through the MLS to cooperating brokers on listings which require lender approval (commonly referred to as "short sale" listings) is for the amount published therein unless the listing broker indicates on the MLS the following: (a) the fact that the sale and gross commission are subject to lender approval; and (b) the amount or method by which the compensation offered through the MLS will be reduced if the lender reduces the gross commission. This section does not allow an additional reduction from the commission offered for items such as a short sale negotiator fee or other administrative costs of the transaction. Any reductions from the commission offered for such items should be factored in as a reduced amount the listing broker initially offers to a cooperating broker and may not be made a condition of the offer.

### **8.32 Short Sale and Lender Owned Field Use in the MLS.**

- a. REO/Lender Owned Property – This is a lender owned property.
- b. Short Sale Property – Short Sale Property listed, no contracts yet signed by the seller or submitted to the lender.
- c. Short Sale Prop with SSA – Short Sale Property with at least 1 accepted purchase contract and a Short Sale Addendum, both signed by the Seller, and submitted to the Lender (but still no lender approval).
- d. Short Sale HAFA Program - Short Sale property in the Treasury Departments HAFA program.
- e. Contingent on a Short Sale – The sale of this property is CONTINGENT on another property closing, and that property is a Short Sale. This listing is generally the B to C listing in an ABC transaction.
- f. Not Applicable – This is a "normal" resale listing, not owned by a lender, and not a short sale.

### **8.33 Required Documents.**

The following documents, if applicable, are required to be uploaded into the MLS at the time of listing input:

- a. Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (Sales) – required for all residential listings built prior to 1978.

- b. H.O.A Condominium/Planned Community Addendum – required for all residential listings that have “Yes” selected for the HOA Y/N field in the MLS.

**For violation of this section, see Appendix A, Citable Infractions, 3.1.12, Failure to Upload a Required Document or Uploading an Incomplete or Incorrect Document.**

#### **8.34 Non-filtering of Listings.**

Participants and subscribers must not filter out or restrict MLS listings that are searchable by and displayed to consumers based on the level of compensation offered to the cooperating broker or the name of a brokerage or agent.

### **9. DOCUMENTATION; PERMISSION; ACCURACY OF INFORMATION.**

#### **9.1 Listing Agreement and Seller’s Permission.**

Prior to inputting a listing to the service, the listing broker shall obtain the written agreement of the seller expressly granting the listing broker authority to:

- i. file the listing with the service for publication and dissemination to those authorized by the MLS
- ii. act as an agent for the seller
- iii. abide by the rules of the service
- iv. provide timely notice of status changes of the listing to the service
- v. provide sales information including selling price to the service upon sale of the property for publication and dissemination to those authorized by the MLS and publish accurate sales information after the final closing of a sales transaction in accordance with these MLS rules (See Section 11.2)

#### **9.2 Written Documentation.**

Listing brokers filing listings with the service shall have a written listing agreement with all necessary signatures in their possession. Only listings that create an agency relationship between the seller and the broker Participant are eligible for submission to the service. By inputting a listing to the service, broker Participants and real estate Subscribers represent that they have in their possession such written agreements establishing agency and the represented type of listing agreement. The service shall have the right to demand a copy of such written listing agreements and verify the listing’s existence and adequacy at any time. The service shall also have the right to demand a copy of seller’s written authorization required under these rules. If the broker Participant or real estate Subscriber fails to provide documentation requested by the service within twenty-four (24) hours, the service shall have the right to immediately withdraw any listings from the database in addition to disciplining the broker Participant and real estate Subscriber for a violation of MLS rules.

The MLS has the right and authority to perform audits of the written document to ensure participants are abiding by all the MLS Rules & Regulations of the Association. Participants

should redact or strike any information related to listing commissions before submitting the documents to the Association. Upon conclusion of the audit, Association will verify the required information and immediately destroy all documents submitted as a part of the audit process.

**For violation of this section, see Appendix A, Citable Infractions, 3.4.2, Posting of a Listing to the MLS Without Having a Written Listing Agreement, 3.1.7 Failure to Provide Documentation of Listing Agreement Within 24 Hours After Notification by Staff.**

**9.3 Accuracy of Information; Responsibility for Accuracy.**

By inputting information into the MLS computer database, the listing broker represents that the information input is accurate to the best of the listing broker's knowledge. The listing broker shall use good faith efforts to determine the accuracy of the information and shall not submit or input information which the listing broker knows to be inaccurate. Upon receipt of the first publication or electronic transfer by the MLS of such information the listing broker shall make all necessary corrections. The MLS merely publishes the MLS information and has no affirmative responsibility to verify the accuracy of the MLS information. The MLS, however, reserves the right to require broker Participants and real estate Subscribers to change their MLS information if the MLS is made aware of alleged inaccuracies in the MLS information and the MLS determines that such inaccuracies do in fact exist. If a broker Participant or real estate Subscriber fails to make necessary or required corrections to their MLS information, the broker Participant and real estate Subscriber shall indemnify and hold harmless the service for any claims, costs, damage or losses, including reasonable attorney fees and court costs, incurred by the MLS as a result of such failure. In no event will the MLS be liable to any MLS Participant, Subscriber or any other party for any indirect, special or consequential damages arising out of any information published in the MLS and all other damages shall be limited to an amount not to exceed the MLS fees paid by the listing broker.

**For violation of this section, see Appendix A, Citable Infractions, 1.2.4 Use of MLS Data for Other Than the Intended/Permitted Purposes, 3.1.3 Entry of Inaccurate or Non-Text Information Anywhere in a Listing, 3.1.5 Failure to Enter Accurate Information in a Required Data Field, 3.1.6 Using a Data Field for a Purpose Other Than its Intended Use, 3.3 Failure to Report the Correct Sales Price on a Closed Sale, 3.4.1 Entry of Inaccurate or Prohibited Information, and 3.4.6 Refusal to Report Accurate Information or to Correct Inaccurate Information.**

**9.4 Input Defined.**

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

**9.5 Buyer, Seller, Purchase and Sale Defined.**

All references to the buyer shall also include lessee. All references to the seller shall also include lessor. All references to a purchase shall also include a lease. All references to a sale shall also include a lease. All references to a sale shall also include a lease/rental agreement.

**10. SELLING PROCEDURES.**

**10.1 Showings and Negotiations.**

Appointments for showings and negotiations with the seller for the purchase of listed property filed with the shall be conducted through the listing broker except under the following circumstances:



- a. the listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or
- b. after reasonable effort, the cooperating broker cannot contact the listing broker or his representative; however, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.
- c. In the event all showings and negotiations will be conducted solely by the seller, the listing broker shall clearly set forth such fact in the listing information published by the service.

## **10.2 Showing Access.**

Properties entered into the system must be available to show within three (3) business days unless otherwise directed by the seller to the listing broker in writing, which shall be noted in the REALTOR® Only Remarks (Confidential).

**For violation of this section, see Appendix A, Citable Infractions, 5.1.1 Listing Not Ready for Showing Within three (3) Days After Submission.**

## **10.3 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.

## **10.4 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.

Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counteroffers 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.

## **10.5 Right of Cooperating Broker in Presentation of Offer.**

The cooperating broker or their representative has the right to participate in the presentation to the seller or of any offer he secures to purchase or lease. Cooperating broker does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's or lessor's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

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

## **10.6 Right of Listing Broker in Presentation of Counter-offer.**

The listing broker or their representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. Listing broker does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee. However, if the

purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

**10.7 Disclosing the Existence of Offers.**

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

**10.8 Advertising of Listings 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.

**For violation of this section, see Appendix A, Citable Infractions, 5.3, Advertising of Listing Filed with the MLS (Outside scope of IDX)**

**10.9 Availability of Listed Property.**

Listing brokers shall not misrepresent the availability of access to show or inspect listed property.

**10.10 Change of Compensation Offer by Cooperating Broker.**

Cooperating broker Participants and real estate Subscribers shall not use an offer to purchase to attempt to modify the listing broker's offer of compensation nor make the submission of an executed offer to purchase contingent on the listing broker's agreement to modify the offer of compensation. However, failure of a cooperating broker to comply with this rule shall not relieve a listing broker of the obligation to submit all offers to the seller as required by Section 10.2.

**For violation of this section, see Appendix A, Citable Infractions, 3.4.8, Attempt to Modify the Listing Broker's Offer of Compensation.**

**11. REPORTING SALES AND OTHER INFORMATION TO THE SERVICE.**

**11.1 Statuses.**

The definitions of the stages of property status are set forth as follows:

**11.1.1 On Market Statuses.**

**a. Active.**

A valid listing contract exists, and no offer (with or without contingencies) has been accepted. This is an On-Market status.

**b. Active w/Contingency.**

**1. Buyer Sale Contingency**

An offer has been accepted and the Seller wishes to continue to show the property and accept backup offers due to the buyer needing to sell or put under contract another property by a certain date in order to fulfil the contract.

**2. Accepted Offer Taking Backup**

An offer has been accepted and the Seller wishes to continue to show the property and accept backup offers.

### 11.1.2 Off-Market Statuses.

- a. **Coming Soon.**  
A Coming Soon Listing is defined as a fully executed listing agreement between a listing broker and seller, and the listing broker and the seller are preparing the property for showings.
- b. **Pending.**  
The Seller has accepted an offer and is not soliciting further offers through the MLS. This is an Off-Market status.
- c. **Temporarily Off-Market.**  
A valid listing contract is in effect; however, the Seller has requested that temporarily there be no showings. An expected date of return to Active status and an explanation is required. This is an Off-Market status.
- d. **Withdrawn-Cancelled.**  
The listing agreement has been cancelled in writing. This is an Off-Market status.
- e. **Expired.**  
The listing agreement is expired. The time frame of the existing listing contract has run out. This is an Off-Market status.
- f. **Sold.**  
Escrow has closed. This is an Off-Market status.

### 11.2 Reporting of Sales.

Listings with accepted offers shall be reported to the MLS or input into the MLS database as “pending” by the end of the third day of the acceptance, by the listing broker unless the negotiations were carried on under Section 10.1 (a) or (b), in which case, the cooperating broker shall report to the MLS or input the listing in the MLS as “pending” and send a copy of the listing’s changed status to the listing broker by the end of the third day after acceptance. The listing shall be published on the MLS as pending with no price or terms prior to the final closing. Upon final closing, the listing broker shall report or input the listing in the MLS as “sold”, with the true and accurate sale price, by the end of the third day after the final closing date.

