

RE  COLORADO®

MLS Rules & Regulations

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REcolorado Board of Directors

The Board of Directors is comprised of REALTORS® who were elected to ensure that REcolorado® operates within established policy governance guidelines.

MLS Rules & Regulations Committee

The MLS Rules & Regulations Committee reviews current issues that affect existing MLS rules and makes recommendations for new rules as necessary. Once the committee formulates a recommendation, it is submitted to the Board of Directors for review. The committee serves as an objective body to address compliance issues and craft policies that support cooperation and ensure reliable, accurate listing content.

REcolorado Compliance Department

The Board of Directors grants the Compliance Department the authority to administratively consider violations of the MLS Rules & Regulations. The Compliance Department researches the details of alleged violations, monitors listing content and notifies the MLS Rules & Regulations Committee of all policy recommendations from NAR. The Compliance Department is dedicated to ensuring the accuracy and security of MLS listing content and improving the understanding of the MLS Rules & Regulations.

Reporting Violations

The Compliance Department relies heavily on Subscriber support to maintain accurate MLS listing content. Reported violations must be submitted in writing via e-mail, mail or fax. Subscribers may also report a violation online by clicking the ReportIt Icon in Matrix.

Preface

REcolorado®, Inc. maintains rules and regulations to ensure that the offer of cooperation and compensation is extended to all Participants and that the sharing of listings among brokers is centralized and standardized. The process for maintaining the MLS Rules & Regulations involves the cooperative efforts of the REcolorado® Board of Directors, the MLS Rules & Regulations Committee and the REcolorado® Compliance Department. The terms “REcolorado®, Inc.,” “REcolorado®” and “MLS” are used interchangeably throughout this document.

Multiple Listing Service

- A facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public
- A means by which authorized Participants make blanket unilateral offers of compensation to other Participants
- A means by which cooperation among brokers is enhanced
- A means by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses and other valuations of real property for bona fide clients and Participants
- A means by which Participants engaging in real estate appraisal contribute to common databases
- (Entitlement to compensation is determined by the cooperating broker’s performance as a procuring cause of the sale or lease)

Participant: Any REALTOR® or non-Subscriber applicant who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these rules, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs of incidental thereto. However, under no circumstances is any individual or firm, regardless of subscribership status, entitled to Multiple Listing Service “subscribership” or “participation” unless they hold a current, valid real estate broker’s license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant’s licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “participation” or “subscribership” or any right of access to information developed by or published by a board Multiple Listing Service where access to such information is prohibited by law.

Note: Mere possession of a broker’s license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm ‘offers or accepts cooperation and compensation’ means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers

or agents in the MLS. "Actively" means on a continual and on-going basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

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

These rules are applicable to all Participants whether they are Realtors® or not. Similarly, the definition of Participant applies to a principal, partner, corporate officer, or branch office manager acting on behalf of a principal regardless of their Realtor® status.

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. Additionally, the foregoing does not prohibit association multiple listing services, at their discretion, from categorizing non-principal brokers, sales licensees, licensed and certified appraisers and others affiliated with the MLS members or participants as users or subscribers and, holding such individuals personally subject to the rules and regulations and any other governing provisions of the MLS and to discipline for violations thereof. MLSs may, as a matter of local determination, limit participatory rights to individual principal brokers, or to their firms, and to licensed or certified appraisers, who maintain an office or Internet presence from which they are available to represent real estate sellers, buyers, lessors or lessees or from which they provide appraisal services. (*Amended 5/02*)

Where the terms subscriber or user are used in connection with a multiple listing service owned or operated by an association of Realtors®, they refer to non-principal brokers, sales licensees, and licensed and certified real estate appraisers affiliated with an MLS participant and may, as a matter of local option, also include a participant's affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers provided that any such individual is under the direct supervision of an MLS participant or the participant's licensed designee. If such access is available to unlicensed or uncertified individuals, their access is subject to the rules and regulations, the payment of applicable fees and charges (if any), and the limitations and restrictions of state law. None of

the foregoing shall diminish the participant's ultimate responsibility for ensuring compliance with the rules and regulations of the MLS by all individuals affiliated with the participant. *(Adopted 4/92)*

