

**STATE –WIDE MULTIPLE LISTING SERVICE, INC.
RULES AND REGULATIONS
2006**

MISSION STATEMENT: The mission of the State-Wide Multiple Listing Service Organization is to serve as the prime provider of real estate information through a cooperative communication network among its participants.

PREAMBLE: As a wholly-owned subsidiary of the Rhode Island Association of REALTORS, the State-Wide MLS has been formed to promote, establish, foster, develop, and preserve the highest standards of the real estate profession in the state of Rhode Island. These Rules and Regulations have been adopted to govern the operation of the State-Wide Multiple Listing Service, Inc. (the “MLS”).

SECTION 1 - DEFINITIONS

Section 1.1 MULTIPLE LISTING SERVICE DEFINED: “Multiple Listing Service” is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, in other agency or non-agency capacities defined by law), by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals and other valuations of real property; by which Participants engaging in real estate appraisal contribute to common database; and is a facility for the orderly correlation and dissemination of listing information among the Participants so that they may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker’s performance as procuring cause of sale.

Section 1.2 OTHER TERMS DEFINED: As used in these Rules and Regulations, the following terms shall have the meanings given to them in this Section 1.2:

“Auction” - a sale of property at which prospective buyers bid against one another, and the property conveyed to the bidder offering the highest price.

“Concession/Net Sale” – a change to selling price, the amount of which is not ascertainable at the time of listing the property due to otherwise negotiated items which reduce or increase the proceeds of the sale to the seller, including, but not limited to the seller’s cost of repairing an unforeseen deficiency in the property, a credit to the buyer for an unforeseen deficiency in the property, payment of the buyer’s closing costs by the seller, and design or construction upgrades which are selected by a buyer for a new home.

“Exclusive Right of Agency Agreement” shall mean a form of listing submitted to the Service which authorizes the listing broker, as exclusive agent, to offer compensation to other brokers on a blanket, unilateral basis, but also reserves to the seller the general right to sell their property on an unlimited or restrictive basis. The standard exclusive right to sell agreement cannot be used. This is noticed to other participants by including “XA” with the compensation offered in the compensation to selling broker and buyer’s broker fields.

“Exclusive Right to Sell Agreement” shall mean a form of listing submitted to the Service in which the seller authorizes the listing broker as exclusive agent to compensate other brokers on a blanket, unilateral basis.

“Internet Data Exchange” shall mean a method by which each Participant permits the display of its active listings appearing in the MLS on each other Exchange Participant’s Internet web site.

“Internet Data Exchange Database” or “IDX Database” shall mean the current aggregate compilation of all active exclusive right to sell and exclusive right of agency listings except those listings where the property seller has opted out of Internet publication by so indicating on the listing contract.

“Jurisdiction” shall mean the state of Rhode Island.

“Limited Service Listing” shall mean a form of listing submitted to the Service **under which the listing broker will provide at least one but not all of the following services:** (a) present offers to purchase directly to the seller; (b) advise the seller as to the merits of the offer; (c) the seller in developing, communicating or presenting counteroffers; or (d) participate on the seller’s behalf in negotiations leading to the sale of the listing property.

“MLS Entry-Only Listing” shall mean a form of listing submitted to the Service under which the listing broker will provide none of the following services: (a) present offers to purchase directly to the seller; (b) advise the seller as to the merits of the offer; (c) assist the seller in developing, communicating or presenting counteroffers; and (d) participate on the seller’s behalf in negotiations leading to the sale of the listing property.

“MLS” or “Service” shall mean the Statewide Multiple Listing Service, Inc. as defined in Section 1.1, from which a Participant receives its participatory rights.

“MLS Compilation” shall mean 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, photographs, card file, or any other format, for which MLS is deemed to hold copyright protection.

“Participant” shall mean a REALTOR of an MLS member office, irrespective of where he holds primary membership who is a principal, partner, corporate officer or trustee of a real estate brokerage firm and holds a current, active, valid real estate broker’s license or current, active, valid appraiser’s license or certification. Whether or not specified, all references in these rules and regulations to terms such as “Listing Broker”, “Designated REALTOR”, “Principal Broker”, or “Cooperating Broker” shall be deemed to refer to the Participant whose office performs such function.

“Report” shall refer to the act of inputting the listing, changes, or other appropriate information into the computer or the mailing (verified by the postmark date) or faxing of the listing to the MLS office.

“Sanction” shall refer to service charges, late fees, fines, suspension, expulsion, and such other punishments which may be imposed by the MLS Board of Directors .

“Subscriber” shall include non-principals affiliated with Participants who hold a current, active, valid real estate broker’s license, a current, active, valid salesperson’s license, or a current, active, valid appraiser’s license or certification.

“User” shall mean an employee of a Participant who is not licensed as a real estate broker, salesperson, or appraiser but has access to the data, including, but not limited to a secretary, office manager, or unlicensed personal assistant.

SECTION 2: MLS AUTHORITY AND AMENDMENTS

Section 2.1 Board Authority: The MLS Board of Directors has the following authority:

- (a) to adopt rules and regulations for the MLS and amendments to the same
- (b) to issue policy interpretations
- (c) to interpret rules and regulations in the event of a dispute
- (d) to establish service charges, including late fees
- (e) to establish fines, fees, charges, and sanctions for violation of these rules and regulations
- (f) to enforce these rules and regulations

SECTION 3 – PARTICIPANT’S ELIBIGILITY AND RIGHTS

Section 3.1 Participant’s and Subscriber’s Duties: Participant understands and agrees that use of information developed by or published by Service is strictly limited to the activities authorized under a Participant’s license(s) and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation of any right of access to information developed by or published by the Service where access to such information is prohibited by law.

A. Participant’s Duties: A Participant must comply with the following requirements and terms of participation:

1. Complete and deliver the MLS application forms with initial membership fee to the MLS
2. Attend an orientation program before MLS service commences and other educational programs which the board of directors may require;
3. Provide a business address, telephone number, email address, and tax identification number (or social security number) to the MLS before service commences and notify the MLS of any changes to this information as soon as practicable;
4. Provide and maintain a current list of the names, real estate license numbers, business address, home address, and email address(es), if they exist, of any and all individuals who are affiliated with Participant and hold an active, valid, and current Rhode Island license as a real estate salesperson, broker, or appraiser.
5. Abide by the MLS Rules and Regulations.
6. Agree to arbitrate disputes with other Participants;
7. Pay MLS dues, fees, fines, charges, and penalties in a timely manner.

B. Subscribers Duties: A Subscriber must comply with the following requirements and terms of participation:

1. Attend an orientation program before MLS service commences.
2. Abide by the MLS Rules and Regulations.

Section 3.2 Payment of Account: The MLS may assess period service charges. Participants shall pay their accounts promptly when billed or the MLS may assess late fees and/or discontinue service. If the MLS

discontinues service for late payment, the MLS may assess a reinstatement charge and late fees, in addition to requiring the Participant pay the past due account in full before reinstating service.

Section 3.3 Resignation: Any Participant may resign from active participation by submitting a written letter of resignation giving thirty days' notice to the MLS. A Participant who resigns shall not be entitled to any refund of initial membership fee or any dues or charges. If the Participant requests to be reinstated, the MLS may charge a reinstatement fee and require that the Participant attend an MLS orientation program prior to reinstatement.

Section 3.4 Transfer: Whenever the Participant disassociates himself from the firm from which participation in the Service is held, a new application including a transfer fee, from the REALTOR who is to become the Participant for that firm, must be completed within thirty (30) days of transfer of the date of disassociation or service shall be discontinued until the new Participant complies with this provision.

SECTION 4 LISTING PROCEDURES

Section 4.1 Listing Procedures: A Report shall be made of listings of real property in conformity with one of the following categories, which are listed subject to a real estate broker's license and located within the Jurisdiction of the MLS within the time specified except as otherwise provided in this section:

- (a) Single family homes including mobile homes for sale or exchange
- (b) Two-family, three-family or four-family residential buildings for sale or exchange
- (c) Condominiums for sale or exchange
- (d) Vacant, residential land for sale or exchange

The following listings of real property may be voluntarily submitted to the Service:

- (a) Commercial or industrial property for sale or exchange
- (b) Residential properties of five (5) units or greater
- (c) Commercial land listings
- (d) Business only listings
- (e) Commercial lease listings
- (f) Any listing of any type described within this section, which is located outside the MLS' jurisdiction,
- (g) REALTOR- owned property

The Service may require the use of a Property Data Form as approved by the Service. A listing taken on an approved form immediately comes under the Rules and Regulations of the Service upon signature of the seller; in the event property so listed is sold before filing with the Service, the listing and pending sale must be reported within the required time allowed.

The Service shall not dictate the form of the listing agreement between the Participant and the seller except that any listing agreement submitted to the Service:

- (a) Shall protect adequately the interest of the public and the Participants/Subscribers;
- (b) Shall not establish, directly or indirectly, any contractual relationship between the Service and the client (buyer or seller);

(c) Shall include a section indicating whether the seller authorizes the listing broker to submit his listing to the Service;

(d) Shall include a line indicating whether the seller authorizes his listing to appear in the Internet Display (i.e. various local and national sites including IDX).

(e) Shall include a line informing the seller that he may be held vicariously liable for the acts and omissions of a seller's subagent and a line indicating whether the seller authorizes the listing agent to retain subagents to act on the seller's behalf.

(f) Shall meet the definition of an Exclusive Right to Sell Agreement or an Exclusive Right of Agency Agreement.

(g) Limited Service listings shall be so noted in the "**showing instructions**" of the property data form and by including "LSL" with the compensation offered in the compensation to selling broker and buyer's broker.

(h) **Entry-Only listings shall be so noted in the "Entry-Only Listing" field and by including "EO" with the compensation offered in the compensation to selling broker and buyer's broker.**

Section 4.2 Exempted/Non-MLS Listings: If the seller refuses to permit the listing to be disseminated by the Service, but still enters into a contract, verbal or otherwise, with the listing agent for the sale of their property, **including broker-owned properties**, the listing agent shall file with the Service a Non-MLS Exempt Form, signed by the sellers no later than **twenty-four hours**, excluding state and federal holidays, of the **effective date** of the listing contract. Cooperation with MLS member offices is still required.

Any non-MLS listings that have sold during the year may be filed with the Service by inputting into the computer all the following information entered in "remarks section": "Non MLS Listing – entered for sold purposes only". For sale by owner listings may be filed with the Service by inputting into the computer the following information in the "remarks section", "Broker Assisted Sale– entered for sold purposes only". Anyone who reports a Broker Assisted Sale must file with the Service the MLS-approved affidavit which is signed by both the Participant and the buyer.

Section 4.3 Exclusions: Listings with exempted, named prospects shall be clearly distinguished by an "R" in the compensation to selling broker and buyer's broker fields.

Section 4.4 Submissions: A Report of any listing taken in accordance with the above Section shall be made to the Service by the Participant, **within twenty four hours**, excluding state and federal holidays, following its effective date **or the placement of a sign on the property; However, if Participant advertises a property, excluding the placement of a sign, the property must be reported either as an MLS listing or a non-MLS listing at the time the advertisement appears.**

Section 4.5 Joint Listings: In the event that a Participant jointly lists a property with another Participant, only one data form shall be processed through the Service. The showing agent field may be used to display the additional listing agent.

Section 4.6 Detail on Listings Filed with the Service: A listing agreement or Property Data Form when filed with the service by the listing broker shall be complete in every detail which is ascertainable as

specified on the Property Data Form. Listing agreements, Property Data Forms, change forms, and any other forms used by the listing broker in conjunction with the Service shall be retained by the Participant and be made available to the Service upon request. Public remarks shall describe only the physical traits of the property for sale and its vicinity and shall comply with all applicable federal, state, and local laws and regulations, including, but not limited to, fair housing laws.

Section 4.7 Participant Responsible for Accuracy: Each Participant is responsible for the accuracy of listing data. In case of error, the Participant shall immediately make the correction in the computer or submit a change form to the MLS office so that the error can be corrected. A Participant, Subscriber or User shall not make changes to MLS listing data so that it is misleading to other Participants. The Service will not verify such information and disclaims any responsibility for its accuracy, however, the Service may correct the form of listing addresses to comply with applicable standards. Each Participant agrees to hold the Service harmless against any liability arising from any inaccuracy, inadequacy or inaccessibility of the information and infringement of intellectual property rights such Participant, Subscriber or User provides.

Section 4.8 Exempted/Non-Internet Data Exchange Listings: If the seller refuses to permit the listing to be disseminated as part of the Internet Data Exchange Listing Database pursuant to Section 14, the Participant shall provide upon request, a copy of the listing agreement, which shall not be disseminated to other Participants.

Section 4.9 Change of Status of Listing: Participants shall notify the Service of any change in the property status, i.e: pending sale contract, cancellation of pending sale, closed sale, change in price or terms or withdrawal from the market. A Report of any such change shall be made to the Service within 48 hours, excluding state and federal holidays, after the change is received by the Participant. The seller's signature must be obtained to Report a change in price, withdrawal, extension, and back on market (after expiration). In the event of a dispute involving a status change, the Service reserves the right to contact the seller directly in order to clarify any and all status changes.