**For violation of this section, see Appendix A, Citable Infractions, 2.5, Failure to Update the Status of a Listing to Either Pending or Closed Within Three Days of the Acceptance.**

#### 11.2.1 Comparable Sale Reporting.

If a member is part of a sale that is not listed in the MLS, the listing may be entered into the MLS for comp and statistical purposes. The member must have been either the Listing Agent or Selling Agent.

The listing should be entered with the member as the listing agent, regardless of whether or not the member was on the listing or selling side. The listing should contain all pertinent information that would assist other members in utilizing this listing as a comp. The

member must disclose in REALTOR® Only remarks (confidential) that this listing was entered for comp purposes only. Once the listing is entered as Active, it must be immediately put into Pending, and then to Sold. Unless the member was both a Listing and Selling Agent, the Selling Agent must be set to Outside Member, and their information must be disclosed in the Sales Notes.

**11.3 Removal of Listings for Refusal/Failure to Timely Report Status Changes.**

The MLS is authorized to remove any listing from the MLS compilation of current listings where the Participant or Subscriber has refused or failed to timely report status changes. Prior to the removal of any listing from the MLS, the Participant and/or Subscriber shall be advised of the intended removal, so the Participant and/or Subscriber can advise his or her client(s).

**For violation of this section, see Appendix A, Citable Infractions, 2.3, Listing Information Changes Not Reported by Deadline.**

**11.4 Reporting Cancellation of Pending Sale.**

The listing broker shall report to the service by the end of the third day the cancellation of any pending sale and the listing shall be reinstated immediately as long as there is still a valid listing.

**For violation of this section, see Appendix A, Citable Infractions, 2.3, Listing Information Changes Not Reported by Deadline.**

**11.5 Refusal to Sell.**

If the seller of any listed property filed with the 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 and Subscribers.

**12. OWNERSHIP OF MLS COMPILATIONS AND COPYRIGHT.**

**12.1 MLS Compilation Defined.**

The term “MLS compilation” includes, but is not limited to, the MLS computer database and all data and content therein, including but not limited to photographs, images (including maps), graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, statistics and other details or information related to listed property, all printouts of data and content from the MLS computer database, and all MLS publications. The MLS Compilation is protected by all applicable intellectual property laws.

**12.2 Active Listing MLS Compilation Defined.**

“Active listing MLS compilation” shall mean that portion of the MLS compilation which includes listings currently for sale and all other indexes and other information relating to the current listing information approved for distribution by the MLS.

**12.3 Comparable Data MLS Compilation Defined.**

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

**12.4 Authority to Put Listings in MLS Compilation.**

By the act of submission of any property listing content to the MLS, the participant represents and

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

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.

### **12.5 Photographs, Video, Media, Floorplans, Virtual Tours, Renderings on the MLS.**

By submitting photographs, video, media, floorplans, renderings to the MLS, the Participant and/or Subscriber represents and warrants that it either owns the right to reproduce and display these items or has procured such rights from the appropriate party and has the authority to grant and hereby grants the MLS and the other Participants and Subscribers the right to reproduce and display the items in accordance with these rules and regulations. Use of photographs or other items by a subsequent listing agent requires prior written authorization from the originating listing agent or appropriate party. Branding of photographs, video, media, floorplans, virtual tours or renderings with any information or additional images is prohibited. Videos and Virtual Tours in the form of YouTube or other online video sites are considered for the purpose of the MLS Rules and Regulations as branded virtual tours. As a result, YouTube and other online video sites cannot be used as video or virtual tour links in the MLS. However, if the video or virtual tour is provided by a third-party vendor and the branding is of that third-party, it is acceptable.

**For violation of this section, see Appendix A, Citable Infractions, 3.1.9, Including Contact Information, such as Email Addresses, Website Addresses, or other Non-Property Descriptive Text, on Photos and 3.1.10, Use of Photographs on a Listing Without Proper Authorization.**

### **12.6 Copyright Ownership.**

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

### **12.7 Licensing of MLS Compilations.**

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

### **12.8 Database Preservation.**

No data may be removed from the MLS compilation other than by the service. Although a listing may be removed from display in the MLS compilation of current listing information, all data

submitted to the MLS will remain in the database for historical and other purposes approved by the service.

### **12.9 Removal of and Responsibility for Content.**

The MLS has the right, but not the obligation, to reject, pull down, restrict publication of, access to or availability of content the MLS in good faith considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, unlawful or otherwise objectionable. Participants and Subscribers remain solely responsible and liable for the content they provide. In no case will any monitoring or removal of Participants' or Subscribers' content by the MLS make it responsible or liable for such content.

## **13. PROHIBITIONS AND REQUIREMENTS.**

### **13.1 Notification of Arizona Department of Real Estate.**

Participants and Subscribers are required to notify the MLS within twenty-four (24) hours of any final action taken by the ADRE or the Arizona Board of Appraisers against said Participant or Subscriber including, but not limited to any final decisions restricting, suspending or revoking a real estate license or appraiser's certification or license of a Participant, the Participant's firm or corporation under which the Participant or Subscriber acts, or any licensee affiliated with the Participant or the Participant's firm or licensee or appraiser who was affiliated with the Participant or Participant's firm at the time of the underlying act.

### **13.2 Violations of the Law.**

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

### **13.3 Supervision of Licensees and Appraisers.**

In addition to the notification requirements of section 5.1, a Participant may not allow any licensee, under the Participant's license, whose license has been revoked, suspended or restricted by the ADRE to use the MLS in any manner while the ADRE discipline is in effect except that the licensee may use the MLS under a restricted license providing such use is consistent with and does not violate such license restrictions.

### **13.4 Information for Participants/Subscribers Only.**

Any listing filed with the service shall not be made available to any individual, broker or firm not a member of the MLS without the prior consent of the listing broker, except pursuant to a subpoena or specific action of the BOD.

### **13.5 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 Nation Association of REALTORS® (hereinafter referred to as

“NAR”) Code of Ethics, its Standards of Practice, and its Case Interpretations.

### **13.6 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.

**For violation of this section, see Appendix A, Citable Infractions, 1.2.2, Reproducing and Distributing Unauthorized Portions of the MLS Database.**

### **13.7 Misuse of Remarks.**

Participants and Subscribers may not use the remarks in a property data profile sheet or listing submitted to the MLS or inputted directly into the MLS database for purposes of disparaging other real estate agents or conveying information about other offices or for conveying any other information that does not directly relate to the marketing of the listing. By submitting remarks to the MLS, Participant and/or Subscriber represents and warrants he or she has the authority to grant, and hereby grants the MLS and the other Participants and Subscribers the right to reproduce and display the remarks in accordance with these rules. Copying of remarks by a subsequent listing agent for use in his or her own listing requires prior written authorization from the originating listing agent or other appropriate party with the legal right to reproduce and display such remarks.

#### **13.7.1 REALTOR® Remarks (Public) Restrictions and Requirements.**

Information in the REALTOR® remarks (public) field in the Listing shall be limited to information describing or marketing the listed property. Such field shall not include information about individuals or any alarm codes or other information about how to gain access to a property. REALTOR® remarks (public) shall not direct the user in any way to contact information or other information about a real estate agent or broker or any other individual or entity with a connection to the business of real estate.

**For violation of this section, see Appendix A, Citable Infractions, 4.1, Misuse of REALTOR® Remarks (Public) - Publishing.**

#### **13.7.2 REALTOR® Only Remarks (Confidential) Restrictions and Requirements.**

“For Comp Purposes Only” must appear in the first line of REALTOR® Only remarks (confidential) when a listing is entered for that purpose.

- a. References to burglar alarm, security system or gate codes may be placed in REALTOR® Only remarks (confidential) only with seller’s written permission.
- b. Caution: Title or escrow information may be entered in REALTOR® Only remarks (confidential); however, Participants/Subscribers should note that any verbiage which implies a requirement to use a specific title company or escrow service may be a violation of RESPA. You are advised to seek legal counsel for specific advice when using such verbiage.

- c. Except for reciprocal listings, no reference may be made to licensees who are not Participants or Subscribers.
- d. When the gross commission is subject to court or lender approval and the potential for a reduction in compensation payable to cooperating brokers exist, the following wording must be included in the private REALTOR® Only remarks (confidential) “Cooperative Compensation offer subject to court or lender approval and may be adjusted.”

**For violation of this section, see Appendix A, Citable Infractions, 4.2, Misuse of REALTOR® Only Remarks (Confidential) - Publishing.**

### **13.8 Misuse of Public Fields.**

Information in any public field, such as Directions, Legal Description, and Public Documents in the listing shall not include information about individuals or any alarm codes or other information about how to gain access to a property. Public fields shall not direct the user in any way to contact information or other information about a real estate agent or broker or any other individual or entity with a connection to the business of real estate.

**For violation of this section, see Appendix A, Citable Infractions, 4.3, Misuse of Public Fields.**

### **13.9 “For Sale” and “Sold” Signs.**

Only the For-Sale sign of the listing broker may be placed on a property.

Prior to closing, only the sold sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

All signage must be removed within seven days of the closing of a sale or the expiration or cancellation of a listing unless written approval from the owner is obtained.

**For violation of this section, see Appendix A, Citable Infractions, Failure to remove a “For Sale” or “Sold” sign within seven days of the closing of a sale or the expiration or cancellation of a listing.**

### **13.10 “Sold” Signs and Use of the Term “Sold.”**

Only broker Participants or real estate Subscribers who participated in the transaction as the listing broker or cooperating broker may claim to have “sold” the property. Prior to closing, a cooperating broker may post a “sold” sign on a property only with the consent of the listing broker. This section does not, however, prohibit any broker from advertising the addresses and prices of the properties that have sold in a neighborhood after the information regarding the properties has been published as long as the advertisement does not imply the agent was involved in the transaction unless such is the case and as long as the advertisement otherwise prevents a “true picture” as is meant under Article 12 of the NAR Code of Ethics, its Standards of Practice and its case interpretations.

### **13.11 Limitations on Use of Association or MLS Information in Advertising.**

Except as provided in Sections 13.9, 13.12, and 13.16, truthful use of information from the MLS compilation of current listing information, from the AOR’s “statistical report,” or from any “sold” or “comparable” report of the AOR or MLS for public mass media advertising by an MLS Participant or Subscriber or in other public representations for purposes of demonstrating market



share is not prohibited. However, any print or non-print forms of advertising or other forms of public representations must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

Based on information from the Prescott Area Association of REALTORS® (alternatively, from the PAAR MLS) for the period (date) through (date). Display of MLS data is deemed reliable but is not guaranteed accurate by the MLS.

**For violation of this section, see Appendix A, Citable Infractions, 5.4, Failure to Provide Adequate Informational Notice on Print or Non-Print Forms of Advertising or Other Forms of Public Representations.**

**13.12 False or Misleading Advertising and Representations; True Picture Standard of Conduct.**

Participants and Subscribers may not engage in false or misleading advertising, including, but not limited to, advertisements or representations regarding the Participant's or Subscriber's relationship to the service, about the service itself, or about any property listed with the service. MLS Participants and Subscribers shall present a true picture in their advertising and representations to the public, including the URLs and domain names they use, and Participants and Subscribers may not:

- a. engage in deceptive or unauthorized framing of real estate brokerage websites
- b. manipulate (e.g., presenting content developed by others) listing content in any way that produces a deceptive or misleading result
- c. deceptively use metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic, or to otherwise mislead consumers; or
- d. represent that their brokerage services to a client or customer are free or available at no cost to clients, unless the participant or subscriber will receive no financial compensation from any source for those services.

**13.13 Use of MLS Information.**

In recognition that the purpose of the MLS is to market properties and offer compensation to other broker Participants and real estate Subscribers for the sole purpose of selling the property, and that sellers of properties filed with the service have not given permission to disseminate the information for any other purpose, Participants and Subscribers are expressly prohibited from using MLS information for any purpose other than to market property to bona fide prospective purchasers or to support market evaluations or appraisals as specifically allowed by Sections 13.15, 13.16, and 13.17. Any uses of MLS information inconsistent with these Sections is expressly prohibited. Nothing in this Section, however, shall limit the PAAR MLS from entering into licensing agreements with MLS Participants and Subscribers or other third parties for use of the MLS information.

**For violation of this section, see Appendix A, Citable Infractions, 1.2.1, Reproducing MLS Information for Unauthorized Purposes.**

**13.14 Confidentiality of MLS Information.**

Any information provided by the service to the Participants and Subscribers shall be considered and treated as confidential by Participants and Subscribers and shall be for the exclusive use of the Participants and Subscribers for purposes described in Sections 2, 13.9, 13.12, 13.15, 13.16, and

13.17 and this section. Participants and Subscribers shall at all times maintain control over and responsibility for each copy of any MLS compilation and shall not distribute any such copies to persons other than Participants and Subscribers. Participants and Subscribers are responsible for the security of their passcodes and shall not give or allow use of or make available their passcodes to any person. Participants and Subscribers may reproduce or display the information as provided in these rules.

#### **13.14.1 Clerical Users.**

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

**For violation of this section, see Appendix A, Citable Infractions, 1.2.1, Reproducing MLS Information for Unauthorized Purposes.**

#### **13.15 Access to Comparable and Statistical Information.**

Association members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the Service, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including “comparable” information, “sold” information and statistical reports. This information is provided for the exclusive use of Association members who are engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in these Rules and Regulations.

#### **13.16 Display.**

Subject to Sections 13.15, 13.16, and 13.17 broker Participants and real estate Subscribers shall be permitted to display the MLS compilation in either electronic or printed format to specifically identified and bona fide 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. Broker Participants and real estate Subscribers shall be permitted to display the MLS compilation in either electronic or printed format to specifically identified and bona fide sellers or prospective sellers only in conjunction with their ordinary business activities in listing properties. Appraiser Participants and appraiser Subscribers shall be permitted to display the MLS compilation to the person requesting the appraisal only in conjunction with their ordinary business activities of producing a written appraisal. Such displays under this section shall be only in the immediate presence of the MLS Participant or Subscriber.

**For violation of this section, see Appendix A, Citable Infractions, 1.2.1, Reproducing MLS Information for Unauthorize Purposes.**

#### **13.17 Reproduction.**

“Reproduction” shall include, but not be limited to, making photocopies, computer printouts, electronic transfers (including email), or downloading of MLS data or compilations. Participants and Subscribers or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof except as provided in Section 13.16 and 13.17 in the following limited circumstances:

### **13.17.1 Copies to Prospective Purchasers.**

Broker Participants and real estate Subscribers may reproduce from the MLS compilation, and distribute to prospective real estate purchasers, copies of those portions of the MLS compilation consisting only of a description of the property, including the address, features, financing, and price. Such “client copies” shall also comply with the following:

- a. Permissible MLS data may be augmented with additional data not otherwise prohibited from display, provided the source of any additional data is clearly identified.
- b. No more than 500 current listings and 500 sold listing may be provided in response to any inquiry.
- c. A disclaimer statement shall be made indicating that the MLS listing data is deemed reliable but is not guaranteed accurate by the MLS in the following format:

"All data, including all measurements and calculations of area, is obtained from various sources and has not been, and will not be, verified by broker or MLS. All information should be independently reviewed and verified for accuracy."

**For violation of this section, see Appendix A, Citable Infractions, 1.2.5, Failure to Comply with Reproduction Requirements.**

### **13.17.2 Information Prohibited from Reproduction/Confidential Fields in Public Printouts.**

Unless the Participant or Subscriber obtains prior written consent from the listing broker, the information reproduced pursuant to this section shall not include the following:

- a. Property owner’s name, phone number, and address (if different than the listed property).
- b. Instructions or remarks intended for cooperating brokers, including but not limited to showing instructions or security references (ex: lock box, burglar alarm or security system, vacancies) regarding the listed property:
- c. Type of listing.
- d. Other information that goes beyond a description of the property.

**For violation of this section, see Appendix A, Citable Infractions, 1.2.2, Reproducing and Distributing Unauthorized Portions of the MLS Database.**

### **13.17.3 Copies for Appraisals.**

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

### **13.17.4 Downloading into Computers.**

Participants and Subscribers may download MLS information, from the MLS user interface(s) or MLS provided applications, into their computer system as long as:

- a. Access to the computer or computer system receiving the information is strictly limited to authorized Participants, Subscribers and Clerical Users as defined in these

rules; and

- b. The information is only retransmitted to the Participants, Subscribers and Clerical Users authorized to access the computer or computer system by these rules; and
- c. The information is not reformatted or used to create another product except as may be used by the Participant or Subscriber who downloaded the data and such use strictly complies with sections 13.9 and 13.16.

**For violation of this section, see Appendix A, Citable Infractions, 1.2.3, Unauthorized Computer Download or Transmission of Data.**

#### **13.17.5 Sold Information.**

Individuals legitimately in possession of current listing information, “sold” information, “comparables,” or statistical information may utilize such information to support valuations on particular properties for particular clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. The MLS may require participants who will use such data feeds to pay a pro-rated share of the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations.

- 13.18 Use of Listing Information on Internet. [Also known as Internet Data Exchange (“IDX”).** “Internet Data Exchange” (“IDX”) 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.

#### **13.18.1 IDX**

**a. Authorization.**

Subject to paragraphs (b) through (r) below, and subject to an executed IDX/RETS Request Form with the MLS, notwithstanding anything in these rules and regulations to the contrary, broker Participants and real estate Subscribers may display on their public websites aggregated MLS listing information through either downloading and placing the data on the Participant public access websites or by framing such information on the MLS or association public access website (if such a site is available). The MLS download includes 3 years of sold listing data.

**b. Consent.**

The listing brokers’ consent for such internet display is presumed, in satisfaction of Rule 12.8, unless a listing broker affirmatively notifies the MLS that the listing broker refuses to permit display on either a blanket or on a listing-by-listing basis. Listing brokers that refuse to permit other Broker Participants or real estate Subscribers to display their listing information on a blanket basis may not display MLS active listing information of other brokers’ listings.

**c. Display Content.**

Broker Participants and real estate Subscribers shall not display confidential information fields, as determined by the MLS in the MLS' sole discretion, such as that information intended for cooperating brokers rather than consumers.

**d. Listing Attribution.**

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

**e. Modifications.**

Broker Participants and real estate Subscribers shall not modify the information displayed pursuant to these MLS rules. However, permissible MLS data may be augmented with additional data not otherwise prohibited from display, provided the source of any additional data is clearly identified.

**f. Source and Update.**

Information displayed shall indicate the source of the information being displayed and the most recent date updated. Broker Participants and real estate Subscribers shall update all downloads and refresh all data at least once every twelve (12) hours.

**g. Usage and Distribution Limitations.**

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

**h. Display Purpose.**

Broker Participants and real estate Subscribers may not use IDX-provided listings for any purpose other than display on their websites. This does not require Broker Participants and real estate Subscribers to prevent indexing of IDX listings by recognized search engines.

**i. Restricted Display.**

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

**j. Selective Listing Display.**

Broker Participants and real estate Subscribers 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, list price, type of property, or type of listing. Selection of listings displayed through IDX must be independently made by each participant.

**k. Restricted Access.**

No portion of the MLS database shall be distributed, provided to or made accessible to any person except as provided for in these rules and/or in the NAR IDX policy.

- l. Brokerage Identification.**  
When displaying listing content, a Broker Participant's or real estate Subscriber's website must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.
- m. Co-Mingling.**  
A Broker Participant or real estate Subscriber may co-mingle the listings of other Participants with listings from other MLS sources on its website, provided all such displays are consistent with these IDX rules and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. Co-mingling is the ability for a visitor to the website to execute a single property search of multiple IDX feeds resulting in the display of IDX information from one or more of those IDX sources on a single web page or electronic display. Listings obtained from other MLSs must display the source from which each such listing was obtained. Displays of minimum information (e.g. a one-line or thumbnail search result, 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 device's application.
- n. Third Party Comments and Automated Value Estimates.**  
Any IDX site that (a) allows third parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (b) displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, shall disable or discontinue either or both of those features as to the seller's listing 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 Broker Participants' and real estate Subscribers' websites. Except for the foregoing and subject to section (o) below, a Broker Participant's or real estate Subscriber's IDX site may communicate the Broker Participant's or real estate Subscriber's professional judgment concerning any listing. Nothing shall prevent an IDX site from notifying its viewers that a particular feature has been disabled at the request of the seller.
- o. Making Corrections.**  
Broker Participants and real estate Subscribers 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 Broker Participants and real estate Subscribers beyond that supplied by the MLS and that relates to a specific property displayed on the IDX site. Broker Participants and real estate Subscribers 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 that property explaining why the data or information is false. However, the Broker Participants and real estate Subscribers shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

**p. Search Result Limitation.**

Broker Participants and real estate Subscribers shall limit the number of listings that a viewer may view, retrieve, or download to not more than 500 in response to any inquiry.

**q. Advertising.**

Deceptive or misleading advertising (including co-branding) on pages displaying IDX-provided listings is prohibited. For purposes of these rules, co-branding will be presumed not to be deceptive or misleading if the Broker Participant's and/or real estate Subscriber's logo and contact information is larger than that of any third party.

**r. Indemnification.**

In making data from the Service available to the general public through Participants' individual web sites, the web site owner expressly agrees to indemnify and hold harmless the Association and the Service from any and all claims, causes of action, expenses, losses and costs, including attorney's fees, incurred on account of, or in any way related to, the use of data, or on account of errors or omissions in data transfer, and from any and all third-party injuries of any nature relating to a property being identified from the web site listing.

**s. Disclaimers.**

Each web site page shall contain the following notice:

“Listings on this page identified as belonging to another listing firm are based upon data obtained from the PAAR MLS, which data is copyrighted by the Prescott Area Association of REALTORS® but is not warranted.”

**For violation of this section, see Appendix A, Citable Infractions, 5.2, Violation of IDX Rules.**

**13.18.2 Notification by Authorized Broker Participants and Real Estate Subscribers.**

Broker Participants and real estate Subscribers partaking in the display of MLS active listing information of other brokers' listings pursuant to Section 13.17 must notify the MLS before displaying said MLS active listing information and must make their website directly accessible to the MLS and other MLS Participants for purposes of monitoring/ensuring compliance with applicable rules and policies.

**13.18.3 Right to Charge for Download.**

The MLS has the right to charge the costs of adding or enhancing its downloading capacity to broker Participants and real estate Subscribers who request downloading of listing information pursuant to Section 13.17.

**13.18.4 Intention of IDX Display.**

IDX is intended to allow broker Participants and real estate Subscribers to display limited MLS data on their public Internet websites. In addition, broker Participants may elect to display up to three (3) years of pending and sold MLS data on their public Internet websites. Display of this information is limited to Internet sites accessible by the public.

IDX is in no way intended to negate provisions of these Rules that prohibit advertising of another agent's listings without permission.

**For violation of this section, see Appendix A, Citable Infractions, 5.2, Violation of IDX Rules.**

### **13.18.5 Listing Broker's Right to Opt-Out of Internet Advertising of MLS Information.**

If the PAAR MLS advertises MLS information on the Internet or licenses MLS information for advertising on the Internet, the listing broker also shall have the right to opt out of such advertising in accordance with the MLS's procedures for opting out. The listing broker shall have the right to refuse to have listings displayed on a blanket basis or on a listing-by-listing basis in accordance with Section 13.17 by affirmatively notifying the MLS in accordance with the MLS procedures for opting out. Notwithstanding anything in these rules and regulations to the contrary, the PAAR MLS reserves the right to determine whether to provide Internet advertising services and whether such services are to be made available to non-PAAR MLS members.

### **13.19 Website Name and Status Disclosure.**

MLS Participants' firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner. Websites of Subscribers affiliated with a Participant's firm shall disclose the firm's name and the Subscriber's state(s) of licensure in a reasonable and readily apparent manner.

### **13.20 Virtual Office Websites ["VOW"].**

#### **13.19.1**

- a.** A Virtual Office Website ("VOW") is a Participant's Internet website, or a feature of a Participant's website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to 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 13.21 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 13.21 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.

### 13.19.2

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

### 13.19.3

- a. Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:
  - i. The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter “Registrants”). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
  - ii. The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.
  - iii. The Participant must require each Registrant to have a username 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 username 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 username 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, username, 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-broker relationship with the Participant
  - ii. That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use
  - iii. That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW
  - iv. That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property
  - v. That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.
- 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 the Registrant.

#### 13.19.4

A Participant's VOW must prominently display an e-mail address, telephone number, or

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

### **13.19.5**

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

### **13.19.6**

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

### **13.19.7**

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

- b.** Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 13.19.8, 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.

### **13.19.8**

A Participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within forty-eight (48) hours following receipt of a communication from the listing broker explaining why the data or information is false. The Participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

### **13.19.9**

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

### **13.19.10**

Except as provided in these rules, the NAR 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.

### **13.19.11**

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

### **13.19.12**

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

### **13.19.13**

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

### **13.19.14**

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

### **13.19.15**

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

- a.** Expired or withdrawn listings.
- b.** The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- c.** The seller's and occupant's name(s), phone number(s), or e-mail address(es).
- d.** Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.
- e.** Sold information.

### **13.19.16**

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

### **13.19.17**

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

### **13.19.18**

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

### **13.19.19**

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

### **13.19.20**

A Participant shall require that Registrants' passwords be reconfirmed or changed every ninety (90) days.

### **13.19.21**

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

### **13.19.22**

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

### **13.19.23**

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

### **13.19.24**

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

### **13.19.25**

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

## **13.21 Use of the Terms MLS and Multiple Listing Service.**

No MLS Participant or Subscriber shall, through the name of their firm, their URLs, their 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 and Subscribers 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.

### **13.22 Applicability of Rules to MLS or Association.**

Nothing in these rules shall limit the right of the PAAR MLS to enter into licensing agreements with third parties for use of the MLS compilations or any portion thereof in accordance with terms approved by the BOD.

### **13.23 Participant and Subscribers of Conduct.**

The services that Participants and Subscribers provide to their clients and customers shall conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which they engage; specifically, residential real estate brokerage, real property management, commercial and industrial real estate brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate. Participants and Subscribers shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any persons engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth.

### **13.24 Brokerage Back Office [“BBO”]**

“BBO Data” means all real property listing and roster information in the MLS database, including all listings of all Participants, but excludes (i) MLS only fields (those fields only visible to MLS staff and the listing participant), and (ii) fields and content to which MLS does not have a sufficient license for use in the Brokerage Back Office Feed.

“BBO Use” means use of BBO Data by participant and subscribers affiliated with the participant for the following purposes:

- a. Brokerage management systems that only expose BBO Data to participant and subscribers affiliated with participant.
- b. Customer relationship management (CRM) and transaction management tools that only expose the BBO Data to participant, subscribers affiliated with participant, and their bona fide clients as established under state law.
- a. Agent and brokerage productivity and ranking tools and reports that only exposes BBO Data to participant and subscribers affiliated with participant.
- b. Marketplace statistical analysis and reports in conformance with NAR MLS Policy Statement 7.80, which allows for certain public distribution.

BBO Use may only be made by participant and subscriber associated with participant. At request of a participant, BBO Data may be provided to a participant’s designee. The designee may use the BBO Data only to facilitate the BBO Use on behalf of that participant and its affiliated subscribers.

There is no option for participants to opt-out their listings from the Brokerage Back Office Feed Use as defined.

### **13.25 Display of Listing Broker’s Offer of Compensation.**

MLS Participants and Subscribers are permitted to display the listing broker’s offer of



compensation through IDX and VOW displays or through any other form or format provided to clients and consumers. Participants and subscribers who share the listing broker's offer of compensation for an Active listing must display the following disclaimer:

*The listing broker's offer of compensation is the dollar amount or percentage of sale price the listing broker offers to pay a broker who (a) participates in the multiple listing service where the listing broker filed the listing and (b) procures the buyer for a successful transaction.*

## **14. LOCKBOXES.**

### **14.1 Eligibility for Lockbox Privileges.**

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

- a. The Subscriber key holder signs a PAAR Key and Lockbox User Agreement.
- b. The Participant to which the key holder is licensed also signs the Key and Lockbox User Agreement.
- c. The key holder continues to comply with the terms of the PAAR Key and Lockbox User Agreement and all MLS rules relating to lockbox keys.
- d. The key holder and Participant to whom the key holder is licensed remain eligible for MLS services.

### **14.2 Key Use and Service.**

Keys may only be used for the purpose of facilitating the sale or lease of a listed property.

#### **14.2.1 Use of Lockbox Contents.**

Participants and Subscribers shall at all times follow the showing instructions published in the MLS. Participants and Subscribers shall not remove contents of the lockbox for purposes other than showing the home and shall promptly return the contents to the lockbox upon exiting the property. Participants and Subscribers shall keep lockbox contents in their possession at all times after removal from the lockbox. The lockbox and/or contents shall not be removed from the property site without prior consent from the listing agent.

- a. Listing Broker's Permission. No Participant or Subscriber may enter a property with or without a lockbox without the listing broker's permission. The listing broker may grant such permission by specifying permission to use the lockbox through the MLS. Appraiser Participants and/or Affiliate Participants or Subscribers are expressly prohibited from using lockbox keys to enter a property without either the owner's or listing broker's permission.
- b. Participants and Subscribers shall at all times follow the showing instructions published in the MLS.

**For violation of this section, see Appendix A, Citable Infractions, 5.1.5, Failure to Follow Showing Instructions.**

- c. Participants and Subscribers shall not remove contents of the lockbox for purposes other than showing the home and shall promptly return the contents to the lockbox upon exiting the property.
- d. Participants and Subscribers shall keep lockbox contents in their possession at all times after removal from the lockbox. The lockbox and/or contents shall not be removed from the property site without prior consent from the listing agent.

#### **14.2.2 Lockbox Type Requirements.**

PAAR MLS only supports and services the PAAR Lockbox system.

#### **14.3 Key Use and Service.**

Keys may not be used under any circumstances by anyone other than the key holder, including, but not limited to, lending, borrowing, or sharing keys with others. The AOR is not obligated to provide service on keys or lock boxes to individuals who are not the registered lessee or owner of the component.

**For violation of this section, see Appendix A, Citable Infractions, 5.1.2, Use of Lockbox Key by Someone Other than Registered Keyholder.**

#### **14.4 Accountability.**

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

#### **14.5 Deemed Unaccountable.**

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

#### **14.6 Written Authority.**

Participants and Subscribers shall not place a lockbox on a property without written authority from the seller and occupant if other than the seller. Inclusions in MLS compilations cannot be required

as a condition of placing lockboxes on listed property.

**For violation of this section, see Appendix A, Citable Infractions, 5.1.3, Placement of Lockbox without Written Authority of Seller.**

**14.7 Removal of Lockbox.**

Upon sale of the property or expiration or cancellation of a listing, the lockbox must be removed within seven days. Failure to remove the lockbox can result in fines as well as loss of the lockbox due to being removed in a manner that will render it permanently inoperable.

**For violation of this section, see Appendix A, Citable Infractions, 5.1.4, Failure to Remove Lockbox after Close of Escrow.**

**14.8 Unaccountable Keys.**

Key holders and Participants cosigning with a key holder shall report lost, stolen or otherwise unaccountable keys to the A.O.R. immediately upon discovery.

**14.9 Rules Violations.**

Failure to abide by rules relating to lockboxes as set forth in this section or failure to abide by the Key and Lockbox User Agreement (Appendix B) may result in discipline as provided in sections 15 and 16 of these rules, in addition to loss of or restriction on all lockbox and key privileges.

**14.10 Right to Limit Access.**

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

**15. COMPLIANCE WITH RULES**

The Committee (Board of Directors) shall give consideration to all written complaints having to do with violations of the rules and regulations. By becoming and remaining a participant, each participant agrees to be subject to these rules and regulations, the enforcement of which are at the sole discretion of the Committee (Board of Directors). 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 reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed \$15,000
- e. 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 BOD, 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.

- f. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- g. termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.

## **16. VIOLATIONS OF RULES AND REGULATIONS**

### **16.1 Grounds for Disciplinary Action and Sanctions.**

In any instance where a participant in an association multiple listing service is charged with a violation of the MLS bylaws or rules and regulations of the service, and such charge does not include alleged violations of the Code of Ethics or the Standard of Conduct for MLS participants, or a request for arbitration, the MLS may impose administrative sanctions. Recipients of an administrative sanction may request a hearing before the professional standards committee of the association.

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.

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®.

Disciplinary action will be taken, or sanctions imposed against any Participant and Subscriber for:

- a. A violation of any MLS rule
- b. For any violation of subsection (a) by any person, including but not limited to a clerical user or a salesperson, who is not a Participant or Subscriber but is employed by or affiliated with such Participant or Subscriber and was providing real estate related services within the scope of the Participant's or Subscriber's license. Lack of knowledge by the Participant or Subscriber of such a person's conduct shall only go to mitigation of discipline imposed.

- c. For any violation of the NAR Code of Ethics while a member of any AOR. Violations of the Code of Ethics will be processed in accordance with the agreement with the Arizona REALTORS®.

## **16.2 Disputes.**

In the event a violation has been determined which the Participant or Subscriber disputes, they may request a hearing before the MLS Hearings and Appeals Committee.

## **16.3 Fines.**

The MLS Committee, subject to approval of the BOD, may implement a schedule of fines for certain MLS rules violations and direct staff to issue fines for the specified MLS rules violations and implement a procedure whereby the Participant and Subscriber receiving the fine may either pay the amount specified for the fine or appeal the assessment of the fine through the MLS Hearings and Appeals Process. Duplicate violations reported at the same time will be treated as a single occurrence and will be assessed one fine. The Subscriber has 30 days to pay the fine. Failure to pay the fine will result in the Subscriber being suspended and the fine being transferred to the Participant on record at the time of the violation. The Participant then has an additional 30 days to pay the fine or the brokerage will be suspended.

# **17. MLS HEARINGS AND APPEALS PROCESS.**

## **17.1 Request A Hearing.**

A request for a hearing must be filed by using the Prescott Area Association of REALTORS® Petition for Hearing. The petition is available on the Flexmls Intranet. The petition may be filed in person, by mail, or by email. The address for mailing a Petition for Hearing is 3719 Karicio Lane, Prescott, AZ 86303. If mailed, a petition for hearing is considered filed as of the date of the postmark, which is not necessarily the date the appeal was placed in the mail. Generally, a faxed petition will be considered as having been filed on the date of transmission recorded by the facsimile machine. The fax number for submitting a Petition for Hearing is (928)778-7390. It is advisable to confirm receipt of petitions submitted via fax. A petition filed by email will be considered filed when received. The address for emailing petitions is [mls@paar.org](mailto:mls@paar.org). The petition must be accompanied by a processing fee deposit made payable to the Prescott Area Association of REALTORS®.

## **17.2 Time Limit for Requesting A Hearing**

The petition for a hearing must be filed within twenty (20) calendar days after the date that you are notified of the MLS Rules & Regulations violation fine assessment. Any petition received or postmarked after twenty (20) days will be rejected as untimely filed.

## **17.3 Hearing Dates/Times/Locations and Notices**

The MLS Rules & Regulations Appeals committee conducts hearing in person at the board office. The member may waive their right to appearance at the hearing and the committee will hear the issue from the evidence in the record.

When the committee has received documents from staff regarding the violation, it will set a hearing for the earliest practical time and mail a notice of the hearing to all the parties at their last known addresses. The notice will set the date and time of the hearing. The notice will also identify, in general, the issues for the hearing.

#### **17.4 Changes in Hearing Dates and Times**

After the MLS Rules & Regulations Appeals committee has scheduled a hearing, a request for a postponement or other change in the date or time will only be granted for good cause. The subscriber should make the request immediately upon learning of the need for the change. The request should include a clear statement of the reason a change is needed and a reasonable indication of other dates and times during regular business hours the subscriber will be available for hearing.

The request may be filed in person, by mail, or by email. The address for mailing the request is 3719 Karicio Lane, Prescott, AZ 86303. If mailed, a petition for hearing is considered filed as of the date of the postmark, which is not necessarily the date the appeal was placed in the mail. Generally, faxed requests will be considered as having been filed on the date of transmission recorded by the facsimile machine. The fax number for submitting a Petition for Hearing is (928)778-7390. It is advisable to confirm receipt of petitions submitted via fax. A request filed by email will be considered filed when received. The address for emailing request for postponement is [mls@paar.org](mailto:mls@paar.org).

#### **17.5 Documents or Other Physical Evidence for the Hearing**

Physical evidence may include written or photographic documents or other objects which relate to the case. Any documents concerning the violation which the staff forwards to the committee are included in the evidence of record. The parties may review or obtain such documents before the hearing. If you have additional written material to present at the hearing, you should provide copies of the documents with your Petition for Hearing.

#### **17.6 Summary of the Parties' Rights at the Hearing**

As a party at the hearing you have the right:

- a. To appear and testify in your own behalf,
- b. To have an interpreter to meet the language/communication needs of a party or a witness,
- c. To hire and have representation by an attorney or other duly authorized agent,
- d. To present documents or other physical evidence in the record and any offered for entry into the record,
- e. To have witnesses testify for you and to ask questions of your witnesses,
- f. To question opposing parties and their witnesses,
- g. To explain or present testimony against evidence harmful to your case,
- h. To raise reasonable objections to evidence or procedure,
- i. To make a timely request for continuance when surprised by an issue or unexpected evidence, or because of some other unfair disadvantage,
- j. To make summarizing comments (i.e. a closing statement) or to present any further information on the issues before the hearing is closed.

### **17.7 The Decision of the Committee.**

If the Petition for Hearing was timely filed, the committee will reach a decision to affirm the violation or to reverse the violation. The committee may decrease the fine or increase it up to the \$15,000 maximum. The decision of the committee will be based upon the evidence of record. An affirmation upholds the violation. The BOD has adopted a policy to assess a processing fee deposit should the committee uphold the violation. A reversal overturns the violation, and the processing fee deposit will be refunded. The MLS Rules & Regulations Appeals Committee Chair will mail copies of the decision to the parties at their last known address. If the Petition for Hearing is not filed in a timely manner, the committee will not hear the issue, and their decision is effectively an affirmation of the MLS Rules & Regulations violation.

### **17.8 How to Appeal the Decision of The Committee**

- a.** The decision of the Hearing Panel can be appealed once to the MLS Rules & Regulations Appeals committee. An appeal must be filed by using the Prescott Area Association of REALTORS® Petition for Appeal. The petition is available on the Flexmls Intranet. The petition may be filed in person, by mail, or by email. The address for mailing a Petition for Hearing is 3719 Karicio Lane, Prescott, AZ 86303. If mailed, a petition for hearing is considered filed as of the date of the postmark, which is not necessarily the date the appeal was placed in the mail. Generally, a faxed petition will be considered as having been filed on the date of transmission recorded by the facsimile machine. The fax number for submitting a Petition for Hearing is (928)778-7390. It is advisable to confirm receipt of petitions submitted via fax. A petition filed by email will be considered filed when received. The address for emailing petitions is [mls@paar.org](mailto:mls@paar.org).
- b.** The Request for Appeal Form must be accompanied by a second processing fee deposit made payable to the Prescott Area Association of REALTORS®.
- c.** If the decision of the Appeals Tribunal is ratified, the deposit will be retained by the association. If the appeal is upheld, the deposit will be returned to the appellant. If the decision of the Appeals Tribunal is modified, disposition of the deposit will be determined by the Directors considering the appeal.
- d.** A Petition for Appeal may be filed for one or more of the following reasons only:
  - i.** Material facts that come to light after violation is found but before the appeal deadline that would have, if known at the time, affected the imposition of a penalty.
  - ii.** Due process challenge – Subscriber contends that the proper notice periods were not followed, proper notice means were not followed, or other failure to follow the due process established in this policy.
  - iii.** Misapplication or misinterpretation of the MLS rule

**17.9 Time Limit for Requesting an Appeal.**

The Petition for Appeal must be filed within twenty (20) calendar days after the date of the committee decision. Any petition received or postmarked after twenty (20) days will be rejected as untimely filed.

**17.10 Process and Administration of Hearings and Appeals.**

The Chief Executive Officer and/or MLS staff shall process and schedule hearings and appeals as required by these MLS Rules and Regulations. The Chief Executive Officer and/or members of the MLS staff may be present at any hearing or appeal solely for the purpose of confirming that these MLS Rules and Regulations are followed.

**17.11 Representation.**

The parties to an appeal have the right to be represented by an attorney or by any other duly authorized agent. However, parties are not required to have professional representation. Each party is responsible for any fees charged for services of their chosen representative.