Under the Board of Choice policy, MLS participatory rights shall be available to any Realtor® (principal) or any firm comprised of Realtors® (principals) irrespective of where they hold primary membership subject only to their agreement to abide by any MLS rules or regulations; agreement to arbitrate disputes with other participants; and payment of any MLS dues, fees, and charges. Participatory rights granted under Board of Choice do not confer voting privileges or eligibility for office as an MLS committee member, officer, or director, except as granted at the discretion of the local board and/or MLS. *(Amended 5/97)*

The universal access to services component of Board of Choice is to be interpreted as requiring that MLS participatory rights be available to Realtor® principals, or to firms comprised of Realtor® principals, irrespective of where primary or secondary membership is held.

The MLS may charge participants and subscribers not holding primary or secondary membership in a Realtor® association that owns the MLS a different amount than charged to members of the association, provided that such charge is reasonably related to the actual costs of serving those members.

None of the foregoing shall be construed as requiring an association to grant MLS participatory rights, under Board of Choice, where such rights have been previously terminated by action of that association's board of directors.

User: Any associate with an active Colorado real estate license, certified or licensed appraiser or clerical staff accessing the MLS who works directly under the supervision of an MLS Participant.

Subscriber: Both Participants and Users of the MLS.

Listing Procedures

Section 1.0 Listing Procedures: All listings must be submitted to the MLS within three business days after all necessary signatures have been obtained and/or within three business days after the start of listing period stated in the listing agreement.

Any listing agreement between a seller and a listing broker that provides that cooperative compensation cannot be offered or paid to a cooperating broker if the purchaser holds a particular license or credential, engages in a particular trade or profession, or if the range of potential purchasers is otherwise arbitrarily restricted, is not eligible for inclusion in MLS.

Only one listing may be submitted unless approval is received from the MLS. Plans for residences or buildings and builder models will not be accepted into the MLS without a designated address, lot, site or legal description. However, they can be submitted in the New Home Plan Property Type.

Exclusive right-to-sell listing contracts with submitted prospects must be identified in the MLS.

The MLS may request a copy of the listing contract to verify the accuracy of listing information.

Section 1.01 Clear Cooperation: Within one (1) business day of marketing a property to the public, the listing broker must submit the listing to the MLS for cooperation with other MLS participants. Public marketing includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public.

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

Once marketing begins the listing will be required to be submitted to the MLS within one business day. The listings may be placed in either Coming Soon Status or Active. If there are showings being held then the listing must be placed in an Active status. If there is a for-sale sign in the yard the listing must be in the MLS. If the for-sale sign contains a coming soon rider then the listing may be placed in the Coming Soon status. If there is not a coming soon rider on the sign, then the listing must be in the Active status.

Note: please see Addendum regarding Clear Cooperation on how best to comply with the rule & sanctions thereof.

Section 1.1 Types of Properties: The types of properties that may be entered in the MLS are as follows:

1. Residential
2. Residential Lease
3. Residential Income
4. Land
5. Farm
6. Manufactured in Park
7. Commercial Sale
8. Commercial Lease
9. Specialty
10. Business Opportunity

Section 1.2 Listings Subject to the MLS Rules & Regulations: Every listing submitted to the MLS will be subject to the MLS Rules & Regulations. Listing brokers and Participants are responsible for the accuracy of their listings.

Section 1.3 Availability of Listed Property: Listing brokers must accurately represent the availability of access to show or inspect a listed property. Every listing with an Active status must be available for showings. Any restrictions on showing availability must be disclosed. Additionally, if showings will be delayed; the date they will begin must be entered in the No Showings Until field. