

# METROPOLITAN REGIONAL INFORMATION SYSTEMS, INC.

## Rules and Regulations Manual

### ARTICLE I - PURPOSE

Purpose: Metropolitan Regional Information Systems Inc. (MRIS) is a means by which authorized subscribers (Brokers) make blanket unilateral offers of compensation to other subscribers (Brokers) acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law; by which cooperation among subscribers is enhanced; by which information is accumulated and disseminated to enable authorized subscribers to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which subscribers engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

### ARTICLE II - GENERAL RULES

Sec. 1 - All REALTORS of the system agree to adhere to the NATIONAL ASSOCIATION OF REALTORS Code of Ethics and Standards of Practice.

Sec. 2 All users of the system agree to abide by the Metropolitan Regional Information Systems, Inc. Rules and Regulations Manual.

Sec. 3 Metropolitan Regional Information Systems, Inc. shall not fix, control, recommend, suggest or maintain rates or fees for services rendered by any user. Further, Metropolitan Regional Information Systems, Inc. shall not fix, control, recommend, suggest or maintain the division of commissions or fees between users and/or licensees.

Sec. 4 The Metropolitan Regional Information Systems, Inc. Rules and Regulations Manual may be amended from time to time by the Board of Directors of the Metropolitan Regional Information Systems, Inc.

Sec. 5 Principal Broker Subscribers shall ensure that all licensed agents, unlicensed and licensed personal assistants for whom Principal Broker Subscriber is the designated licensed broker individually subscribes to the MRIS Service as full paying Subscribers within thirty (30) days of the effective date of their licensure and their affiliation with the Principle Broker Subscriber's firm.

Upon notification by MRIS, The Principal Broker Subscriber must insure that the non-subscribing agents, licensed or unlicensed personal assistant join MRIS or return the agent's license to the state regulatory board within 30 days of MRIS notification. MRIS shall have the right (but not the obligation) to impose any and all of the following sanctions:

1. A fine in the amount specified on the Schedule of Fees may be assessed to the Principal Broker Subscriber for each non-subscribing licensed or unlicensed agent or personal assistant.

2. Subsequent fines may be assessed to the Principal Broker Subscriber after sixty (60) days and at additional thirty (30) day intervals for non-compliance as specified on the Schedule of Fees.
3. Revocation of Principal Broker Subscriber right to use the MRIS Service. (Revised January 2014)

## **ARTICLE III - DEFINITIONS**

### Sec. 1 Definitions

MRIS - Metropolitan Regional Information System, Inc.

#### Subscriber - Users

1. Shareholder - An Association or Board of REALTORS (who has purchased stock. Stock) may only be purchased by an Association/Board of REALTORS that is chartered by the NATIONAL ASSOCIATION OF REALTORS.
2. Shareholder Member - A REALTOR or a REALTOR Appraiser who is affiliated with a MRIS Shareholder Board /Association and holds a current state license or certification issued by the appropriate real estate licensing board or commission.
3. Real Estate Licensee - A real estate agent, or licensee who is not affiliated with a REALTOR Association or Board, but holds a valid real estate license issued by the appropriate real estate licensing board or commission. (Rev 11/2014)
4. Licensed or Certified Appraiser - A real estate appraiser who holds current state license or certification issued by the appropriate licensing board or commission. (Rev 11/2014)
5. Real Estate Professional – A Shareholder Member, Non-Shareholder Member or a Real Estate Licensee who may or may not be affiliated with a REALTOR Board/Association and holds a current state license of certification issued by the appropriate real estate licensing board or commission. (Rev 11/2014)

#### 6. Affiliate Users

1. Non- Licensed Administrative and clerical staff, personal assistants and individuals providing administrative support to the Subscribers. (Rev 11/2014)
2. An appraiser who is not licensed and is not certified by the appropriate state or local jurisdiction.
  - a. Non- Licensed Administrative and clerical staff, personal assistants and individuals providing administrative support to the Subscribers.

- b. An appraiser who is not licensed and is not certified by the appropriate state or local jurisdiction.
  - c. Administrative and clerical staff, personal assistants and individuals providing support to the Subscribers.
  - d. An appraiser who is not licensed and is not certified by the appropriate state or local jurisdiction.
  - e. Affiliate users are subject to the Rules and Regulations, the payment of any applicable fees and charges, and the limitations and restrictions of state law. None of the foregoing shall diminish the ultimate responsibility of the Shareholder Member or Real Estate Licensee or User for ensuring compliance with the Rules and Regulations of MRIS by all individuals affiliated with the Shareholder Member or Real Estate Licensee or User.
  - f. Affiliate Subscribers may not be the listing agent or the selling agent on the MRIS System.
- C. Owner - The legal owner of real property.
- D. Service - All services provided by MRIS.
- E. Principal Broker Subscriber - Defined by the state or local jurisdiction The Principal Broker Subscriber must be a Subscriber of MRIS, prior to any licensees in their firm subscribing to MRIS. Should the Principal Broker Subscriber terminate from MRIS, any MRIS Subscribers affiliated with the Principal Broker Subscriber will also be terminated.
- F. Rules and Regulations - The Rules and Regulations of MRIS, as well as any policies and procedures, as outlined in this manual.
- G. Participant – A Principal Broker Subscriber who is a member of the National Association of REALTORS

## Sec. 2 Eligibility

- A. Subscriber agrees that in connection with all listings placed in the database, the offer of cooperation and compensation to subagents or buyer agents shall be specified so that an MRIS Subscriber shall know what the compensation will be. The listing Principal Broker Subscriber may offer compensation other than the compensation indicated on the listings as published in MRIS, provided the listing Principal Broker Subscriber informs the other Principal Broker Subscriber in writing in advance. The listing Principal Broker Subscriber retains the right to determine the amount of compensation offered to other participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law) which may or may not be the same as the compensation indicated on the listings.
- B. Affiliate Users who are actively engaged in real estate brokerage, management, mortgage financing, or appraising may receive comparable data, tax information and limited statistical reports.

- C. Although Subscribers may receive listing information on properties in different states, it is expected that Subscribers may only do business in the jurisdiction(s) in which they are licensed.
- D. Participation: Any REALTOR of this or any other Association/Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. Participation in the service is also available to Real Estate Licensees who meet the qualifications established in the MLS rules and regulations. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Principal Broker Subscribers and Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an Association/Board Multiple Listing Service is strictly limited to the activities authorized under a Principal Broker Subscriber's or Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by an Association/Board Multiple Listing Service where access to such information is prohibited by law. (Amended 11/08)

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 or accepts cooperation and compensation' means that the Principal Broker Subscriber or 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 Principal Broker Subscriber or Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Principal Broker Subscriber Participant or potential Principal Broker Subscriber or 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 Principal Broker Subscriber or Participant or potential Principal Broker Subscriber or Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Principal Broker Subscriber or Participant or potential Principal Broker Subscriber or Participant as long as the level of service satisfies state law.

The key is that the Principal Broker Subscriber or Participant or potential Principal Broker Subscriber or 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") (including a VOW that the Principal Broker Subscriber or Participant uses to refer customers to other Participants) if the Principal Broker Subscriber or Participant or potential Principal Broker Subscriber or Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Principal Broker Subscriber or Participant or potential Principal Broker Subscriber or Participant "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and

compensation” only if the MLS has a reasonable basis to believe that the Principal Broker Subscriber or Participant or Principal Broker Subscriber or potential Participant is in fact not doing so. The membership requirement shall be applied on a nondiscriminatory manner to all Principal Broker Subscriber or Participants and Principal Broker Subscriber or potential Participants. (Adopted 11/08)

### Sec. 3 Types of Listings Accepted

- A. Exclusive Right to Sell - Seller authorizes the listing Principal Broker Subscriber to cooperate with, and to compensate other Principal Broker Subscribers.
- B. Exclusive Agency - Authorizes the listing Principal Broker Subscriber, as exclusive agent, to offer cooperation and compensation on a blanket unilateral basis, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis.
- C. Modified Exclusive - An Exclusive Right to Sell or an Exclusive Agency listing containing modifications to the listing agreement. (Net Listing and Open Listing may not be submitted.) Examples of modified agreements include: exclusion of specific purchaser(s), exclusion of specific brokerage(s) or Variable Rate Compensation.