Section 4.10 Temporarily Not Available for Showing, Withdrawal or Cancellation of Listing Prior to Expiration: Listings of property which are temporarily not available for showing, withdrawn or cancelled from the Service by the listing broker before the expiration date of the listing agreement shall be withdrawn provided a Report is made to the Service, including a copy of the agreement between the seller and the Participant of the listing firm which authorizes the withdrawal. **If, at the seller's request, a property can only be shown on a limited basis, (ie – certain times or days of the week), the times or dates must be noticed in the “showing instructions” field and the property may remain in the active status.**

Sellers do not have the unilateral right to require an MLS to withdraw a listing without the Participant's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated or expired by providing documentation which has been signed by the listing firm's Participant, including, but not limited to, a listing agreement or release, the Multiple Listing Service may elect to remove the listing at the request of the seller if the listing broker fails to produce satisfactory documentation to the contrary.

Section 4.11 Contingencies Applicable to Listings: Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants in the “remarks section” of the listing.

Section 4.12 Listing Price Specified: The full gross listing price stated in the listing contract shall be included in the information published in the MLS compilation of current listings.

Section 4.13 Seller Contact Listings: Any form of listing in which both the seller and listing agent jointly agree to permit cooperating brokers permission to arrange showings or inspections or conduct negotiations directly with the seller shall be specified and noticed to the Participants **and include the seller's contact information** in the "showing instructions field". **All such listings shall be reported to MLS as either MLS Entry-Only Listings or Limited Service Listings as defined in Section 1.2.**

Section 4.14 Listing Multiple 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 shall be given to the Multiple Listing Service.

Section 4.15 Auction Properties: All Auction properties shall be inputted into the computer with "Auction Property" noted in the "Remarks Section" of the listing. Auction instructions, whether the auction has a reserve, and the amount of the reserve, if any, shall also be specified and noticed to the Participants in the "remarks section" of the listing.

Section 4.16 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 4.17 Expiration, Extension, and Renewal of Listings: Listings filed with the Service shall bear a definite and final termination date, as negotiated between the listing broker and the seller. Any listing filed with the Multiple Listing Service will automatically expire on the date specified in the agreement, unless renewed by the listing broker, signed by the seller, and a Report of renewal or extension is filed with the Service prior to expiration.

If notice of renewal or extension is dated after the expiration date of the original listing, then a status change form must be filled in with the new expiration date and the listing will be republished as a back on market listing. Any extension or renewal of a listing must be signed by the seller(s) and a Report shall be made and filed with the Service.

Section 4.18 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, Rhode Island Association of REALTORS or local REALTOR Board bylaws, MLS bylaws, MLS rules and regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained 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 Board or MLS for failure to pay appropriate dues, fees, or charges the Service is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant shall be advised, in writing, of the intended removal so that the suspended Participant may advise his clients.

Section 4.19 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, Rhode Island

Association of REALTORS or local REALTOR Board 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 Board or MLS for failure to pay appropriate dues, fees, or charges, the Service 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 shall be advised, in writing, of the intended removal so that the expelled Participant may advise his clients.

Section 4.20 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 shall be advised, in writing, of the intended removal so that the resigned Participant may advise his clients.

SECTION 5: SELLING PROCEDURES

Section 5.1 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 when the listing broker and seller have entered into the type of listing that is described in section 4.13 or a Limited Service Listing Agreement which authorizes the cooperating broker to negotiate with the seller directly. **A listing broker shall make alternative arrangements to show a listed property that is equipped with a lockbox to any cooperating broker who does not have a lockbox key.**

Section 5.2 The cooperating broker shall disclose his agency status at first contact with the listing broker, representative and/or seller in person, by telephone or in writing. With all listings other than those described in section 4.13 - LSL – Limited Service listings, listing broker shall respond to cooperating brokers within twenty-four hours **excluding state and federal holidays**, after receipt of a written or verbal inquiry or request from a cooperating broker.

Section 5.3 Presentation of Offers: The listing broker must make arrangements to present the offer within twenty four-hours, excluding federal and state holidays, or give the cooperating broker a satisfactory reason in writing for not doing so.

Section 5.4 Submission of Written Offers: The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulations, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

Section 5.5 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 of any offer he secures to purchase. He does not have the right to be present at any discussion or evaluation of that offer by the seller and the listing broker. However, if the seller 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 5.6 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 written counter-offer made by the seller. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser. However, if the purchaser 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 written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

Section 5.7 Reporting Pending Sales: When a purchase and sales agreement has been executed by all parties, a Report of the pending sale shall be made to the Service within forty-eight hours, excluding state and federal holidays and shall include pending date, cooperating agent and cooperating office.

(a) Active/Pending with Back-up Listings (AP)

This designation shall be used when a purchase and sale agreement has been signed, subject to meeting certain contingency conditions, i.e. mortgage contingency, inspection contingency, the property is active, and the seller wishes to solicit back-up offers due to the uncertainty of the transaction. The property shall be available for showing.

(b) Active/Hubbard (AH)

This designation shall be used when a purchase and sale agreement has been signed, subject to a condition precedent of the buyer first closing on another property, which he has listed for sale, from which sale the proceeds would be used for financing the current sale, the property is active, available for showing, and the seller wishes to solicit back-up offers. An example of this type is a "Kick-out/Hubbard Clause" listing, whereby a buyer is given a specified amount of time to remove the contingency upon the seller's receipt of an acceptable offer from another potential buyer. The property shall be available for showing.

(c) Pending (PND) This designation shall be used when a purchase and sales agreement has been signed, subject to meeting certain contingency conditions. This designation signifies that the property is neither active nor available for showing.

Section 5.8 Reporting Closed Sales: When the sale of a listed property has closed, a Report shall be made to the Service with closing sale price and terms within forty-eight hours, excluding state and federal holidays.

Section 5.9 Reporting Cancellation of Sale: With the cancellation of any sale, the listing shall be reinstated and a Report shall be made to the Service with forty-eight hours, excluding state and federal holidays, if the listing agreement has not expired.

Section 5.10 Participant as Purchaser: If a Participant or Subscriber wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the listing broker prior to the time that an offer to purchase is submitted to the listing broker.

Section 5.11—Participant as Principal: If a Participant or Subscriber has any ownership interest in a property, the listing of which is to be disseminated through the Multiple Listing Service, that person shall disclose his interest in the appropriate field when the listing is filed with the Multiple Listing Service and such information shall be disseminated to all Multiple Listing Service Participants.

Section 5.12—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, this shall be noted in the “Remarks” section.

Section 5.13 Reporting Resolutions of Contingencies: A report shall be filed with the Service within forty-eight hours that a contingency on file with the Service has been fulfilled or renewed or the agreement cancelled by so noting in the “Remarks” section.

SECTION 6: ADVERTISING

Section 6.1 Information for Participants Only: Any listing filed with the Service shall not be made available to any broker or firm which is not a Participant or Subscriber of the MLS without the prior consent of the Service. All MLS Compilations are confidential, and the statistical and listing information therein is not to be made available to anyone other than Participants or Subscribers without the prior consent of the Service. The Service reserves the exclusive authority for the releasing of aggregated MLS statistics, listings, and physical depictions described in Section 6.4 to the media and the public.

Section 6.2 "For Sale" Signs: Only the "For Sale" sign of the listing broker may be placed on a property.

Section 6.3 "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 6.4 Physical Depictions Submitted to the Service: Physical depictions of listed property, including, but not limited to, photographs, digital images, ~~virtual tours~~, and sketches, which are submitted to the Service shall depict the property for sale and shall not include marketing or promotional messages made on behalf of the listing broker or seller. Such depictions shall become the intellectual property of the Service pursuant to Section 11.1. (Revised 12/04)

Section 6.5 Solicitation of Listing Filed with the Service: Participants shall not solicit a listing on property filed with the Service unless such solicitation is consistent with Article 16 of the REALTORS®' Code of Ethics, its Standards of Practice, and its Case Interpretations and Rhode Island real estate license law.

Section 6.6 Advertising of Listing Filed with the Service: A listing shall not be advertised or distributed by any Participant or Subscriber other than the listing broker without **inclusion of the listing company name and** the prior consent of the listing broker except as provided in Section 14 Internet Data Exchange.

SECTION 7 – DIVISION OF COMMISSIONS

Section 7.1 Compensation Specified on Each Listing: When reporting a listing to the MLS, the Participant 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. **MLS will not accept any listing for which compensation to cooperating brokers is offered by a property owner or other non-Participant.** The listing broker retains the right to determine the amount of compensation offered to other Participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law) which may be the same or different. 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 with sellers' authorization. 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 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. 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 as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale 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.

Section 7.2 Form of Compensation: The compensation specified on listings filed with the Multiple Listing Service shall appear in one of two forms. 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 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

Section 7.3 Deductions: If the listing broker intends to make any deductions, including, but not limited to, a home warranty, MLS fee, or a photo fee, from the compensation, it must be expressed clearly by denoting a specific dollar amount or percentage in the compensations fields.

Section 7.4 Concessions/Net Sales: A listing agent who plans to base a co-broke commission on the sales price excluding seller concessions shall input the listing with a Net Sales (NS) designation in the compensation fields.

If a gross commission established in a listing contract is 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. The method by which the deduction will be calculated must be clearly communicated to potential cooperating brokers prior to the first showing. However, if concession costs are to be deducted and a dollar amount or percentage is impossible to determine at the time of listing, then the listing broker must define the term "concession" in regards to that particular listing, in the "showing instructions" field and make it clear to the cooperating broker what their compensation will be based on.

Section 7.5 Alternative Compensation: A listing broker may offer any Participant compensation other than the compensation indicated on any listing published by the MLS provided that 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 or Subscribers 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.

Section 7.6 Nondisclosure: The MLS shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract nor shall the MLS publish the total negotiated commission on a listing which has been submitted to the MLS by a Participant. The MLS shall not disclose in any way the total commission negotiated between the seller and the listing broker.

Section 7.7 Changes in Compensation: 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 notice in accordance with Section 7.2.

Section 7.8 Compensation for Non-MLS Participants: The compensation offered in the MLS is intended for Participants only. Therefore, a listing broker has the sole ability to determine the amount of compensation, if any, which he will offer to a non-Participant. MLS shall make no rule on the division of commissions between Participants and non-Participants.

Section 7.9 —Dual or Variable Rate Commission Arrangements: The existence of a dual or variable rate commission arrangement (i.e., one in which the seller agrees to pay a specified commission if the property is sold by the listing broker without assistance and a different commission if the sale results through the efforts of a cooperating broker) shall be disclosed by the listing broker by including a “V” in the compensation to selling broker and buyer broker fields with the compensation amount offered. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale that results through the efforts of the seller. If the cooperating broker is a buyer’s agent, the buyer’s agent must disclose such information to his client before the client makes an offer to purchase.

SECTION 8 COMPLIANCE WITH RULES

Section 8.1 Compliance with Rules: The MLS may take the following action for noncompliance with the rules:

- (a) If a Participant fails to pay any service charge, late charge, fine or fee under the terms established by the MLS, as of the date due, the MLS may suspend service until the Participant pays his account in full. The MLS may also impose other obligations on the Participant before the MLS will restore service.

- (b) The provisions of Section 9 shall apply for failure to comply with any other rule.

Section 8.2—Applicability of Rules to Users and/or Subscribers: Subscribers 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 by virtue of this access.

Further, failure of any Subscriber or User to abide by the rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline, regardless of whether such User or Subscriber has signed an agreement with the MLS.

SECTION 9 ENFORCEMENT OF RULES AND REGULATIONS

Section 9.1 Consideration of Alleged Violations: The Board of Directors shall give consideration to all

written complaints which pertain to violations of the rules and regulations.

Section 9.2 Violations of Rules and Regulations: If the alleged offense is a violation of the rules and regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the Board of Directors of the Service, and if a violation is determined, the Board of Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Board/Association through which the MLS Participant obtained his MLS participatory rights within twenty (20) days following receipt of the Directors' decision. The Professional Standards Committee may impose sanctions, including, but not limited to suspension or expulsion from membership and such other remedies which are authorized by the "National Association of REALTORS Code of Ethics and Arbitration Manual".

Section 9.3 Complaints of Unethical Conduct: All complaints of unethical conduct shall be referred by the MLS Board of Directors to the local Board of REALTORS® for appropriate action in accordance with the professional standards procedures established in the Board's bylaws.

SECTION 10 CONFIDENTIALITY OF MLS INFORMATION

Section 10.1 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, Subscribers, and Users with prior consent of Service or as provided in 12.3.

Section 10.2 Access to Comparable and Statistical Information: Board members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive by purchase or lease all information other than current listing information that is generated wholly or in part by the MLS, including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Board members and individuals affiliated with Board members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm, except as otherwise provided in these rules and regulations.

Section 10.3 Prohibited Use of MLS Data - Any data derived from the Service that a Participant, Subscriber or User accesses from a personal computer or other computer system or manually assembles may not be reproduced or transmitted in any form to any individual or entity for compensation, regardless of whether the intended purchase or entity is a Participant, Subscriber, or User without written authorization of the Service; provided, however, such data may be used

- a. in a written appraisal report or comparable market analysis (CMA) which is prepared by a Participant, Subscriber or User or
- b. if the data, including, but not limited to, "sold" information is available from a public source.

SECTION 11 OWNERSHIP OF MLS COMPILATIONS AND COPYRIGHTS

Section 11.1 Physical Depiction Copyrighted By the act of submitting any physical depiction of a property as described in Section 6.4 to the MLS, the Participant represents that he has been authorized to grant and also thereby does grant authority for the Service to include the property listing data in its copyrighted MLS Compilation and also in any statistical report on comparables.

Section 11.2 Vested Rights, All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the MLS and in the copyrights therein, shall at all times remain vested in MLS.

Section 11.3 Lessee’s Right to Use MLS Compilation Each Participant or Subscriber shall be entitled to lease from the Service a number of copies of each MLS Compilation sufficient to provide the Participant or Subscriber and each person affiliated as a licensee with one copy of such MLS Compilation. The Participant or Subscriber shall pay for each such copy, the rental fee set by the MLS. Participants or Subscribers shall acquire by such lease only the right to use the MLS Compilations in accordance with these rules.

SECTION 12 USE OF COPYRIGHTED MLS COMPILATION

Section 12.1 Distribution: Participants shall, at all times, maintain control over and responsibility for each copy of any MLS book leased to them by the MLS, and shall not distribute any such copies or provide access or authorization to the MLS Compilation, including, but not limited to sharing passwords, forms, software and other products and services, to third parties other than Subscribers or Users. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant’s or Subscriber’s license(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 or published by the MLS where access to such information is prohibited by law.

Section 12.2 Display: Participants or Subscribers shall be permitted to display the MLS compilation to prospective purchasers or sellers only in conjunction with their ordinary business activities.

Section 12.3 Limitations on Use of MLS Information: (a) Information from MLS Compilations of current listing information, from statistical reports, or from any sold or comparable report of the MLS for public mass-media advertising by Participants as the basis for aggregated demonstrations of market share or comparisons of firms in public mass media advertising or in other public representations may not be prohibited. However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice: “This representation is based in whole or in part on data supplied by the State-Wide Multiple Listing Service. The MLS does not guarantee and is not in any way responsible for its accuracy . Data maintained by the MLS may not reflect all real estate activity in the market. Based on information from Statewide Multiple Listing Service, Inc. for the period of (date) through (date).”

- **The publication of “sold information” from the MLS of a property that was listed by another Participant for public mass-media advertising (unsolicited) by Participants may not be prohibited provided that the following conditions are met: (however, nothing shall prevent a Participant from advertising their own properties.)**
 - (i) The information is available from a public source.**
 - (ii), The advertising shall not display “days on market” or previous listing prices of individual properties.**
 - (iii) Any print or non-print forms of advertising or other forms of public representations about another Participant’s listing supplied by the MLS must include the following, or substantially similar, notice:**

“This information is based in whole or in part on data supplied by the State-Wide Multiple Listing Service. The MLS does not guarantee and is not in any way responsible for its accuracy. These properties may have been sold by other real estate companies. Data maintained by the MLS may not reflect all real estate activity in the market. Data is based on information from StateWide Multiple Listing Service, Inc. for the period of (date) through (date).”

Section 12.4 Web Sites That Display Listing Data: Any web site that displays IDX listings must be under the control of the Participant; provided, however, that Subscribers may display non-IDX listings on their web sites.

Section 12.5 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.

SECTION 13 LOCKBOX PARTICIPATION

Section 13.1 Universal Lockbox Participation: All Participants and Subscribers have the right to use the MLS Lockbox System by agreeing to abide by the contractual agreements and policies and procedures of the lockbox system.

SECTION 14 INTERNET DATA EXCHANGE

Section 14.1 A Participant may republish all or a portion of the Internet Data Exchange Database on the Internet in accordance with the following provisions and in keeping with any policies that the MLS may adopt from time to time. Unless expressly contravened by the provisions of this section, all other rules and regulations remain in full force and effort.

a. An Internet republication of another Participant’s listing shall contain only those fields of data designated by the MLS for this purpose. A Participant may display fewer fields if it chooses; provided, however, that the Participant displays the following mandatory fields:

- i.** municipality name
- ii.** property type
- iii.** MLS listing number
- iv.** listing price
- v.** MLS-approved IDX logo
- vi.** Listing firm name, with the qualifier “Listed By: (firm name)” in a display such as would not deceive or mislead the average consumer to believe that the listing belongs to another firm.

b. A Participant who republishes another Participant’s listing shall update the information on its Internet web site at least weekly and must display the date of the most recent update on the web site.

- c. A Participant shall not modify or manipulate the data which relates to another Participant listing. This prohibition relates only to the data itself and not to the physical design of the web site.
- d. The MLS-approved icon and such written explanation of the IDX Policy as the MLS requires must appear on the first page where any listing data is displayed.
- e. Any search result which identifies another Participant’s listing in a brief or “thumbnail” format shall bear the MLS-approved thumbnail icon immediately adjacent to the property information.
- f. A thumbnail display of another Participant’s listing may not include any contact information and/or branding of the Participant who owns the web site, any of its agents, or any third party
- g. A search result which produces a detailed display of another Participant’s listing shall bear that Participant’s name, the MLS-approved icon, and the MLS-approved copyright notice immediately following the property information. The Participant’s name, MLS-approved icon, and copyright notice shall be at least as large as the largest type size used to display the listing data.
- h. A detailed display of another Participant’s listing shall not include any branding of the Participant who owns the web site, Participants, Users, or any third party within the body or rectangular space whose borders are delimited by the utmost extent in each direction of the listing text and photo data.
- i. Any result identifying a listing from the IDX database shall include the following disclaimer “Information deemed reliable but not guaranteed.”
- j. Any Internet web site used for the publication of the Service and/or IDX data ~~feed (i.e. raw data)~~ or any portion thereof must be controlled by a Participant and advertised as that Participant’s Internet web site. Although the use of outsourced technology vendors for site development and operating purposes is permitted, branding of the Participant’s site must be at least as large as the largest type size and logo/images used by the vendor to display their own company information.
- k. A Participant who displays the Internet Data Exchange Database or any portion thereof shall make reasonable efforts to avoid “scraping” or capturing of the data by third parties or displaying of that data on any other web site. “Reasonable efforts” shall include, but not be limited to
 - i. monitoring the web site for signs that a third party is “scraping” data, and
 - ii. prominently posting notice on the Participant’s web site that any use of search facilities of data on the site other than by a consumer seeking to purchase real estate is prohibited.

If a Participant suspects “scraping” of the data has occurred, he shall report his suspicion and provide any and all evidence to the MLS immediately for investigation and action. A Participant shall make changes to an Internet site necessary to cure a violation of the MLS Rules and Regulations within five business days of notice, excluding state and federal holidays, from MLS of the violation during which time MLS access may be denied, and after which MLS access may be terminated.

l. No portion of the database shall be used or provided to a third party for any purpose other than those expressly provided for in Sections 11 and 12 of these rules.

m. Any non-MLS listing of which there is written consent of the seller can be co-mingled with the IDX listings on the Participant’s Internet web site, but must be denoted by using the MLS-approved “non-MLS listing” icon and disclaimer.

n. Any Participant who uses a third party to develop/design its web site shall include the MLS-mandated provisions in a written agreement with that third party.

o. Any Participant web site which displays data from the IDX Database shall be under the control of no more than one Participant.

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

q. Any Participant that has registered with MLS their intention to opt-out all their listings from the IDX program is prohibited from displaying IDX data or any portion thereof on their web site or the sites of their agents.

A thumbnail display may only include the following: text data about the listing property, a photo of the listing property, the logo of the listing broker, the MLS-approved logo, and “buttons” providing links for other information.

Complete Revisions 9/02
Revision – Section 5.1 – 12/03
Revision – Sections 1.2, 4.13, 7 – 2/05
Revision – Section 14.1.j.,14.1.p.,14.1.q. 9/05
Last Revision – Section 12.3 – 10/06

STATUS CODES

MAJOR STATUS –

A = Active

MINOR STATUS –

AA = Active

AB = Back on Market

AC = Price Changed

AN = Active New

AX = Extended

AP = Active/Pending with Back-up listings –

When a purchase and sale agreement has been signed, subject to meeting certain contingency conditions, i.e. mortgage contingency, inspection contingency, the property is active, and the seller wishes to solicit back-up offers due to the uncertainty of the transaction. The property shall be available for showing.

AH = Active/Hubbard –

When a purchase and sales agreement has been signed, subject to a condition precedent of the Buyer first closing on another property, which he has listed for sale, from which sale the proceeds would be used for financing the current sale. An example of this type is a “Kick-out/Hubbard Clause” listing, whereby a buyer is given a specified amount of time to remove the contingency upon receipt of an acceptable offer from another potential buyer.

MAJOR STATUS –

S = Sold

MINOR STATUS –

SS = Sold

SC = Sold (Under Construction)

SL = Leased

MAJOR STATUS –

O = Other Off-Market

MINOR STATUS –

PN = Pending

XP = Expired

WD = Withdrawn (from Pending/or Withdrawn Expired)

WT = Withdrawn/Early Termination

WY = Withdrawn/Exclusive Right to Re-list

WW = Withdrawn from Publication