

Greater Pocatello Association of REALTORS® Multiple Listing Service

Rules and Regulations

(Last Revised July 7, 2006)

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Greater Pocatello Association of REALTORS® Multiple Listing Service

Rules and Regulations

(Last Revised July 7, 2006)

LISTING PROCEDURES

Section 1. Listing Procedures: Listings of real or personal property of the following types, which are listed subject to a real estate brokers license, and which are located within the territorial jurisdiction of the Greater Pocatello Association of REALTORS® (Bannock and Power Counties, State of Idaho) taken by Participants on exclusive right to sell listing contracts and exclusive agency listing contracts shall be delivered to the Multiple Listing Service within seventy-two (72) hours exclusive of legal holidays and weekends after all necessary signatures of seller(s) have been obtained:

- (a) Single family homes for sale or exchange.
- (b) Vacant lots and acreage for sale or exchange.
- (c) Two-family, three-family, and four-family residential buildings for sale or exchange.
- (d) Other types of property, such as Farms, Ranches, Business Opportunities, Motel-Hotel, Trailer Parks, Commercial, Industrial, Apartment Houses (over 4 family units) for sale or exchange are also to be submitted with any special instructions to be clearly stated.

The Multiple Listing Service also accepts exclusively listed property that is subject to auction.

(Note 1: The Multiple Listing Service shall not require a Participant to submit listings on a form other than the form the Participant individually chooses to utilize provided the listing is of a type accepted by the Service, although a "Property Data Form" may be required as approved by the Multiple Listing Service. However, the Multiple Listing Service, through its legal counsel:

1. May reserve the right to refuse to accept a listing form which fails to adequately protect the interest of the public and the Participants.
2. Assure that no listing form filed with the Multiple Listing Service establishes, directly or indirectly, any contractual relationship between the Multiple Listing Service and the client (buyer or seller).

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

The listing agreement must include the seller's authorization to submit the agreement to the Multiple Listing Service.

3. The different types of listing agreement include:
 - (a) exclusive right to sell
 - (b) exclusive agency
 - (c) open
 - (d) net

The Service may not accept net listings because they are deemed unethical and, in most states, illegal. Open listings are not accepted except where required by law because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.

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

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

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

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

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

- | | |
|--------------------------|----------------------|
| 1. Residential | 7. Mobile Homes |
| 2. Residential Income | 8. Mobile Home Parks |
| 3. Subdivided Vacant Lot | 9. Commercial Income |
| 4. Land and Ranch | 10. Industrial |
| 5. Business Opportunity | 11. Lease |
| 6. Motel-Hotel | |

Section 1.1 Listings Subject To Rules And Regulations Of The Service: Any listing taken on a contract to be filed with the Multiple Listing Service is subject to the Rules and Regulations of the Service upon signature of the seller(s). Any violation of the MLS Rules and Regulations may be subject to a fine.

Section 1.2 Detail On Listings Filed With The Service: A Listing Agreement or Property Data Form, when filed with the Multiple Listing Service by the listing broker, shall be complete in every detail which is ascertainable as specified on the Property Data Form. Listings that contain missing or inaccurate information may be subject to a fine.

Section 1.4 Change Of Status Of Listing: Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the Service within twenty-four (24) hours (excepting weekends, holidays and postal holidays) after the authorized change is received by the listing broker. Failure to submit any change in listed price, status of the listing or other change in the original listing agreement may be subject to

a fine.

Section 1.5 Withdrawal Of Listing Prior To Expiration: Listings of property may be withdrawn from the Multiple Listing Service by the listing broker before the expiration date of the listing agreement provided there is an agreement between the seller and the listing broker which authorizes the withdrawal. Only Association/ MLS Staff are authorized to delete or withdraw a listing from the Service. All requests for withdrawals or deletions must be made in writing.

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

Section 1.6 Contingencies Applicable To Listings: Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants.

Section 1.7 Listing Price Specified: The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings, unless the property is subject to auction.

Section 1.8 Listing Multiple Unit Properties: All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the Property Data Form. When part of a listed property has been sold, proper notification should be given to the Multiple Listing Service.

Section 1.9 No Control Of Commission Rates Or Fees Charged By Participants: The Multiple Listing Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Multiple Listing Service shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non-participants.

Section 1.10 Expiration of Listings: Listings filed with the Multiple Listing Service will automatically be removed from the compilation of current listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed.

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

Section 1.11 Termination Date on Listings: Listings filed with the Service shall bear a definite and final termination date as negotiated between the listing broker and the seller.

Section 1.12 Jurisdiction: Only listings of the designated types of property located within the jurisdiction of the Greater Pocatello Association of REALTORS® are required to be submitted to the Service. Listings of property located outside the Association's jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service.

Section 1.13 Listings of Suspended Participants: When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the Service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Association (except where MLS participation without

Association Membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, an Association MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of the current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised in writing of the intended removal so that the suspended Participant may advise his clients.

Section 1.14 Listings Of Expelled Participants: When a Participant of the Service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations or other membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS shall, at the expelled Participant's option, be retained in the Service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Association (except where MLS participation without Association Membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an Association MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised in writing of the intended removal so that the expelled Participant may advise his clients.

Section 1.15 Listings of Resigned Participants: When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings from the MLS, the resigned Participant should be advised in writing of the intended removal so that the resigned Participant may advise his clients.

SELLING PROCEDURES

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

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

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

Section 2.2 Submission of Written Offers and Counter Offers: The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller(s) obtain the advice of legal counsel prior to acceptance of the subsequent offer. Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.

Section 2.3 Right of Cooperating Broker In Presentation of Offer: The cooperating broker (subagent or buyer agent) or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating

broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

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

Section 2.5 Reporting Sales To The Service: Sales price shall be reported immediately to the Multiple Listing Service by the listing broker unless the negotiations were carried on under Section 2(a) or (b) hereof, in which case the cooperating broker shall report, sending a copy to the listing broker within twenty-four (24) hours after acceptance. Failure to report sales to the Multiple Listing Service within five (5) business days may be subject to a fine. In the absence of the sales price being reported, the GPAR Association/MLS Staff is authorized to report the listing price in place of the sold price and note as such in the private remarks.

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

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

Section 2.7 Advertising Of Listing Filed With The Service: A listing shall not be advertised by any Participant other than the listing broker without prior consent of the listing broker. All printed advertising of listed property shall accurately show the name of the listing broker's business. It is recommended that all printed advertising of individually listed properties filed with the Multiple Listing Service clearly show the office listing number.

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

Section 2.9 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 whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating broker.

Section 2.10 Availability of Listed Property

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

REFUSAL TO SELL

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

PROHIBITIONS

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

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

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

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

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

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

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

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

DIVISION OF COMMISSION

Section 5. Compensation Specified On Each Listing: The listing broker shall specify, on each listing filed with the Multiple Listing Service, the compensation offered to other Multiple Listing Service Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the

listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

(Note 1: In filing a property with the Multiple Listing Service of a Board/Association of REALTORS®, the Participant of the Service is making blanket unilateral offers of compensation to the other MLS Participants, and shall therefore specify on each listing filed with the Service, the compensation being offered to the other MLS Participants. Specifying the compensation on each listing is necessary because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.*
The listing broker retains the right to determine the amount of compensation offered to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law) which may be the same or different.

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

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

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

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

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

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

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

transaction.)

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

Section 5.1 Participant As Principal: If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any ownership interest in a property, the listing of which is to be disseminated through the Multiple Listing Service, that person shall disclose that interest when the listing is filed with the Multiple Listing Service and such information shall be disseminated to all Multiple Listing Service Participants.

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

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

SERVICE CHARGES

Section 6. Service Fees And Charges: The following service charges for operation of the Multiple Listing Service are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed:

- (a) **Initial Participation Fee:** An applicant for participation in the Service shall pay an application fee of \$500.00 with such fee to accompany the application.
- (b) **Subscription Fees:** One complete set of current listings shall be supplied to the Participant upon payment of the Initial Participation/Application Fee and the Subscription Fee, and the Participant shall be responsible for a Subscription Fee for each additional set of listings to be supplied to each individual, employed by or affiliated as an independent contractor (including licensed or certified appraisers) with the Participant, who has access to and who utilizes the Service. Fees shall be prorated on a monthly basis. All subscription fees are to be paid with one company check.
- (c) **Subscription Fee Exemption:** The Participant shall be exempt from payment of Multiple Listing subscription fees for any individual, employed by or affiliated with the Participant who is engaged solely and exclusively in a specialty of the real estate business separate and apart from listing, selling, or appraising the type of properties which are required to be filed with the MLS, and who does not, at any time, have access to nor use of the MLS information or MLS facility of the Association. Such exemption to be effective for a period of one year, subject to annual renewal. The exemption, if recommended by the Multiple Listing Committee and approved by the

Board of Directors, shall not be effective until the Participant has submitted to the Multiple Listing Service a written declaration setting forth facts sufficient to establish the exemption. For each year that the exemption is desired, the Participant must submit a new declaration. The exemption shall automatically be revoked upon the individual engaging in the listing, selling, or appraising the type of properties which are required to be filed with the Multiple Listing Service or upon the individual's utilization of the Service in any manner. At the termination of each annual exemption, the Participant shall also submit to the Multiple Listing Service, a declaration to the effect, in fact, the exempt individual did not, during the previous twelve month period, engage in the listing, sale or appraising of real properties filed with the MLS. The failure of the Participant to submit such a declaration, or the submitting of a false declaration, shall automatically revoke the exemption and subject the Participant to payments to the Multiple Listing Service, the sum equal to one year's subscription charge for the individual involved, unless, upon the individual's commencing to engage in listing, sale or appraising of such real property or upon the individual's utilization of the Service in any manner, the Participant member so notifies the Multiple Listing Service in writing.

- (d) **Payment of MLS Fees, Dues and Charges:** All MLS fees, dues and charges, including, but not limited to, initial participation fees, recurring participation fees, listing origination fees, subscription fees, etc., shall be assessed only to the MLS Participant. Payment of such fees may only be accepted from the MLS Participant and not from non-principal brokers, sales licensees, or licensed or certified real estate appraisers affiliated with the Participant. None of the foregoing is intended to preclude the MLS Participant from being reimbursed by affiliated licensees and licensed or certified real estate appraisers for fees or charges incurred on their behalf pursuant to any in-house agreement that may exist.
- (e) **Monthly Subscription Fee Due for All Licensees in an Office:** A Participant shall pay a monthly subscription fee for each licensed broker, sales licensee, or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such Participant and who has access to and use of the MLS. A licensee will be presumed to have access to and use of the MLS at the office where his Idaho license is displayed pursuant to the records of the Idaho Real Estate Commission. The monthly subscription fee will include the lease of a copy of the MLS Listing Compilation. Suspension of services due to non-compliance with any participatory obligation as specified in the MLS Bylaws or Rules & Regulations shall not be a reason to waive or suspend any monthly subscription.

COMPLIANCE WITH RULES

Section 7. Compliance with Rules: The following action may be taken for noncompliance with the Rules:

- (a) The MLS Committee may, with approval of the Board of Directors, on a case by case basis, impose fines on Participants whose activities or those of their sales associates (or licensed or certified appraisers) fail to comply with the Rules and Regulations. These fines shall not exceed \$1000.00, and shall be progressive with repeated violations and severity of problem. The recipient of said fine may appeal by requesting a hearing by the Professional Standards Committee in accordance with the Bylaws of the Greater Pocatello Association of REALTORS®.
- (b) For failure to pay any service charge or fee within one (1) month of the date due, and provided that at least ten (10) days notice has been given, the Service shall be suspended until service charges or fees are paid in full.
- (c) For failure to comply with any other rules, the provisions of Sections 9 and 9.1 shall

apply.

Section 7.1 Applicability Of Rules To Users And/Or Subscribers: Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these Rules and Regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the Rules and Regulations. Further, failure of any user or subscriber to abide by the Rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

MEETINGS

Section 8. Meetings of MLS Committee: The Multiple Listing Service Committee shall meet for the transaction of its business at a time and place to be determined by the Committee or at the call of the Chairman.

Section 8.1 Meetings of MLS Participants: The Committee may call meetings of the Participants in the Service to be known as meetings of the Multiple Listing Service.

Section 8.2 Conduct of The Meetings: The Chairman shall preside at all meetings or, in his absence, a temporary Chairman from the membership of the Committee shall be named by the Chairman or, upon his failure to do so, by the Committee.

Section 8.3 Quorum: A quorum for the transaction of business shall consist of those MLS Participants present. A majority of those present shall be able to conduct all necessary business. A quorum of the Multiple Listing Service Committee shall be two (2) of the five (5) Committee members present.

Section 8.4 Voting Rights: Each Participant of the Multiple Listing Service shall be entitled to one vote which may be cast in person or by written proxy. In the event a Participant cannot be present at a meeting, he may authorize a proxy in writing prior to a meeting. Such proxy shall be an Active (REALTOR®) Member affiliated with the Participant who has access to and use of the Multiple Listing Service.

ENFORCEMENT OF RULES AND DISPUTES

Section 9. Consideration Of Alleged Violations: The Committee shall give consideration to all written complaints from Participants having to do with violations of the Rules and Regulations.

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

Section 9.2 Complaints Of Unethical Conduct: All other complaints of unethical conduct shall be referred by the Committee to the Executive Officer of the Association of REALTORS® for appropriate action in accordance with the professional standards procedures established in the Association's Bylaws.

CONFIDENTIALITY OF MLS INFORMATION

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

Section 10.1 MLS Not Responsible For Accuracy Of Information: The information published and disseminated by the Service is communicated verbatim, without change by the Service, as filed with the Service by the Participant. The Service does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

OWNERSHIP OF MLS COMPILATION* AND COPYRIGHTS

Section 11 By the act of submission of any property listing data to the Association MLS the Participant represents that he has been authorized to grant and also thereby does grant authority for the Association to include the property listing data in its copyrighted MLS compilation and also in any statistical report on "Comparables".

Section 11.1 All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Greater Pocatello Association of REALTORS®, and in the copyrights therein, shall at all times remain vested in the Greater Pocatello Association of REALTORS®.

Section 11.2 Each Participant shall be entitled to lease from the Greater Pocatello 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.

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

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

USE OF COPYRIGHTED MLS COMPILATIONS

Section 12. Distribution: Participants shall at all times maintain control over and responsibility for each copy of any MLS Compilation leased to them by the Association of REALTORS®, and shall not

distribute any such copies to persons other than subscribers who are affiliated with such Participant as licensees or those individuals who 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 Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation" or "Membership" or any right of access to information developed by or published by an Association Multiple Listing Service where access to such information is prohibited by law.

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

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

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

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

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

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

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, "sold" information, "comparables", or statistical information from utilizing such information to support an estimate of value on a particular property for a particular client.

However, only such information that a Board/Association or Board/Association-owned Multiple Listing Service has deemed to be non-confidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules and Regulations.

*It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable", as used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase.

Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus "reasonable" in number, shall include, but are not limited

to, the total number of listings in the MLS Compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

USE OF MLS INFORMATION

Section 13. Limitations On Use Of MLS Information: Use of information from the MLS compilation of current listing information, from statistical reports, and from any sold or comparable report of the Association or MLS may be used by MLS Participants as the basis for aggregated demonstrations of market share or comparisons of firms in public mass-media advertising or in other public representations. This authority does not convey the right to include in any such advertising or representation information about specific properties which are listed with other Participants, or which were sold by other Participants (as either listing or cooperating broker).

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

Based on information from the Greater Pocatello Association of REALTORS® (alternatively, from the Greater Pocatello Association of REALTORS® MLS) for the period (date) through (date).

CHANGES IN RULES AND REGULATIONS

Section 14. Changes In Rules And Regulations: Amendments to the Rules and Regulations of the Service shall be by a majority vote of the Participants present at any meeting, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, subject to approval by the Board of Directors of the Greater Pocatello Association of REALTORS®.

MLS RULES RELATING TO ELECTRONIC LOCKBOX SYSTEM

Section 15. MLS Rules Relating to Electronic Lockbox System: The Greater Pocatello Association of REALTORS® Multiple Listing Service has adopted an Electronic Key and Lockbox system for use by its Participants.

Keyholders: Every MLS Participant and Subscriber who is legally eligible for MLS access may obtain and hold an Electronic Key for use with the Electronic lockbox system subject to his/her execution of a lease agreement with the designated lockbox system provider. No one shall be required to lease a key from the MLS except on a voluntary basis.

Electronic Key Security Requirements: All eligible key holders and lockbox users must adhere to the following security requirements:

- a. Electronic key must be in the Key Holder's possession or in a safe place at all times.
- b. Key Holder must not allow his/her Personal Identification Number (PIN) to be attached to the key and must keep the PIN confidential.
- c. Key Holder must not loan the electronic key to any person for any purpose whatsoever, or to permit the electronic key to be used for any purpose by another person. "Other person" includes but is not limited to spouses, appraisers, lenders, utility agents, builders, inspectors,

- brokers, salespersons, prospective purchasers or sellers, or anyone else.
- d. Key Holder must immediately notify the MLS if the Electronic Key is lost or stolen and provide the circumstances surrounding the loss or theft.
 - e. Permission to show property must be in accordance with Section 2 of these Rules & Regulations. The Electronic Key must not be used to enter a property without permission.

Lockboxes: A Participant may obtain a sufficient quantity of electronic lockboxes from the MLS for use on any property for which it has a current listing agreement and the written permission of the Seller. Lock boxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or in a separate document created specifically for the purpose. Inclusion in MLS compilations cannot be required as a condition of placing lock boxes on listed property.

Electronic lockboxes may not be placed on unlisted properties.

Electronic lockboxes may only be used by authorized Keyholders of the lockbox system and violators may be subject to a fine.

In the event of loss, theft, or damage to an electronic lockbox, the Participant to whom the lockbox has been issued will be responsible to pay its replacement cost.

Procedure for Showing Listings with Lockboxes: In accordance and with Section 2 of these Rules & Regulations, cooperating Participants and Subscribers MUST contact the listing Participant in advance to disclose their agency status and to arrange appointments to show listed property, even if the property has a lockbox affixed to it, UNLESS the listing Participant has given specific permission (through information published in the MLS or otherwise) to show the property without first contacting the listing Participant. Failure to follow this requirement may result in the imposition of sanctions by the MLS Board of Directors in accordance with these Rules & Regulations.

Fines: The MLS may fine a Participant or Subscriber a minimum of \$500.00 and a maximum of \$5,000.00 for violations of this section, and participation in the MLS may be terminated.

If a Participant or Subscriber fails to report an unauthorized entry into a property and it is substantiated by another party, that Participant or Subscriber may be fined a minimum of \$500.00 and a maximum of \$5,000.00, and participation in the MLS may be terminated.

If a Key Holder uses an Electronic Key for unauthorized entry into a property, the Key Holder may be subject to a fine in the maximum amount of \$5,000.00, expulsion from the MLS, and civil and criminal penalties.

INTERNET DATA EXCHANGE (IDX)

Section 16 . IDX Defined: IDX affords MLS Participants the option of authorizing display of their active listings on other Participants' Internet Web sites.

Section 16.1—Authorization: Participants' consent for display of their active listings by other Participants pursuant to these rules and regulations is presumed unless a Participant affirmatively notifies the MLS that the Participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a Participant refuses on a blanket basis to permit the display of that Participant's listings, that Participant may not download or frame the aggregated MLS data of other Participants. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis as instructed by the seller.

Section 16.2—Participation: Participation in IDX is available to all MLS Participants who are

REALTORS® and who consent to display of their listings by other Participants. This requirement can be met by maintaining an office or Internet presence from which Participants are available to represent real estate sellers or buyers (or both).

Section 16.2.1 - Participants must notify the MLS of their intention to establish an IDX site and must make their site directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies.

Section 16.2.2 - Participants must protect IDX information from misappropriation by employing reasonable efforts to monitor and prevent “scraping” or other unauthorized accessing, reproduction, or use of the MLS database.

Section 16.2.3 - Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to, publicly-accessible Web sites or VOW’s) shall not be accessible via IDX sites. Notwithstanding this prohibition, listing brokers may display on their IDX sites or their other Web site(s) the listing or property address of consenting sellers.

Section 16.2.4 - Participants may exclude listings from display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography, list price, type of property, or cooperative compensation offered by listing brokers. Examples include property type (“condos,” “single family detached,” “multi-family,” etc.), price, or location (“downtown”).

Section 16.2.5 - Participants must refresh all MLS downloads and refresh all MLS data at least once every seven (7) days.

Section 16.2.6 - Except as provided elsewhere in this policy or elsewhere in an MLS’s rules and regulations, an IDX site or a Participant operating an IDX site may not distribute, provide, or make any portion of the MLS database available to any person or entity.

Section 16.2.7 - When displaying listing content, a participant’s or user’s IDX site must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.

Section 16.3—Display: Display of listing information pursuant to IDX is subject to the following rules:

Section 16.3.1 - Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS participants and users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed on IDX sites.

Section 16.3.1.1 – The type of listing agreement (e.g., exclusive right to sell, exclusive agency, etc.) may not be displayed on IDX sites.

Section 16.3.2 - Participants shall not modify or manipulate information relating to other Participants’ listings. (This is not a limitation on site design but refers to changes to actual listing data.) MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields.

Section 16.3.3 - All listings displayed pursuant to IDX shall identify the listing firm in a readily visible color and typeface not smaller than the median used in the display of listing data.

Section 16.3.4 - All listings displayed pursuant to IDX shall identify the listing firm.

Section 16.3.5 - Non-principal brokers and sales licensees affiliated with IDX participants may display information available through IDX on their own Web sites subject to their participant's consent and control and the requirements of state law and/or regulation.

Section 16.3.6 - Listing information downloaded and/or otherwise displayed pursuant to IDX shall be limited to properties listed on an exclusive right to sell basis.

Section 16.3.7 - All listings displayed pursuant to IDX shall show the MLS as the source of the information.

Section 16.3.8 - Participants (and their affiliated licensees, if applicable) shall indicate on their Web sites that IDX information is provided exclusively for consumers' personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect participants and/or the MLS from liability.

Section 16.3.9 - The right to display other participants' listings pursuant to IDX shall be limited to a participant's office(s) holding participatory rights in this MLS.

Section 16.3.10 - Display of expired, withdrawn, and pending listings is prohibited.

Section 16.3.11 - Display of seller's(s') and/or occupant's(s') name(s), phone number(s), and email address(es) is prohibited.

Section 16.3.12 - The data consumers can retrieve or download in response to an inquiry shall be limited to 25 (twenty-five) listings per search.

Section 16.3.13 - The right to display other Participants' listings pursuant to IDX shall be limited to a Participant's office(s) holding participatory rights in this MLS.

Section 16.3.14 - Listings obtained through IDX must be displayed separately from listings obtained from other sources, including information provided by other MLS's.

Section 16.3.15 - No portion of the IDX database shall be used or provided to a third party for any purpose other than those expressly provided for in these rules.

Section 16.3.16 - Participants are required to employ appropriate security protection such as firewalls, provided that any security measures required may not be greater than those employed by the MLS.

Section 16.3.17 - IDX operators must maintain an audit trail of consumer activity on the IDX site and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers.

Section 16.4 - Service Fees and Charges: Service fees and charges for participation in IDX shall be as established annually by the Board of Directors. (Adopted 11/01)