**17.12 Withdrawal of Appeal.**

The appellant may request withdrawal of the appeal at any time before the decision is rendered. A request to withdraw must be made in writing.

**17.13 Appeal Dates/Times/Locations and Notices.**

A five (5) member panel of the MLS Rules and Regulations Appeals Committee conducts Appeals Tribunal in person at the board office. The appellant may waive their right to appearance at the appeal and the Board will hear the appeal from the evidence in the record.

When the Committee has received documents from staff regarding the issue on appeal, it will set the appeal for the earliest practical time and mail a notice of the appeal to all the parties at their last known addresses. The notice will set the date and time of the appeal. The notice will also identify in general the issues for the appeal.

**17.14 Changes in Appeal Dates and Times.**

After the MLS Rules and Regulations Appeals Committee has scheduled an appeal, a request for a postponement or other change in the date will only be granted for good cause. The appellant should make the request immediately upon learning of the need for the change. The request should include a clear statement of the reason a change is needed and a reasonable indication of other dates and times during regular business hours the appellant will be available for the appeal.

**17.15 Summary of The Board's Duties in Conducting the Appeal.**

The MLS Rules and Regulations Appeals Committee bears sole responsibility for conducting the appeal hearing. Hearings will be conducted according to Robert's Rules of Order.

- a. A Petition for Appeal may be filed for one or more of the following reasons only:
  - i. Material facts that come to light after violation is found but before the appeal deadline that would have, if known at the time, affected the imposition of a penalty.
  - ii. Due process challenge – Subscriber contends that the proper notice periods were not followed, proper notice means were not followed, or other failure to follow the process established in this policy.



### **17.16 The Decision of the BOD.**

If a Petition for Appeal was timely filed, the Panel will reach a decision on the merits of the appeal. The decision of the Panel is final and will be based upon the evidence of record after the parties have had a hearing (or a reasonable opportunity for a hearing) on the issues on appeal. An affirmation upholds the violation. A reversal overturns the violation. The Panel will mail copies of the decision to the parties at their last known address. If the decision of the Panel is to dismiss an appeal because it was untimely filed, the Panel decision is effectively an affirmation of the MLS Rules & Regulations violation.

### **17.17 Arbitration.**

All Arbitration requests will be processed in accordance with the agreement with the Arizona REALTORS®.

## **18. NONPAYMENT OF MLS FEES.**

If MLS fees, fines, charge or other amounts owed the MLS by a Participant or MLS Subscriber employed by or affiliated as an independent contractor with that Participant are not paid within thirty (30) days after the due date, the Participant shall become solely responsible for the payment of such MLS fees, fines, charges or other amounts. If the Participant does not pay the fees, fines, charges or other amounts within thirty (30) days after the due date, MLS services provided to the Participant and all MLS Subscribers employed by or affiliated as independent contractors with that Participant shall be suspended provided the MLS gives the Participant at least ten (10) calendar days prior notice of the proposed suspension date. Such notice may be included with the original billing statement for MLS fees, fines or charges or any time thereafter. In the event the amounts owed remain unpaid for three (3) months after the due date, the nonpaying Participant and/or Subscriber's MLS services shall automatically terminate regardless if note of such termination is given.

### **18.1 Refunds.**

MLS Fees are paid annually each March and are nonrefundable. If MLS fees are paid in advance of the next year, the member is in good standing, and terminates before the next year begins, refund of MLS fees will be given.

### **18.2 Disputed Amounts.**

If a Participant and/or Subscriber disputes the accuracy of amount owed, the Participant and/or Subscriber may request a hearing before the BOD. In order to request such a hearing, the Participant and/or Subscriber must first pay the disputed amount in whole, which may be refunded in whole or part in accordance with the BOD's determination. In the event the BOD confirms the accuracy of the amount owed, the Participant and/or Subscriber shall also be subject to paying interest at the rate of 1.5% per month on such past due amounts.

### **18.3 Reinstatement.**

Any Participant and/or Subscriber whose MLS services have been terminated for nonpayment of MLS fees may reapply for participation in the MLS. However, prior to being granted access, such Participant and/or Subscriber must pay all past dues amounts owed including paying interest at a rate of 1.5% per month on such past due amounts and a reinstatement fee as determined by the MLS Committee and approved by the BOD. If the MLS Services have been terminated for over a six (6) month period, all fees applicable to new applicants will also be required before reinstatement.

**19. CHANGES IN RULES AND REGULATIONS**

The rules and regulations of the MLS may be amended by a majority vote of all members of the MLS Committee, subject to approval by the BOD. Any changes to these rules and regulations which are mandated by the NAR shall automatically be incorporated into these rules and regulations and do not require MLS Committee or BOD approval.

**APPENDIX A—CITABLE INFRACTIONS**  
**WITH REFERENCE TO APPLICABLE RULES**

**1. Unauthorized Access to MLS**

**1.1 Use of MLS System by Unauthorized Party**

- |              |  |                            |
|--------------|--|----------------------------|
| <b>1.1.1</b> | Filing of False MLS Participation Waiver, Violation of MLS Participation Waiver(Sec. 6.1.7)  | <b><u>FINE LEVEL D</u></b> |
| <b>1.1.2</b> | Failure of Participant to Notify the MLS Within 10 days of Termination,<br>Transfer or Addition of an Associate under Participant's License (Sec. 5.4) | <b><u>FINE LEVEL B</u></b> |

**1.2 Misuse of MLS Information**

- |              |  |                            |
|--------------|--|----------------------------|
| <b>1.2.1</b> | Reproducing MLS Information for Unauthorized Purposes (Sec. 13.13,13.14.1, 13.16)              | <b><u>FINE LEVEL B</u></b> |
| <b>1.2.2</b> | Reproducing and Distributing Unauthorized Portions of the MLS<br>Database (Sec. 13.6, 13.17.2) | <b><u>FINE LEVEL D</u></b> |
| <b>1.2.3</b> | Unauthorized Computer Download or Transmission of Data (Sec. 13.17.4)                          | <b><u>FINE LEVEL D</u></b> |
| <b>1.2.4</b> | Use of MLS Data for Other Than the Intended/Permitted Purposes (Sec. 9.3)                      | <b><u>FINE LEVEL D</u></b> |
| <b>1.2.5</b> | Failure to Comply with Reproduction Requirements (Sec. 13.17.1)                                | <b><u>FINE LEVEL A</u></b> |

**2. Loading Listings and Reporting Status Changes by Deadline**

- |            |   |                            |
|------------|---|----------------------------|
| <b>2.1</b> | Listing Not Loaded Within the Required Timeframe of Start Date of Listing (Sec. 8.6)  | <b><u>FINE LEVEL B</u></b> |
| <b>2.2</b> | Listing Not Entered Within One (1) Business Day of Public Marketing (Sec. 8.9)  | <b><u>FINE LEVEL B</u></b> |
| <b>2.3</b> | Failure to Remove a “For Sale” or “Sold” Sign Within Seven Days of the Closing of a Sale or the<br>Expiration or Cancellation of a Listing (13.9) | <b><u>FINE LEVEL B</u></b> |
| <b>2.4</b> | Failure to Update the Status of a Listing to Either Pending or Closed Within Three Days of the<br>Acceptance (11.2)                               | <b><u>FINE LEVEL B</u></b> |

**3. Reporting and Accuracy of Information**

**3.1 Submission of Listings That Do Not Satisfy the Requirements of the MLS Rules**

- |               |   |                            |
|---------------|---|----------------------------|
| <b>3.1.1</b>  | Failure to Properly Specify Listing Class (Sec. 8.2)  | <b><u>FINE LEVEL A</u></b> |
| <b>3.1.2</b>  | Failure to Properly Specify Property Class (Sec. 8.3)   | <b><u>FINE LEVEL A</u></b> |
| <b>3.1.3</b>  | Entry of Inaccurate or Non-Text Information Anywhere in a Listing (Sec. 9.3)  | <b><u>FINE LEVEL A</u></b> |
| <b>3.1.4</b>  | Listing Information Incomplete or Not Kept Current (Sec. 8.12)  | <b><u>FINE LEVEL A</u></b> |
| <b>3.1.5</b>  | Failure to Enter Accurate Information in a Required Data Field<br>(Sec. 9.3)  | <b><u>FINE LEVEL A</u></b> |
| <b>3.1.6</b>  | Using a Data Field for a Purpose Other Than its Intended Use (Sec. 9.3)   | <b><u>FINE LEVEL A</u></b> |
| <b>3.1.7</b>  | Failure to Provide Documentation of Listing Agreement Within 24 Hours After Notification by<br>Staff (Sec. 9.2)                             | <b><u>FINE LEVEL A</u></b> |
| <b>3.1.8</b>  | Submission of Duplicate Listings by the Same Participant within<br>the Same Property Class (Sec. 8.3)                                       | <b><u>FINE LEVEL A</u></b> |
| <b>3.1.9</b>  | Including Contact Information, such as Email Addresses,<br>Website Addresses, or other Non-Property Descriptive Text, on Photos (Sec. 12.5) | <b><u>FINE LEVEL B</u></b> |
| <b>3.1.10</b> | Use of Photographs on a Listing Without Proper Authorization (Sec. 12.5)  | <b><u>FINE LEVEL C</u></b> |
| <b>3.1.11</b> | Failure to Enter a Correct Address Based on the Postal Code of the Property (Sec. 8.22)   | <b><u>FINE LEVEL A</u></b> |
| <b>3.1.12</b> | Failure to Upload a Required Document or Uploading an Incomplete or Incorrect Document<br>(Sec. 8.33)                                       | <b><u>FINE LEVEL A</u></b> |

- |            |   |                            |
|------------|---|----------------------------|
| <b>3.2</b> | Failure to Withdraw a Listing after Written Permission/Instruction to Withdraw the<br>Listing Has Been Received from the Seller (Sec. 8.10) | <b><u>FINE LEVEL D</u></b> |
|------------|---|----------------------------|

- |            |   |                            |
|------------|---|----------------------------|
| <b>3.3</b> | Failure to Report the Correct Sales Price on a Closed Sale (Sec. 9.3) | <b><u>FINE LEVEL B</u></b> |
|------------|---|----------------------------|

### **3.4 Purposely Manipulating the MLS System to Circumvent the Rules**

- |              |   |                            |
|--------------|---|----------------------------|
| <b>3.4.1</b> | Entry of Inaccurate or Prohibited Information (Sec. 9.3)  | <b><u>FINE LEVEL B</u></b> |
| <b>3.4.2</b> | Posting of a Listing to the MLS Without Having a Written Listing Agreement (Sec. 9.2)           | <b><u>FINE LEVEL D</u></b> |
| <b>3.4.3</b> | Submitting a Listing as Withdrawn When Not Withdrawn by Seller (Sec. 8.10)                      | <b><u>FINE LEVEL C</u></b> |
| <b>3.4.4</b> | Extending a Listing Without Written Authorization from the Seller (Sec. 8.10)                   | <b><u>FINE LEVEL C</u></b> |
| <b>3.4.5</b> | Failure to Report a Dual or Variable Rate Commission (Sec. 8.25)                                | <b><u>FINE LEVEL C</u></b> |
| <b>3.4.6</b> | Refusal to Report Accurate Information or to Correct Inaccurate Information (Sec. 9.3)          | <b><u>FINE LEVEL D</u></b> |
| <b>3.4.7</b> | Entry of a Listing as New after Withdrawn Without a New or Amended Listing Contract (Sec. 8.10) | <b><u>FINE LEVEL D</u></b> |
| <b>3.4.8</b> | Attempt to Modify the Listing Broker's Offer of Compensation (Sec. 10.9)                        | <b><u>FINE LEVEL D</u></b> |

## **4. Remarks**

### **4.1 Misuse of REALTOR® Remarks (Public) – Publishing: (Sec. 13.7.1)**

- |               |                                |                            |
|---------------|--------------------------------|----------------------------|
| <b>4.1.1</b>  | Telephone Numbers              | <b><u>FINE LEVEL B</u></b> |
| <b>4.1.2</b>  | Names, Including Company Names | <b><u>FINE LEVEL B</u></b> |
| <b>4.1.3</b>  | Email Addresses                | <b><u>FINE LEVEL B</u></b> |
| <b>4.1.4</b>  | Websites                       | <b><u>FINE LEVEL B</u></b> |
| <b>4.1.5</b>  | Security Codes                 | <b><u>FINE LEVEL B</u></b> |
| <b>4.1.6</b>  | Lockbox Codes                  | <b><u>FINE LEVEL B</u></b> |
| <b>4.1.7</b>  | Virtual Tour Links             | <b><u>FINE LEVEL B</u></b> |
| <b>4.1.8</b>  | Current Vacancy of Property    | <b><u>FINE LEVEL B</u></b> |
| <b>4.1.9</b>  | Title or Escrow Instructions   | <b><u>FINE LEVEL B</u></b> |
| <b>4.1.10</b> | Showing Instructions Included  | <b><u>FINE LEVEL B</u></b> |

### **4.2 Misuse of REALTOR® Only Remarks (Confidential) – Publishing: (Sec. 13.7.2)**

- |              |   |                            |
|--------------|---|----------------------------|
| <b>4.2.1</b> | Security Codes Without Seller's Written Permission                              | <b><u>FINE LEVEL B</u></b> |
| <b>4.2.2</b> | Reference to Licensed Non-Subscribers Except in the Case of Reciprocal Listings | <b><u>FINE LEVEL D</u></b> |

### **4.3 Misuse of Public Fields (Sec. 13.8)**

**FINE LEVEL B**

## **5. Miscellaneous**

### **5.1 Showings and Access**

- |              |  |                            |
|--------------|--|----------------------------|
| <b>5.1.1</b> | Listing Not Ready for Showing Within three (3) Days After Submission of Listing (Sec 10.1.1) | <b><u>FINE LEVEL B</u></b> |
| <b>5.1.2</b> | Use of Lockbox Key by Someone Other than Registered Keyholder (Sec. 14.3)                    | <b><u>FINE LEVEL D</u></b> |
| <b>5.1.3</b> | Placement of Lockbox without Written Authority of Seller (Sec. 14.6)                         | <b><u>FINE LEVEL D</u></b> |
| <b>5.1.4</b> | Failure to Remove Lockbox after Close of Escrow (Sec. 14.7)                                  | <b><u>FINE LEVEL B</u></b> |
| <b>5.1.5</b> | Failure to Follow Showing Instructions (14.2.1b)   | <b><u>FINE LEVEL C</u></b> |

### **5.2 Violation of IDX Rules (Sec. 13.18.1 and 13.18.4)**

- |              |  |                            |
|--------------|--|----------------------------|
| <b>5.2.1</b> | Display of REALTOR® Information  | <b><u>FINE LEVEL C</u></b> |
| <b>5.2.2</b> | Failure to Display Name of Listing Firm and Agent in Easily Identifiable Manner        | <b><u>FINE LEVEL B</u></b> |
| <b>5.2.3</b> | Modification of Information Displayed  | <b><u>FINE LEVEL D</u></b> |
| <b>5.2.4</b> | Failure to Indicate Source of Information/Failure to Update Downloads And Refresh Data | <b><u>FINE LEVEL B</u></b> |
| <b>5.2.5</b> | Sharing MLS Compilation with Third Party/Failure to Post Notice                        | <b><u>FINE LEVEL D</u></b> |
| <b>5.2.6</b> | Display of Listings or Property Addresses Not Authorized for IDX                       | <b><u>FINE LEVEL C</u></b> |
| <b>5.2.7</b> | Excluding Listings from Display Based on Nonobjective Criteria                         | <b><u>FINE LEVEL B</u></b> |

5.2.8	Distribution to Unauthorized Person	<u><b>FINE LEVEL C</b></u>
5.2.9	Failure to Display Brokerage Firm Name on Website	<u><b>FINE LEVEL D</b></u>
5.2.10	Failure to Post PAAR MLS Copyright/Warranty Notice	<u><b>FINE LEVEL C</b></u>
5.2.11	Violation of Maximum Search Response Number Limit	<u><b>FINE LEVEL B</b></u>
5.3	<b>Advertising of Listing Filed with the MLS (Outside scope of IDX) (Sec. 10.7)</b>	<u><b>FINE LEVEL D</b></u>
5.4	<b>Failure to Provide Adequate Informational Notice on Print or Non-Print Forms of Advertising or Other Forms of Public Representations (Sec. 13.12)</b>	<u><b>FINE LEVEL A</b></u>
5.5	<b>Failure to properly upload photos to a listing (Sec. 8.24)</b>	<u><b>FINE LEVEL A</b></u>
5.6	<b>Coming Soon Status Violations (Sec. 8.8)</b>	
5.6.1	Failure to change the status to Active prior to allowing the property to be shown	<u><b>FINE LEVEL C</b></u>
5.6.2	Failure to obtain Seller Authorization prior to placing a listing in the Coming Soon status	<u><b>FINE LEVEL D</b></u>

<b>FINE LEVEL A</b>	<p><b>Level A violations are not subject to an automatic fine; however, failure to correct a Level A violation within three (3) calendar days will result in the Participant being fined a base fine of \$100.</b></p> <p><b>If the violation is not corrected within two (2) additional calendar days, refer to 3.4.6 (Refusal to Report Accurate Information or to Correct Inaccurate Information) for fine information.</b></p> <p><b>After ten (10) Level A violations, the participant or subscriber must attend a hearing</b></p>
<b>FINE LEVEL B</b>	<p><b>\$250*</b></p> <p><b>Repeat offenses of same violation:</b>  <b>Second Offense - Two Times Fee per Fine Schedule</b>  <b>Third Offense – Three Times Fee per Fine Schedule and attend a hearing</b>  <b>Additional Offenses – Suspension from MLS for 30 Days</b></p> <p><b>*Offenders may receive one (1) warning per calendar year</b></p>
<b>FINE LEVEL C</b>	<p><b>\$500</b></p> <p><b>Repeat offenses of same violation:</b>  <b>Second Offense - Two Times Fee per Fine Schedule and attend a hearing</b>  <b>Additional Offenses - Suspension from MLS for 60 days</b></p>
<b>FINE LEVEL D</b>	<p><b>\$1,000 and attend a hearing</b></p> <p><b>Repeat offenses of same violation:</b>  <b>Second Offense – Suspension from MLS for 60 days</b>  <b>Additional Offenses – Termination from MLS</b></p>

## APPENDIX B KEY AND LOCKBOX USER AGREEMENT

This Agreement is made between the Multiple Listing Service of the Prescott Area Association of REALTORS® and the following subscriber and (if a real estate licensee) the Participant with which the licensee is affiliated:

Last Name	First Name	MI	
Home Address	City	State	Zip
Firm/Office ID:	Participant's Firm Name	Home/Cellular Telephone No.	

Nature of Participation (i.e. real estate, appraisal, photographer, home or termite inspection):

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### RECITALS:

A. The Multiple Listing Service of the Prescott Area Association of REALTORS® supports an electronic lockbox system to subscribers, including both REALTORS® and REALTOR® Appraisers, affiliated with Participants in the association's multiple listing service. The key listing service is provided for the purposes of better and more efficient marketing of properties listed with Participants, the convenience of the licensees affiliated with Participants in said service, and to enhance security when showing listed properties to prospective buyers while owners are absent, and the undersigned licensee and Participant have entered into an Electronic Lockbox Agreement with the Multiple Listing Service of the Prescott Area Association of REALTORS® for those purposes. For the convenience of persons who have given permission to use the lockbox system, licensed home inspectors who are affiliate members of the Association, photographers or termite inspectors who are affiliate members of the association, or who are affiliated with a Participant may enter into an Electronic Lockbox Agreement and have access to properties in the lockbox system.

B. Participants, or any licensee employed by or affiliated with a Participant, or an eligible appraiser, an eligible termite inspector, eligible photographer, or an eligible home inspector who desires to access listed properties by means of an electronic key device (eKey, XpressKEY), must complete and sign this Agreement. An eligible appraiser, photographer, termite inspector, or home inspector who participates, but who would not otherwise be subject to the rules and regulations of the Multiple Listing Service of the Prescott Area Association of REALTORS®, agrees by the execution of this document to be subject to the sanctions provided in said Rules and Regulations for a violation thereof, as well as the specific provisions of this agreement.

The Multiple Listing Service of the Prescott Area Association of REALTORS® delivers the electronic key device and/or activation process on the following terms and conditions:

### 1. DEFINITIONS.

- a. ELECTRONIC LOCKBOX. The Electronic lockbox is a safe that is placed on a listed property for the purpose of accessing the property in the owner's absence.
- b. ELECTRONIC KEY DEVICE. This is either an Express Key device, or an Authorization Code used to activate an eKey application on an authorized users' smart phone which is issued to a Participant or Licensee employed by or affiliated with a Participant for the purpose of accessing Electronic lockboxes.
- c. ACCESS NUMBER. Either a personal identification number (PIN), a Call Before Showing code (CBS), or a shackle release code issued to Participant or licensee employed by or affiliated with a Participant which must be used in conjunction with an XpressKEY or eKey to access an Electronic lockbox.
- d. SUBSCRIBER. The term subscriber refers to a real estate licensee, a licensed appraiser, a termite inspector, a photographer and/or a licensed home inspector, as the context suggests.
- e. PARTICIPANT. The term references the Designated Broker of any office who subscribes to the key service, and/or the owner/principal of an affiliate who subscribes to the key service.

2. ELECTRONIC KEY RECEIPT. Participant and Subscriber acknowledge receipt of an XpressKey or eKey activation code from the MLS.

3. OWNERSHIP. The Electronic Lockboxes are purchased by and are the property of the Participant or Subscriber. You are leasing the XpressKEY, authorization code for an eKey, CBS codes, shackle codes, and PIN Numbers from Supra, and are subject to any contractual obligations mandated by Supra to maintain your ability to participate in the Electronic Lockbox System. Participant and Subscriber acknowledge that the XpressKEY shall be the sole property of Supra and shall be returned as required by Supra or the MLS.

4. XPRESSKEY OR EKEY APPLICATION EXCHANGE BY SUPRA OR MLS. Supra may at its discretion require replacement of the XpressKEY device or eKey application used by the Multiple Listing Service of the Prescott Association of REALTORS® and its Authorized Users with an alternate device or application compatible with the system.

5. TERM OF AGREEMENT. The term of this Agreement begins on the date of the execution of this Agreement and ends on the date the Authorized User terminates Membership with the MLS and returns the XpressKEY to the MLS. It is the responsibility of the Authorized User to contact Supra directly to cancel eKey services.

6. RETURN OF XPRESSKEY. Participant and Subscriber agree to return the XpressKEY within the earlier of (1) 48 hours of receipt of a request to do so by the Multiple Listing Service of the Prescott Association of REALTORS® or Supra or (2) within five working days after occurrence of any of the following events:

- a. Termination of a Participant as a Participant in the Multiple Listing Service of the Prescott Association of REALTORS®.
- b. Termination of Subscriber's association with the said Participant for any reason, except when transferring to another participants office.
- c. Failure of the Participant/Subscriber to perform in accordance with any and/or all terms and conditions herein set forth, including, but not limited to, the provisions for security in paragraph 7 below.
- d. In the event of the death of the Participant/Subscriber, heirs or personal representatives will surrender the XpressKEY to Multiple Listing Service of the Prescott Association of REALTORS®.

7. SECURITY OF XPRESSKEY, EKEY APPLICATION/DEVICE, PIN NUMBERS, CBS AND SHACKLE CODES. Participant and Subscriber acknowledge it is necessary to maintain security of the XpressKEY or eKey device to prevent its use by unauthorized persons. Consequently, Authorized Participant/Subscriber agrees:

- a. To keep the XpressKEY or eKey device in Subscriber's possession or in a safe place at all times.
- b. To not allow a personal identification number (PIN), CBS or shackle code to be attached to the XpressKEY, eKey device or a lockbox, or disclose any PIN, CBS, or shackle code to any unauthorized third party.
- c. TO NOT LOAN THE XPRESSKEY OR EKEY APPLICATION TO ANY PERSON FOR ANY PURPOSE WHATSOEVER OR TO PERMIT THE XPRESSKEY OR EKEY APPLICATION TO BE USED FOR ANY PURPOSE BY ANY OTHER PERSON.
- d. To not assign, transfer or pledge the rights of the XpressKEY or eKey application.
- e. To notify the MLS within three days of the loss or theft of an XpressKEY or eKey device. The Participant/Subscriber shall sign and deliver a statement to the MLS with respect to the circumstances surrounding the loss or theft. Supra shall charge for the replacement of an uninsured XpressKEY either lost or damaged.
- f. To return all access keys to the lockbox and secure them upon exiting the property.
- g. To not allow any unauthorized third party to enter or remain within the property upon exiting.
- f. To follow all additional security procedures as specified by the Multiple Listing Service of the Prescott Association of REALTORS®.

8. REPLACEMENT XPRESSKEY OR EKEY AUTHORIZATION CODE. Replacement XpressKEY or eKey authorization code will be issued to Subscribers who:

- a. Have complied with this Agreement and the policies and procedures of the MLS with respect to the Electronic Lockbox System.
- b. Pay a fee and/or deposit specified by the MLS to replace an XpressKEY lost, stolen, damaged or defective.

9. APPOINTMENTS REQUIRED. Neither the Participant nor the Subscriber will use an XpressKEY or eKey without first making an appointment through the office of the listing Participant or, as allowed by the Rules and Regulations of the MLS after contact with the owner. An appraiser shall only use the Electronic Lockbox System for the purpose of appraising property and only after first making an appointment as provided herein. A home inspector shall only use the Electronic Lockbox System for the purpose of making a home inspection and only after first making an appointment as provided herein. A termite inspector shall only use the Electronic lockbox System for the purpose of making a termite inspection and only after first making an appointment as provided herein. A photographer shall only use the Electronic Lockbox System for the purpose of taking photos at the request of the listing agent, and at a time mutually agreed upon by the listing agent and the photographer.

10. REPORTING MISUSE. In order to maintain the integrity of the Electronic Lockbox System the Participant and licensee agrees to report to the Multiple Listing Service of the Prescott Area Association of REALTORS® immediately any action which would violate the terms and conditions of this or any other Lockbox Agreement, or any Electronic Lockbox Agreement, including, but not limited to loss,

loan, alteration or duplication of any electronic lockbox, eKey device or application, or XpressKEY device.

11. DISCIPLINARY ACTION. Participant and Subscriber agree to be subject to the disciplinary rules, procedures and sanctions of the Prescott Area Association of REALTORS® Multiple Listing Service (MLS) Rules and Regulations for violation of any provision of this Agreement. Discipline may include fines or forfeiture of electronic key and lockbox use privileges.

12. INDEMNIFICATION. Participant and Subscriber agree to indemnify and hold the MLS and all of its respective officers, directors and employees harmless from any and all loss, cost, expense, claims or demands whatsoever by or against the MLS resulting from loss, use or misuse of the Electronic Lockbox System, including, but not limited to, any and all liabilities, including attorney's fees, incurred by them as a result of theft, damage or injuries to property or persons arising out of entry by any person into any premises by use of the Electronic Lockbox System.

13. DEFAULT. Default occurs upon the failure of Participant or licensee to perform any obligation under any of the terms and conditions of this Agreement.

a. RIGHTS AND REMEDIES UPON DEFAULT. Participant and Licensee agree to return any requested items or information concerning the Electronic Lockbox System which may be in the possession of the person who is identified on the first page of this Agreement to the Multiple Listing Service of the Prescott Area Association of REALTORS® immediately upon default. If Participant or licensee fail to return the requested items or information about the Electronic Lockbox System to the Multiple Listing Service of the Prescott Area Association of REALTORS® as provided herein, the Multiple Listing Service of the Prescott Area Association of REALTORS® shall be entitled to an injunction restraining Participant and Subscriber from utilizing the Electronic Lockbox System for any purpose whatsoever, and requiring the immediate return of XpressKEY devices and all information to the Multiple Listing Service of Prescott Area Association of REALTORS®. The right of the Multiple Listing Service of the Prescott Area Association of REALTORS® to an injunction shall be in addition to any other remedies available to the Multiple Listing Service of the Prescott Area Association of REALTORS® under the terms and conditions of this Agreement, at law, or in equity.

b. EXPENSES UPON DEFAULT. Participant shall be jointly responsible for losses, damages or expenses incurred as a result of default. The Multiple Listing Service of the Prescott Area Association of REALTORS® may require that the Participant and/or Subscriber pay an amount deemed sufficient, after a hearing, by the board of directors of the Prescott Area Association of REALTORS® to help defray the cost of losses, damages and expenses resulting from default.

14. RULES AND REGULATIONS. Operation of the Electronic Lockbox System shall at all times be subject to the Rules and Regulations adopted by the Multiple Listing Service of the Prescott Area Association of REALTORS® as amended from time to time.

15. DISCLOSURE TO CLIENTS. The Listing Participant/Subscriber shall obtain specific written authorization from the owner before placing a lockbox on the owner's property and before the listing is entered into the MLS system, reflecting that a lockbox has been authorized by owner.

16. PARTICIPANT'S RESPONSIBILITIES:

a. Participant warrants that Participant is a licensed real estate broker and participant of the Multiple Listing Service of the Prescott Area Association of REALTORS® or an affiliate who subscribes to the key service.

b. Participant warrants that Subscriber possesses a real estate license and is in fact associated with Participant in an active effort to sell/lease real estate or an employee of Participant properly licensed and/or qualified to perform the services contemplated herein.

c. Participant agrees to enforce the terms of the Agreement with respect to any Subscriber associated with him/her and understands that he/she is not relieved of any responsibility or obligation by the mere fact of such disassociation with Subscriber.

d. Participant agrees to notify the Multiple Listing Service of the Prescott Association of REALTORS® immediately, in writing, should the Participant or Subscriber terminate their relationship, or should the Subscriber's license be transferred.

e. Participant agrees to take all reasonable means to obtain Subscriber's XpressKEY device or cause Subscriber to return the XpressKEY device to the Multiple Listing Service of the Prescott Association of REALTORS®. The Participant will continue to be charged a service fee for the disassociated subscriber until the next billing cycle after the device is returned. If a Subscriber does not return the XpressKEY device, Participant agrees to furnish the Multiple Listing Service of the Prescott Association of REALTORS® with copies of written correspondence of all attempts made to obtain said XpressKEY device.

f. Participant agrees that he/she is jointly and severally liable, together with the Subscriber, for all duties, responsibilities and undertakings of the Subscriber under this Agreement and understands that failure to follow the provisions of the Supra UTC Fire and Security User Agreement may result in the loss of Electronic Lockbox System privileges and, further, could cause the