### Sec. 4 Use of Information

- A. Any MRIS information, whether provided in written or printed form, electronically, or in any other form or format, is provided for the exclusive use of its Subscribers. Such information may not be transmitted, retransmitted or provided in any manner to any unauthorized individual except as otherwise provided for in these rules and regulations.
- B. The security and integrity of the system shall be guarded at all times and the security of the system shall be a condition of its use by Subscribers.
- C. MRIS information may be disclosed only to persons essential to the conduct of the Subscriber’s business. Each Subscriber shall be responsible for maintaining the security and integrity of all data whether provided in written or printed form, electronically or any other form or format. Any undue negligence on the part of the Subscriber in providing such security may result in severe disciplinary action.
- D. The information found in the MRIS system is deemed reliable, but not guaranteed. The information as published and disseminated by MRIS is communicated verbatim, with changes as entered into the service by the Shareholder Member, Real Estate Licensee or other source. MRIS does not necessarily verify the information provided and disclaims any responsibility for its accuracy. Each Subscriber agrees to hold MRIS harmless against any liability (including attorney’s fees and litigation costs) arising from any inaccuracy of the information provided.
- E. Principal Broker Subscriber acknowledges that information available through the MRIS Service is provided with the consent of Principal Broker Subscribers and third-party licensors. MRIS has the right to remove information from the MRIS Database at any time if MRIS determines the information is or may be infringing or otherwise violates or may violate rights of any third-party or

MRIS's right to include such information in the MRIS Database which has been terminated for any reason.

- F. In the event any legal actions and/or disputes arise between MRIS and any Subscriber and/or Affiliated User, including but not limited to, violations of the Rules and Regulations and sanctions imposed for violations and enforcement of sanctions, the Subscriber and/or Affiliated User agrees to reimburse MRIS for the costs, expenses and attorney's fees it incurs in any such legal action and/or dispute, in the event MRIS prevails.

In the event that MRIS is made a party to any litigation, administrative proceeding, or disputes by a third party, because of the conduct of a Subscriber and/or Affiliated Users, the Subscriber and/or Affiliated User agrees to indemnify and hold harmless MRIS, including its officers, directors, employees or agents, from any liability, loss, costs, damages or expenses resulting there from, including attorney's fees and related expenses arising from such matter.

- G. All MRIS Subscriber Access Agreements are entered into solely between and may be enforced only by, MRIS and Subscriber, and these Agreements shall not create or be construed to create any rights in any home owner, home seller, home purchaser or other third parties.
- H. Subscriber acknowledges and agrees that the MRIS Software and MRIS Database are confidential and proprietary products of MRIS and that in the event there is an unauthorized disclosure of such by Principal Broker Subscriber, no remedy at law may be adequate. Therefore, Subscriber agrees that in the event of such unauthorized disclosure of MRIS Software of MRIS Database, MRIS may seek injunctive relief or other equitable remedies against Subscriber in addition to all available remedies at law.
- I. Information from MLS compilations of current listing information, from statistical reports, and from any sold or comparable report of the association or MLS may be used by MLS participants as the basis for aggregated demonstrations of market share or comparisons of firms in public mass-media advertising or in other public representations. This authority does not convey the right to include in any such advertising or representation information about specific properties which are listed with other participants, or which were sold by other participants (as either listing or cooperating broker).

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

Based on information from MRIS for the period (date) through (date)

## Sec. 5 Ownership of MRIS Data and Copyrights

- A. The submission of any property listing content to MRIS represents that the Real Estate Professional has been authorized to grant authority for MRIS to include property listing content in its copyrighted data compilations and also in any statistical report on "Comparables."

- B. MRIS maintains regional real estate information and makes such information available for access and retrieval by Subscribers through the MRIS Service. MRIS does not review or edit the information or exercise any other form of editorial control over the information.
- C. Subscribers and Affiliate Users agree that the information obtained through the MRIS Service shall not be reproduced or electronically manipulated for any other purpose than selling, listing or appraising of real estate, and may not be resold, licensed or otherwise distributed without the written consent of MRIS. Under no circumstances shall Subscribers and Affiliate Users receive any compensation for this information from third parties.
- D. Subscribers and Affiliate Users acknowledge and agree that the MRIS Software and MRIS Database are confidential and proprietary products of MRIS, and that in the event there is an unauthorized disclosure of such by Subscriber and Affiliate Users, no remedy at law may be adequate. Therefore, Subscriber and Affiliate Users agrees that in the event of such unauthorized disclosure of MRIS Software or MRIS Databases, MRIS may seek injunctive relief or other equitable remedies against Subscriber and Affiliate Users in addition to all available remedies at law.
- E. Except for the right of MRIS to seek injunctive relief or other equitable remedies, all claims, disputes and controversies and other matters in question between the parties to this Agreement, arising out of, or relating to this Agreement, or the breach thereof, which cannot be resolved by the parties, shall be settled by binding arbitration pursuant to the rules then in effect of the American Arbitration Association under its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Notwithstanding any provisions in such rules to the contrary, the arbitrator(s) shall have no authority to add or detract from the agreements of the parties.
- F. Subscribers may reproduce data compilations from MRIS and distribute a reasonable number of single copies of property listing data contained in the database which related to any properties in which the prospective client/customer are or may, in the judgment of the Subscriber, be interested.
- G. All rights, title and interest in each and every MRIS Database compilation created by MRIS, and in the ownership of the copyright therein, shall at all times remain vested in MRIS. MRIS shall have the right to license such compilations or portions thereof to any entity pursuant to the terms agreed upon by the MRIS Board of Directors. Title to the information supplied by the Subscriber such as listing information shall remain with Subscriber's undersigned licensed Principal Broker Subscriber. All listing information submitted by a MRIS Subscriber to MRIS for inclusion in the MRIS System shall be owned by Subscriber's Principal Broker Subscriber, to confirm this ownership, MRIS Subscriber hereby irrevocably assigns to MRIS Principal Broker Subscriber all rights, title and interest in any and all such listing information including the ownership of any copyright related to and in any such listing information. Title to the information supplied by the Principal Broker Subscriber and Principal Broker Subscriber's licensed agents, licensed personal assistants and unlicensed personal assistants such as listing information shall remain with Principal Broker Subscriber as owner of such listing information.

Each participant shall be entitled to lease from the Association of REALTORS a number of copies of each MLS compilation sufficient to provide the participant and each person affiliated as a licensee

(including licensed or certified appraisers) with such participant with one copy of such compilation. The participant shall pay for each such copy the rental fee set by the association.

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

- H. Content –All information available through the MRIS service including but not limited to textual, statistical, financial, photographic, video and audio recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

#### Sec. 6 Use of the Term REALTOR

- A. Nothing in these Rules and Regulations or in any other rule or policy of MRIS or NATIONAL ASSOCIATION OF REALTORS shall grant to a Real Estate Licensee subscriber the right to use in any form or manner the terms REALTOR or REALTORS, which use is expressly prohibited.
- B. Where a transaction or matter requires the use of any form, document or writing which contains or uses the registered mark, such shall be removed by the Real Estate Licensee or, if not feasible, the Real Estate Licensee shall take reasonable efforts to make clear that he/she is not a REALTOR.
- C. It is a violation of the MRIS Rules and Regulations and grounds for immediate termination of a Real Estate Licensee subscriber's participation in MRIS to unlawfully use the terms REALTOR or REALTORS or to use his subscription to MRIS to imply that Real Estate Licensee is a REALTOR, or use any form, document or other writing containing the terms REALTOR or REALTORS to imply that the Real Estate Licensee subscriber is a REALTOR.

### **ARTICLE IV - STANDARDS OF CONDUCT**

Sec. 1 Principal Broker Subscribers and Subscribers shall not engage in any practice or take any actions inconsistent with exclusive representation or exclusive brokerage agreements recognized by law that other Subscribers have with clients.

Sec. 2 Subscribers acting as subagents or as buyer/Principal Broker Subscriber representatives, shall not attempt to extend a listing Principal Broker Subscriber's offer of cooperation and/or compensation to other Principal Broker Subscribers without the consent of the listing Principal Broker Subscriber.

Sec 3 Subscribers shall not solicit a listing which is currently listed exclusively with another Principal Broker Subscriber. However, if the listing Principal Broker Subscriber, when asked by a Subscriber, refuses to disclose the expiration date and nature of such listing, i.e., an exclusive right to sell, an exclusive agency, or other such contractual agreement between the listing Principal Broker Subscriber and the client, the Subscriber may contact the owner to secure such information and may discuss the terms upon which the Subscriber might take a future listing or, alternatively may take a listing to become effective upon expiration of any existing exclusive listing.

Sec. 4 Subscribers shall not solicit buyer/tenant agency agreement from buyers/tenants who are subject to exclusive buyer/tenant agency agreement. However, if a buyer/tenant agent, when asked by

a Subscriber, refuses to disclose the expiration date of the exclusive buyer/tenant agency agreement, the subscriber may contact the buyer/tenant agency to secure such information and may discuss the terms upon which the Subscriber might enter into a future buyer/tenant agency agreement or alternatively, may enter into a buyer/tenant agency agreement to become effective upon the expiration of any existing exclusive buyer/tenant agency agreement.

Sec. 5 Principal Broker Subscribers and Subscribers shall not use information obtained by them from the listing Principal Broker Subscriber, through offers to cooperate through MRIS or other sources authorized by the listing Principal Broker Subscriber, for the purpose of creating a referral prospect to a third Principal Broker Subscriber, or for creating a buyer/tenant relationships with listing brokers' clients unless such use is authorized by the listing Principal Broker Subscriber.

Sec. 6 The fact that an agency agreement has been entered into with a Subscriber shall not preclude or inhibit any other Subscriber from entering into a similar agreement after the expiration of the prior agreement.

Sec. 7 The fact that a prospect has retained a Subscriber as an exclusive representative or exclusive broker in one or more past transactions does not preclude other Subscribers from seeking such former prospect future business.

Sec. 8 Subscribers are free to enter into contractual relationships or to negotiate with sellers/landlords, buyers/tenants or others who are not represented by an exclusive agent, but shall not knowingly obligate them to pay more than one commission, except with informed consent.

Sec. 9 When Subscribers are contacted by the client of another Subscriber regarding the creation of an agency relationship to provide the same type of service, and Subscribers have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agency agreement or, alternatively, may enter into an agency agreement which becomes effective upon expiration of any existing exclusive agreement.

Sec.10 In cooperative transactions, Principal Broker Subscribers shall compensate cooperating Principal Broker Subscribers and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other Principal Broker Subscribers without the express knowledge and consent of the cooperating Principal Broker Subscriber.

Sec.11 Subscribers are not precluded from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements with another subscriber. A general telephone canvass, general mailing or distribution addressed to all prospects in a given geographical area or in a given profession, business club, or organization or other classification or group is deemed "general" for purposes of this rule.

Sec.12 The following types of solicitations are prohibited:

- A. Telephone or personal solicitation of property owners who have been identified by a real estate sign, MRIS compilation or other information service as having exclusively listed their property with another subscriber;

- B. Mail or other forms of written solicitations of prospects whose properties are exclusively listed with another Subscriber when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, “for sale” or “for rent”, signs, or other sources of information intended to foster cooperation with Subscribers.

Sec.13. Prior to entering into a representation agreement, Subscribers have an affirmative obligation to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service.

Sec.14 Subscribers are not precluded from contacting the client of another Principal Broker Subscriber for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g. property management as opposed to Broker Services) or from offering the same type of service for property not subject to other brokers’ exclusive agreements. However, information received through MRIS or any other offer of cooperation may not be used to target clients of other MRIS Subscribers to whom such offers may be made.

Sec.15 Subscribers, acting as subagents or buyer’s representatives, shall not use the terms of an offer to purchase/lease to attempt to modify the listing Principal Broker Subscriber’s offer of compensation to subagents or buyer’s representatives, nor make the submission of an executed offer to purchase/lease contingent on the listing Principal Broker Subscriber’s agreement to modify the offer of compensation.

Sec.16 All dealings concerning property exclusively listed, or with buyer/tenants, who are exclusively represented, shall be carried on with the client’s representative or broker, and not with the client, except with the consent of the client’s representative or broker or except where such dealings are initiated by the client. Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospects, Principal Broker Subscribers and Subscribers shall ask prospects whether they are a party to any exclusive representation agreement. Principal Broker Subscribers and Subscribers shall not knowingly provide substantive services concerning a prospective transaction to prospects who are parties to exclusive representation agreements, except with the consent of the prospects’ exclusive representatives or at the direction of prospects.

Sec.17 These rules are not intended to prohibit ethically aggressive or innovative business practices and do not prohibit disagreements with other Subscribers involving commissions, fees, compensation or other forms of payment or expenses.

Sec. 18 Subscribers shall not knowingly or recklessly make false or misleading statements about other real estate professionals, their businesses or their business practices.

Sec. 19 Principal Broker Subscribers and Subscribers, prior to or after their relationship with their current firm is terminated, shall not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm. This does not preclude Principal Broker Subscribers from establishing agreements with their associated licensees governing assignability of exclusive agreements.

## ARTICLE V – NON-COMPLIANCE WITH THE REGULATIONS

Sec. 1 By becoming and remaining a user of MRIS and having signed the subscription agreement to abide by the MRIS Rules and Regulations and all applicable Federal, State and Local laws, all Subscriber, Appraiser and Affiliate Users agree to cooperate in the investigation and the conduct of a compliance hearing by MRIS.

A. All charges of unethical conduct or requests for arbitration against Realtor Shareholder and Realtor Non-Shareholder Members will be referred to the local Association where the property is located (unless all parties agree to arbitrate elsewhere) for appropriate action in accordance with the terms of the local Association's/board's bylaws.

B. By becoming and remaining a MRIS subscriber, each Realtor subscriber agrees to arbitrate disputes involving contractual issue and questions, and specific non-contractual issues and questions defined in Standard of Practice 17-4 of the Code of Ethics with MLS participant in different firms arising out of their relationships as MRIS subscribers subject to the following qualifications:

- 1) If all disputants are members of the same association of Realtors or have their principal place of business within the same association's territorial jurisdiction, they shall arbitrate pursuant to the procedures of the association of Realtors.
- 2) If the disputants are members of different associations of Realtors or if their principal place of business is located within the territorial jurisdiction of different associations of Realtors, they remain obligated to arbitrate in accordance with the arbitration procedures of their state association.
- 3) If neither of the disputants are members of an association of Realtors or a state association, then they may resolve their dispute in accordance with applicable law, including by the processes described in this section if they so elect and agree.

C. For a Real Estate Licensee subscriber, this agreement to engage in binding arbitration shall be specifically enforceable in accordance with the applicable state law. Subscriber agrees that the award entered by the arbitrators shall be final, and judgment may be entered upon in accordance with applicable law in any court having jurisdiction.

Sec. 2 Arbitration/Ethics Complaints

A. All charges of unethical conduct or requests for arbitration against Realtor Shareholder and Realtor Non-Shareholder Members will be referred to the local Association where the property is located (unless all parties agree to arbitrate elsewhere) for appropriate action in accordance with the terms of the local Association's/board's bylaws.

B. By becoming and remaining a MRIS subscriber, each Realtor subscriber agrees to arbitrate disputes involving contractual issue and questions, and specific non-contractual issues and questions defined in Standard of Practice 17-4 of the Code of Ethics with MLS participant in

different firms arising out of their relationships as MRIS subscribers subject to the following qualifications:

1. If all disputants are members of the same association of Realtors or have their principal place of business within the same association's territorial jurisdiction, they shall arbitrate pursuant to the procedures of the association of Realtors.
  2. If the disputants are members of different associations of Realtors or if their principal place of business is located within the territorial jurisdiction of different associations of Realtors, they remain obligated to arbitrate in accordance with the arbitration procedures of their state association.
  3. If neither of the disputants are members of an association of Realtors or a state association, then they may resolve their dispute in accordance with applicable law, including by the processes described in this section if they so elect and agree.
- C. Arbitration/Ethics Complaints - In the absence of any specific rules adopted by the Board of Directors, arbitration for a REALTOR proceed in accordance with the applicable rules and procedures used by the local Association/Board of which the REALTOR Subscriber is a member. A Licensed Subscriber, who is not a Realtor member, agrees to engage in binding arbitration that shall be specifically enforceable in accordance with applicable state law. Subscriber agrees that the award entered by the arbitrators shall be final, and judgment may be entered upon in accordance with applicable law in any court having jurisdiction.

#### Sec. 4 Procedures for Complaints

- A. Users are encouraged to resolve complaints before writing to MRIS.
- B. All complaints must be in writing and filed with MRIS (Reference MRIS Form 531).
- C. If the violation of the MRIS Rules and Regulations does not involve a charge of alleged professional misconduct or a request for arbitration, it will be investigated by staff within 15 days of receipt of the complaint.
- D. In the event that MRIS staff concludes there is a basis for the complaint, the complaint will be forwarded to a Compliance Panel.
- E. The subscriber and/or affiliated user respondent shall be informed of the complaint and asked to provide a written response within fifteen days of notification allowing further information to be a part of their investigation.
- F. The Compliance Panel may hold, at its discretion, a hearing into the matter.

#### Sec. 5 Violations of Rules and Regulations - Authority to impose sanctions

MRIS may, through administrative and hearing procedures, impose sanctions and take other appropriate action(s) for violations of the MRIS Rules and Regulations and other agreements and policies governing

use of the MRIS service. These may include the following (which are intended as illustrative, but not exhaustive list):

- A. A fine of an amount listed in the MRIS Schedule of Fees and Charges may be charged for noncompliance with the regulations, as amended from time to time.
- B. A late fee for failure to pay in a timely fashion any fee or charge imposed in connection with the service provided as specified on the MRIS Schedule of Fees and Charges, as amended from time to time.
- C. The MRIS Compliance Committee may impose one or more of the following sanctions for any violation of the MRIS Rules and Regulations.
  - 1. a letter of warning,
  - 2. a letter of reprimand,
  - 3. attendance at an appropriate course or seminar offered by MRIS,
  - 4. an appropriate and reasonable fine not to exceed \$15,000.
  - 5. suspension of the right to use the service for a period of not less than thirty (30) days and not more than one year,
  - 6. termination of the right to use the service with no right to reapply for a specified period not to exceed three (3) years.
- D. Violations of the MRIS Rules and Regulations may result in the filing of an Ethics Complaint at the appropriate state, local or national association as determined by the Compliance Committee.

#### Sec. 6 Procedures for Appeal of a Sanction

- A. An appeal for a sanction must be in writing and received by the Compliance Department within 20 calendar days of the sanction. Staff will review the appeal and respond within 10 calendar days of receipt. An appeal that meets the criteria as established by the Compliance Committee and the Board of directors will be waived.
- B. Upon notification of the MRIS's review of the appeal the subscriber may appeal the sanction to the Sanction Appeal Panel, comprised of three members of the Compliance Committee, within 20 calendar days. Appeals to the Sanction Appeal Panel must be in writing. The Sanction Appeal Panel will consider the information provided in the original appeal and any additional new information provided by the subscriber or staff within 20 calendar days. The decision of the Sanction Appeal Panel will be provided to the subscriber within 10 calendar days.
- C. The Sanction Appeal Panel review is final unless there is a procedural violation or a claim that any of the MRIS Rules and Regulations giving rise to the sanction has been misapplied to the facts. Appeals must be received within 20 calendar days after receipt of notification of the sanction. The Sanction Review Board consists of five members of the Compliance Committee, who do not have a relationship with the appellant or have participated in the Sanction Appeal Panel. The Sanction Review Board only will review a sanction appeal if there is a claimed

procedural violation or if there is a claim that any of the MRIS Rules and Regulations giving rise to the sanction has been misapplied to the facts. The decision of the Sanction Review board will be provided to the subscriber within 10 calendar days of Sanction Review Board meeting.

## **ARTICLE VI - COMPLIANCE COMMITTEE**

Sec. 1 The Compliance Committee shall be comprised of a minimum of 15 members. Compliance Committee members will serve 3 year terms with one-third of the member's terms expiring each year. Compliance Committee member may re-apply for subsequent terms. The committee will interpret the MRIS Rules and Regulations as needs or disputes arise and oversee their enforcement.

Sec. 2 Subcommittees of three members shall meet to give consideration to alleged violations of the MRIS Rules and Regulations and to recommend any sanctions.

Sec. 3 A Committee Chair and Vice-Chair shall be elected by the Committee Members. The term for these positions will be two years. The Committee Chair shall preside over the meetings and perform other duties as necessary. The Vice-Chair shall perform all such duties of the Chair in his or her absence.

## **ARTICLE VII - MRIS FEES AND CHARGES**

Sec. 1 Each Subscriber of the system will be responsible for his/her fees. Failure to pay fees in a timely manner will result in termination of services. In the event a Subscriber's services are terminated and the Subscriber has active listings in the system, the Subscriber's Principal Broker Subscriber shall within 10 days of notification of termination of services to the Subscriber designate a new Subscriber for the active listings. In the event the Principal Broker Subscriber does not designate a new Subscriber, the active listings will be removed from the system.

Sec. 2 Initial Subscription Fee - A non-refundable fee assessed for delivery of the MRIS Software and issuance of the Subscriber User ID and Password.

Sec. 3 Subscription Fee - A flat fee assessed quarterly, in advance, for Subscriber's right to continuing access to the MRIS Service.

Sec. 4 Removed 3/2013

Sec. 5 Other Fees - Other fees and charges as listed in the MRIS Schedule of Fees

Sec. 6 MRIS reserves the right to assess a reinstatement fee, as stated on the Schedule of Fees of the Subscription agreement, to any subscriber wishing to reactivate his or her access to the MRIS service within one year after termination or suspension. The MRIS Subscription Fee shall be assessed to any subscriber wishing to reactivate his or her access after one year from the date of termination or suspension after 30 days from the date of suspension or termination

Sec. 7 Fees are non-refundable. MRIS shall be under no obligation to refund or waive any fees or charges or any portion thereof incurred prior to termination. All termination requests must be in writing before the next renewal subscription start date. Written notifications are accepted via email, mail or fax. Termination request via telephone are not accepted. For termination requests received on or after the renewal subscription start date, the subscriber acknowledges that MRIS shall have no obligation to refund any fees or charges or any portion thereof paid to MRIS for that current subscription period

## **ARTICLE VIII - TRAINING**

Sec. 1 All Subscribers of MRIS shall complete a mandatory training program devoted to the MRIS Rules and Regulations and the operation of the MRIS system. The Subscriber will receive a provisional access to the service until the completion of the mandatory training program. The subscriber must complete the mandatory training program within 30 days of joining MRIS. Failure to complete the mandatory training program will result in suspension of services until training is complete.

Sec. 2 If an user is unable to attend any scheduled training program and fails to provide notice of cancellation at least 48 hours (excluding weekends and holidays) prior to the event, MRIS, may at its option charge a no-show fee as specified in the MRIS Schedule of Fees and Charges.

Sec. 3 MRIS shall maintain technical support personnel to answer questions regarding the MRIS Software and Service. Telephone support will be made available during normal business hours.

## **ARTICLE IX - AGENCY AND SUBAGENCY**

All Subscribers must adhere to the state and local laws regarding agency relationships.

## **ARTICLE X - COMPENSATION**

Sec. 1 Real Estate Professional subscriber shall specify on each listing entered into the service, the compensation offered to other Real Estate Professional subscriber.

Sec. 2 Compensation specified on listings filed in the service shall appear in one of three forms:

- A) by showing a percentage of gross selling price
- B) by showing a definite dollar amount
- C) commission may be paid on Net Sales price (Sales Price minus seller concessions) or on base price in new construction if specified in the system.

Sec. 3 MRIS shall not disclose in any manner the total commission negotiated between the seller and the listing Principal Broker Subscriber.

Sec. 4 The listing Principal Broker Subscriber shall specify, on each listing filed with MRIS, the compensation offered to other Subscribers for their services in the sale of such listing. Such offers are

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

Sec. 5 Dual or Variable Rate Commission Arrangements: The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/ leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a symbol required by MRIS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative may disclose such information to their client before the client makes an offer to purchase or lease.

Sec. 6 References to special compensation in any other field other than the compensation fields is not intended to, or shall be construed to, permit any conflict with the unconditional offer of cooperation and compensation made in the compensation field(s), If there is any conflict between the unconditional offer made in the compensation field(s) and any other field, MRIS policy is that the information in the compensation field will control.

## **ARTICLE XI - LISTING PROCEDURES**

Sec. 1 All listings are the property of the Principal Broker Subscriber. Principal Broker Subscribers and Subscribers must have a signed agreement allowing the owner's property to be entered into the MRIS system. Failure to pay fees will result in termination of services to Subscriber. In the event a Subscriber's services are terminated for failure to pay and the Subscriber has active listings in the system, the Subscriber's Principal Broker Subscriber shall, within 10 days of notification of termination of services, designate a new Subscriber for the active listings.

Sec. 2 All listing agreements shall be carefully and accurately completed and signed by the owner. Required listing information shall be entered into the service within 48 hours (excluding weekends and holidays) after all necessary signatures of the sellers have been obtained unless otherwise requested in writing by the sellers. Listings that meet the criteria for an Exempted Listing (as defined in Article XI, Sec. 4) may advertise the listing without first entering the listing into MRIS.

Sec. 3 All listings in the service are subject to the MRIS Rules and Regulations.

Sec. 4 Exempted and Office Exclusive Listings - If the seller refuses to authorize the listing to be entered into MRIS, the listing information will not be entered into MRIS by the agent. Certification by the owner that he does not want the listing to be entered into MRIS shall be kept on file by the Real Estate Professional Subscriber. The seller may, at a later date, authorize the listing to be entered into MRIS provided written authorization is obtained. Real Estate Professional Subscribers are encouraged to add listing information on comparable properties. However, information on the sale of a property may be entered in the system from public databases such as Tax Assessment Records.

Office Exclusive Listing – Listing where the offer of cooperation and compensation is not made to other brokers. These listings may not be entered into MRIS.

Sec. 5 If a property is listed with two or more Principal Broker Subscribers, only one Principal Broker Subscriber will be allowed to enter the listing into the MRIS system. Identification of the other Principal Broker Subscriber must be entered into the system under Agent Remarks. This shall not prevent one Principal Broker Subscriber from entering an exclusive sale listing and another Principal Broker Subscriber from entering an exclusive rental listing provided that this arrangement is reported under the Agent Remarks by both Principal Broker Subscribers.

Sec. 6 Prior to adding a listing to the system, the listing agent shall check to verify that the property is not already entered into the system with another Principal Broker Subscriber. Adding a listing when a property is entered into the system with another Principal Broker Subscriber shall result in an additional fine. Extending a listing in the service without a signed extension shall result in an additional fine.

Sec. 7 All arrangements, agreements or contingencies (exclusive of gross commissions) concerning the agency of the listing Principal Broker Subscriber shall be fully revealed in the listing data and made available to all Subscribers.

Sec. 8 Failure to enter or maintain accurate and complete information relating to the listed property information will result in an additional fine as specified on the MRIS Schedule of Fees and Charges.

Sec. 9 Listings with named excluded prospects should be clearly noted as such in the Agent Remarks section. The excluded prospects should not be named, but rather the Agent Remarks should indicate that certain prospects are excluded and all inquiries should be directed to the listing Principal Broker Subscriber.

Sec.10 A Real Estate Professional subscriber may enter one or more sample listings with respect to any development or subdivision containing new dwellings which have never been occupied, or vacant residential building lots, and describe on such sample listings all other properties in the development or subdivision. When any property described on a sample listing other than the sample itself is sold, such

property must be entered into MRIS and simultaneously reported as sold. If a sample is sold before all other properties described on the listing for such sample have been sold, a new sample listing must be entered.

Sec.11 Listing Price Specified - The full list price stated in the listing agreement will be included in the information published in any compilation of current listings unless the property is subject to auction.

Sec.12 Listing Multiple Unit Properties - All properties which are to be sold or which may be sold separately must be indicated in the listing. When part of a listed property has been sold, notification of such sale shall be entered into the service within 48 hours (excluding weekends and holidays) after the sale.

Sec.13 Duplicate Listing Submission - When a property falls into two or more classes of listings, the property may be listed in each of the appropriate classes provided that each listing is complete and accurate in itself and cross-references by Multiple List number the other listing for the same property. When sold or removed from the active listings, Real Estate Licensee subscriber shall notify MRIS to ensure that one submission is properly removed or amended.

Sec.14 Termination Date on Listings - Listings filed with MRIS shall bear a definite and final termination date as negotiated between the listing Principal Broker Subscriber and seller.

Sec.15 Listings must represent real property including co-ops and mobile homes that are currently available for sale or rent.

Sec. 16 - A listing when entered into MRIS by a listing agent shall be complete, current and accurate in every detail as specified on the Profile Sheet. MRIS does not require, but reserves the right to obtain a copy of the listing agreement or amendments upon request. If the listing agreement is not provided within 48 hours of notification by MRIS, MRIS will consider this an admission that there is no listing agreement and the listing will be deleted. MRIS may, but is not obligated, to notify the Real Estate Regulatory boards and to assess sanctions as indicated on The Schedule of Fees and Charges.

Sec. 17 Only listings of the designated types of property within the jurisdiction of MRIS are required to be entered into MRIS. Listing of property located outside MRIS's jurisdiction will be accepted if submitted voluntarily by the Subscriber. For properties outside MRIS's jurisdiction, MRIS is not required to maintain information such as, but not limited to, tax information, maps, photographs, etc.

Sec. 18 Public/Internet Remarks are intended for the display of property descriptions only on Internet sites and on materials for public distribution. References to the following information are prohibited: commissions, showing contacts, agent or broker names, phone and fax numbers, all web site or email addresses, virtual tours, alarm codes, lockbox codes or other security measures. The inclusion of a link to active web content which activates or generates a web link is also prohibited.

Sec. 19 Agent Remarks and Farm Remarks are intended to disseminate agent to agent information only. Agent and Farm remarks are intended to convey special showing instructions, contacts or phone numbers or special contract information. References to the following information are allowed: special compensation information, excluded prospects, virtual tours, broker or agent web sites and email addresses are allowed. Lockbox codes or other security system information are permitted with Seller's

permission. Foreclosure or Auction listings may reference a third party web site (such as HUD, VA) where contracts must be registered.

#### Sec. 20 Submission of Images and Virtual Tours

A - MRIS reserves the right to accept or decline all image submissions and may, in its own discretion, remove any image from the system for reasons it deems appropriate. Inappropriate information may include but is not limited to broker or agent information, email addresses, web site URLs, personal property, text, logos and obscene or profane material.

B - Images submitted to MRIS must represent depict real property or artists' representation, sketches, floor plans or plats of the property. The main exterior is a view of the building or the entrance of the lot, if vacant land, and must be included with every listing containing at least 1 image.

C – An image or photo of the main exterior must be submitted with each residential listing within 48 hours excluding weekends and holidays unless the seller has requested in writing that no photos are to be included as part of the listing. However, an image or photo is not required of any listing in Coming Soon status until such time that the listing's status is changed.

D - The listing agent or broker warrants that he has the necessary rights to submit each image or virtual tour to the MRIS Service without infringing upon the rights of any third party, any image or virtual tour created or provided by a third party, including but limited to, professional photographers; images found on the internet or that appear on another subscriber's listing must have the necessary written rights from the third party prior to submission to the MRIS Service. MRIS reserves the right to request documentation of the right to use and/or to remove or reject any images in MRIS' discretion. Any image or virtual tour shall also be subject to any Terms of Use or other agreements MRIS may require from time to time.

Images and Virtual Tours are listed on a per listing number (MLS#) basis and are not transferable to another listing.

Sec. 21 The Directions field is intended for the display of directions to the property only. References to the following information are prohibited: commissions, showing contacts, agent or broker names, phone and fax numbers, all web site or email addresses, virtual tours, alarm codes, lockbox codes or other security measures. The Directions field may not reference a third party mapping web site. (e.g. MapQuest or similar).

Sec. 22 Auction Listings - Auction listings entered into MRIS shall be clearly disclosed as Auction Listings in both the Internet and General Remarks. Furthermore, the reference to the Auctions must be on the first line of the remarks.

Sec. 23 The use of HTML and scripting is prohibited.

Sec. 24 Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does

not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing participants unless prohibited by licensing law.

Sec 25 - MLS participants shall present a true picture in their advertising and representations to the public.

## ARTICLE XII - CHANGE OF STATUS

Sec 1 Any change in price or terms in the listing or sales/ rental agreement must be executed in writing, signed by the owner and Principal Broker Subscriber and entered into the service within 48 hours (excluding weekends and holidays) of the effective date. Failure to enter the change in a timely manner will result in an additional fine.

Sec. 2 Listings of properties may be withdrawn from MRIS by the listing Principal Broker Subscriber before the expiration date of the listing agreement provided a written agreement is executed by the seller and the listing Principal Broker Subscriber and notice is filed with MRIS. MRIS reserves the right to request a copy of the signed withdrawal instructions. Sellers do not have the unilateral right to require MRIS to withdraw a listing without the listing Principal Broker Subscriber's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated; MRIS may withdraw the listing at the request of the seller.

Sec. 3 MRIS uses the following status types to indicate a property's availability:

- ACTIVE - Indicates that the property is available for showing with no contingencies, contract or rental application registered against it.
- COMING SOON – Properties in this status may not be shown. This status is for short term use preparatory to Active status, 21 days or less, and must have a listing agreement and seller approval. Indicates that the broker and the seller are preparing the property for sale and for marketing as Active status. 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 subscribers to notify other subscribers of properties that will be made fully available for showing and marketing after preparations have been completed. While the property is in Coming Soon Status, the seller and the listing broker may not promote or advertise the property in any manner other than as “coming soon”,
- CNTG/KO - (Contingent with Kick Out) - Indicates that the property has a contract with at least one pending contingency that includes a kick out clause.
- CNTG/NO KO - (Contingent with No Kick Out) - Indicates that the property has a contract with at least one pending contingency and the pending contingencies do not contain kick out clauses.
- APP REG - (Application registered) - Indicates that the property is available but a rental application has been registered on it.
- CONTRACT - Indicates that the property has a ratified contract with no pending contingencies.
- SOLD - Indicates that the property has settled.
- RENTED - Indicates that the property has been rented.

- TEMPORARY OFF - Indicates that the property is not available for showing. This status is for short term use, 21 days or less, and must have seller approval.
- EXPIRED - Indicates that the listing agreement has expired.
- WITHDRAWN - Indicates that the listing agreement has been terminated prior to its listing expiration date.

#### Section 4 – Status Changes Constraints

- A. The status on any listing in Expired, Withdrawn, Sold or Rented status may not be changed after 30 days.
- B. A listing broker may not re-list a property in COMING SOON status unless the listing has been in EXPIRED or WITHDRAWN status for over 90 days; or unless the property is listed with a new brokerage firm; or the property has been sold or rented. Listings may not be transferred from any other status to Coming Soon.

### **ARTICLE XIII - LISTINGS OF SUSPENDED OR EXPELLED REAL ESTATE PROFESSIONAL SUBSCRIBERS**

Sec. 1 When a subscriber's of MRIS is suspended from the MLS for failing to abide by a membership duty (i.e., MRIS bylaws, MRIS rules and regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with MRIS by the suspended participant shall, at the participant's option, be retained in the service until sold, withdrawn or expired, and shall not be renewed or extended by the MRIS beyond the termination date of the listing agreement in effect when the suspension became effective. If a subscriber has been suspended from the association (except where MRIS participation without association membership is permitted by law) or MRIS (or both) for failure to pay appropriate dues, fees, or charges, an association MRIS is not obligated to provide MRIS services, including continued inclusion of the suspended participant's listings in the MRIS compilation of current listing information. Prior to any removal of a suspended participant's listings from the MRIS, the suspended participant should be advised, in writing, of the intended removal so that the suspended participant may advise his clients.

Sec. 2 When a participant of the service is expelled from MRIS for failing to abide by a membership duty (i.e., MRIS bylaws, MRIS rules and regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with MRIS by the expelled subscriber shall, at the subscriber's option, be retained in the service until sold, withdrawn, or expired, and shall not be renewed or extended by the MRIS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a subscriber has been expelled from the association (except where MRIS participation without association membership is permitted by law) or MRIS (or both) for failure to pay appropriate dues, fees, or charges, an association MRIS is not obligated to provide MLS services, including continued inclusion of the expelled participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled subscriber's listings from the MLS, the expelled subscriber should be advised, in writing, of the intended removal so that the expelled subscriber may advise his clients

## **ARTICLE XIV - LISTINGS OF RESIGNED Real Estate Licensee Subscribers**

Sec. 1 When a Real Estate Professional Subscriber resigns from MRIS, MRIS is not obligated to provide services including continued inclusion of the resigned Real Estate Professional Subscriber's listing in the MRIS compilation of current listing information.

Sec. 2 Prior to any removal of a resigned Real Estate Professional Subscriber listing from the MRIS, the resigned Shareholder Member, Non-Shareholder Member or Non-REALTOR Licensee will be advised electronically or by other means of the intended removal by MRIS so that the resigned Real Estate Professional Subscriber may advise his or her clients.

## **ARTICLE XV - FAIR HOUSING**

Sec. 1 No listing may be entered into the system or revised to contain language which violates the Federal Fair Housing Act, as amended from time to time.

Sec. 2 If a listing is found to contain offensive language, MRIS Staff will notify (through the MRIS Intranet Site, or e-mail, or facsimile, or telephone, or US Mail or by other means) the listing agent and Principal Broker Subscriber that the offensive language must be changed within 48 hours (including weekend and holidays). Failure to change the offensive listing within the specified time frame will result in removal of the listing from the MRIS system.

## **ARTICLE XVI - SHOWING**

Sec. 1 All listings entered into the system shall be available for showing immediately upon their entry into MRIS unless the listing is entered under COMING SOON status. It is the duty of the listing Principal Broker Subscriber to be certain that the seller is aware that the property will not be entered into the system if the property is not immediately available for showing by all agents unless the listing is in COMING SOON Status. Any showing of a property in COMING SOON status disqualifies the property from that status.

Sec. 2 All appointments for showing of listed property filed with MRIS shall be conducted through the listing Principal Broker Subscriber unless the listing Principal Broker Subscriber gives the cooperating Principal Broker Subscriber (subagent or buyer's agent or both, as the case may be) specific authority to show directly.

Sec. 3 Subscribers are prohibited from distributing information to the public intended for cooperating brokers and agents. This information includes but is not limited to commissions, showing contacts, agent or broker names, phone and fax numbers, broker or agent web site or email addresses, virtual tours, alarm codes, lockbox codes or other security measures.

## ARTICLE XVII - PRESENTATION OF OFFERS

Sec. 1 The listing Real Estate Professional Subscriber must make arrangements to present all offers as soon as possible or give the cooperating Real Estate Professional Subscriber (subagent or buyer's agent) a satisfactory reason for not doing so.

Sec. 2 All appointments for negotiations with the seller for the purchase of listed property filed with MRIS shall be conducted through the listing agent unless after reasonable effort, the cooperating Principal Broker Subscriber (subagent or buyer's agent or both, as the case may be) cannot contact the listing Principal Broker Subscriber or his or her representative. However, the listing Principal Broker Subscriber, at his or her option may preclude such direct negotiations by the cooperating Principal Broker Subscriber (subagent or buyer's agent or both, as the case may be.)

Sec. 3 The listing Real Estate Professional Subscriber shall submit to the seller all written offers until closing unless precluded by law, government rules, regulations, or agreed otherwise in writing between the seller and the listing Principal Broker Subscriber. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing Principal Broker Subscriber shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

## ARTICLE XVIII - NEGOTIATIONS

Sec. 1 Real Estate Professional Subscriber shall not solicit information from the owner of a property listed with another agent and shall avoid discussions with the owner as much as possible. Real Estate Professional Subscriber shall conduct negotiations through the listing Real Estate Professional Subscriber unless specially authorized by the listing Principal Broker Subscriber.

Sec. 2 Rights of Cooperating Real Estate Professional Subscriber-in the Presentation of Offer: The cooperating Principal Broker Subscriber, subagent or buyer agent or his representative, shall have the right to participate in the presentation to the seller or lessor of any offer he or she secures to purchase or lease. The cooperating Real Estate Professional Subscriber does not have the right to be present at any discussion or evaluation of that offer by the owner or lessor and the listing Principal Broker Subscriber. However, if the seller or lessor gives written instruction to Real Estate Professional Subscriber or lessor that the cooperating Real Estate Professional Subscriber not be present when an offer that the cooperating Real Estate Professional Subscriber has secured is presented, the cooperating Real Estate Professional Subscriber has the right to a copy of the owner's written instructions. None of the foregoing diminishes the Real Estate Professional Subscriber's right to control the establishment of appointments for such presentations.

Sec. 3 Rights of the Real Estate Professional Subscriber in the Presentation of Counter-Offers: the listing Real Estate Professional Subscriber Shareholder Member or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee. However, if the purchaser or lessee gives the written instructions to the Real Estate Professional Subscriber that the listing Real Estate Professional Subscriber not be present when a counter-offer is

presented, the listing Real Estate Professional Subscriber has the right to a copy of the purchaser's or lessee's written instructions.

## **ARTICLE XIX - REPORTING SALES**

Sec. 1 The listing Real Estate Professional Subscriber shall make all necessary changes in the MRIS database within 48 hours (excluding weekends and holidays) that a contingency on file has been removed, modified or renewed, or the contract amended or canceled.

Sec. 2 Acceptance by a seller of a contract of sale on a listed property shall be reported to MRIS by the listing Real Estate Professional Subscriber within 48 hours (excluding weekends and holidays) after acceptance.

Sec. 3 Comparable properties may only be entered into MRIS after the property has settled and proper deed recordation has occurred. Once settlement has occurred on the purchase and sale of a listed property, the listing Real Estate Professional Subscriber shall change the status in the MRIS data base within 48 hours of settlement (excluding weekends and holidays) to "Sold".

Sec. 4 The listing Real Estate Professional Subscriber shall notify MRIS of any cancellation of any pending sale. The listing shall be reinstated immediately if the listing period has not expired.

Sec. 5 Comparable properties may only be entered into MRIS after the property has settled and proper deed recordation has occurred.

Sec. 6 Status changes, including final closing of sales, shall be reported to the multiple listing service by the listing broker within 48 hours excluding weekends and holiday after they have occurred.

If negotiations were carried on under Article XVIII Negotiations - Section 1, the cooperating broker shall report the status changes to the listing broker in writing within 24 hours excluding weekends and holidays after occurrence and the listing broker shall report them to MRIS within 24 hours excluding weekends and holiday after receiving notice from the cooperating broker.

## **ARTICLE XX - USE OF BULLETIN BOARD AND MAILBOX FUNCTIONS**

Sec. 1 The MRIS bulletin board and mailbox are communication options available to users. Advertisements for items other than real estate are prohibited from the bulletin board.

Sec. 2 Any defamatory or obscene statements, or use of the bulletin board or mailbox which violates federal, state or local laws or the rights of other parties are expressly prohibited.

Sec. 3 MRIS has the specific unilateral right to cancel, suspend or terminate any participant's or user's access to the bulletin board without notice.

Sec. 4 The Customer Services department will monitor its e-mail box during normal business hours for inquires and support request and respond to such inquiries and requests as soon as practicable under the circumstances.

## **ARTICLE XXI - CONFLICT OF INTEREST POLICY**

Sec. 1 A member of any MRIS decision making body such as the Board of Directors, the Finance Committee, the Subscriber Advisory Council, the Compliance Committee, or any other ad hoc committee or task force appointed by the Board of Directors or Chairman of the Board will be considered to have a conflict of interest whenever that member:

- A. is a principal, partner or corporate officer of a business providing products or services to MRIS or in a business being considered as a provider of products or services; or
- B. holds a seat on the board of directors of the business unless the person's only relationship to the business is service on such board of directors as MRIS's representative; or
- C. holds an ownership interest of more than one (1) percent of the business.

Members with a conflict of interest must immediately disclose their interest at the outset of any discussions by a decision making body pertaining to the business or any of its products or services. Such members may not participate in the discussion relating to that business other than to respond to questions asked of them by other members of the body. Furthermore, no member with a conflict of interest may vote on any matter in which the member has a conflict of interest, including votes to block or alter the actions of the body in order to benefit the business in which they have an interest.

Sec. 2 Ownership Disclosure Policy

- A. When MRIS has an ownership interest in an entity and a member has an ownership interest in that same entity, such member must disclose the existence of his or her ownership interest prior to speaking to a decision making body on any matter involving that entity.
- B. If a member has personal knowledge that MRIS is considering doing business with an entity in which a member has any financial interest, then such member must disclose the existence of his or her financial interest prior to speaking to a decision making body about the entity.
- C. If a member has a financial interest in an entity that the member knows is offering competing products and services as those offered by MRIS, then such member must disclose the existence of his or her financial interest prior to speaking to a decision making body about an issue involving those competing products and services.

After making the necessary disclosure, a member may participate in the discussion and vote on the matter unless that member has a conflict of interest as defined in Article XXI Sec. 1.

## Article XXII- INTERNET POLICY

Sec. 1 Only the Principal Broker Subscriber may authorize the display of listing information to a broker web site or a publicly accessible site. Under MRIS Internet Data Exchange (IDX) policy listing content may be shared among Principal Broker Subscribers participating in the IDX program. Broker's consent for the display of their listings is presumed unless the broker affirmatively notifies MRIS that the broker refuses to permit display (either on a blanket or on a listing-by-listing basis). If a broker refuses on a blanket basis to permit the display of that broker's listings, that broker (or his licensees) may not download or frame or display the aggregated MLS data of other brokers. Even where brokers have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display. Participation in IDX is available to all MRIS Brokers who consent to display of their listings by other MRIS Brokers.

Sec. 2 Display of another MRIS Principal Broker Subscriber's listing must indicate MRIS as the source of the information. Displays of minimal information (e.g. "thumbnails", text messages, "tweets", etc.) of two hundred (200) characters or less are exempt from this requirement by only when linked directly to a display that includes all required disclosures. Subscribers must refresh all MLS downloads and IDX displays automatically fed by those downloads at least once every 12 hours and must display the last update date and time.

Sec. 3 Principal Broker Subscribers and their affiliated licensees and Appraisers may not modify listing information (such as list price, lot size, postal city, etc.) from another Principal Broker Subscriber's listings. MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the other data is clearly identified.

Sec. 4 Principal Broker Subscribers and their affiliated licensees and Appraisers are prohibited from displaying information intended for cooperating brokers rather than consumers including but not limited to compensation offered to other subscribers, showing instructions, property security information, seller and occupant's names phone numbers and email addresses.

Sec. 5 Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet including, but not limited to, publicly-accessible web sites shall not be accessible via IDX sites or VOWS. Notwithstanding this prohibition, listing brokers may display on their IDX displays or their other Web site(s) the listing or property address of consenting sellers.

Sec. 6 Brokers and their affiliated licensees may select IDX listings they choose to display based only on objective criteria including, but not limited to, factors such as geography or location ("uptown", "downtown", etc.), list price, type of property, (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right to sell or exclusive agency), or the level of service being provided by the listing firm. Selection of IDX listings displayed must be independently made by each Participant.

Sec. 7 Any IDX display controlled by the participant must clearly identify the name of the brokerage firm under which they operate, and any other pertinent information as required by law, in a readily visible color and typeface. For purposes of IDX policy and these rules, "control" means the ability to

add, delete, modify and update information as required by the IDX policy and MRIS Rules. This policy acknowledges that certain required disclosures may not be possible in displays of minimal information (e.g. “thumbnails”, text messages, “tweets”, etc., of 200 characters or less). Such displays are exempt from the disclosure requirements established in this policy but only when linked directly to a display that includes all required disclosures.

Sec. 8 (included in Sec. 7)

Sec. 9 Principal Broker Subscribers and their affiliated licensees and Appraisers are prohibited from sharing or selling MRIS database information to any third party. Each Subscriber must abide by the appropriate language contained in either Article III, Sec. 4 of the MRIS Rules and Regulations and Sec. 5 of the MRIS Principal Broker Subscriber License and Access Agreement and the Appraiser License and Access Agreement, or Sec. 4 of the MRIS Subscriber License and Access Agreement.

Sec. 10 Database information obtained from the MRIS system to display on a Principal Broker Subscriber’s web site or other publicly accessible site is provided for the consumer’s personal, non-commercial use and may not be used for any purpose other than to identify prospective properties that consumers may be interested in purchasing or selling. Brokers and their licensees must indicate on their websites and in any other IDX or VOW display that the information is 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 or selling.

Sec. 11 In order for an affiliated licensee to obtain an Agent IDX web site, the licensee’s Principal Broker Subscriber or Broker’s Designee must indicate their consent by executing the Broker Authorization for Agent Operated IDX Website form and providing a copy to MRIS. The Principal Broker Subscriber and Broker Designee are responsible for monitoring the web sites of its licensees.

Sec. 12 MRIS reserves the right to limit the number of property listings that are retrieved in response to a customer’s inquiry on Principal Broker Subscriber’s web sites and other publicly accessible web sites, but in no instance shall be limited to fewer than one hundred (100) listings or five percent (5%) of the listings available for IDX display whichever is fewer.

Sec. 13 The Principal Broker Subscriber’s web site and their licensees’ web sites and other publicly accessible sites and displays must contain a disclaimer indicating that the accuracy of the data is not guaranteed. Additionally, Principal Broker Subscriber’s web site and their licensee’s web sites and other publicly accessible sites must contain a disclosure indicating that the listings come from many brokers and that not all listings from MRIS may be visible on the site.

Sec. 14 MRIS reserves the right to determine the data fields, property status and listing types that may be displayed on the Principal Broker Subscriber web site and their licensee’s web sites and other publicly accessible web sites. On IDX sites, the display of Expired, Withdrawn, or Coming Soon status is prohibited. Additionally, a maximum of three years of sold listing data may be displayed on an IDX site.

Sec. 15 Brokers and their affiliated licensees must notify MRIS of their intention to establish a VOW site or to display IDX information and must make their site or display directly accessible to MRIS for purposes of monitoring and ensuring compliance with applicable rules and policies.

Sec. 16 All listings pursuant to IDX shall show MRIS as source of the information. Displays of minimal information (e.g. “thumbnails”, text messages, “tweets”, etc.) are exempt from this requirement but only when linked directly to a display that includes all required disclosures

Sec 17 Deleted 1/10/09

Sec 18 Specific information on the MRIS VOW Policy and Regulations may be found in a separate document, which shall be deemed to be part of these Rules and Regulations.

Sec 19 Subscribers may not use IDX-provided listings for any purpose other than IDX display. This does not require subscribers to prevent indexing of IDX listings by recognized search engines.

Sec. 20 included in Sec. 7

Sec. 21 With respect to any IDX display that allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (b) displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, either or both of those features shall be disabled or discontinued with respect 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 by all subscribers. A subscribers’ IDX site may communicate the subscribers’ professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying customers that a particular feature has been disabled at the request of the seller.

Sec. 22 MLS participants shall present a true picture in their advertising and representations to the public, including the URLs and domain names they use, and participants may not: engage in deceptive or unauthorized framing of real estate brokerage websites; manipulate (e.g., presenting content developed by others) listing content in any way that produces a deceptive or misleading result; or deceptively use metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic, or to otherwise mislead consumers.

Sec. 23 An IDX operator shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the Broker or licensee beyond that supplied by the MLS and that relates to a specific property. The broker or their licensee 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 IDX operator Broker or their licensee shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

Sec. 24 Brokers may use listing and sales data related to the broker’s own brokerage to facilitate the display of broker/agent ratings of the broker’s own licensees on (i) the publicly accessible websites of the broker or of the broker’s own licensees, and (ii) via social media channels they exercise control and oversight over. Such data also may be used for marketing purposes on (i) the publicly accessible websites of the broker or of the broker’s own licensees, and (ii) via social media channels they exercise control and oversight over. Prior broker consent is required for the display of ratings related to any non-affiliated brokers or agents, and all such displays must comply with applicable laws.

Sec. 25 - MRIS subscribers may supplement the listing information, (such as school districts, walkability scores, other MLS, etc.) on the broker or their licensee's IDX site or VOW sites provided that the source of the information is disclosed in a readily apparent manner. The source(s) of the information must be clearly identified in the immediate proximity to such data. IDX and VOW sites must include a disclosure that the MRIS and the brokerage are not responsible for the accuracy of the data and should be independently verified.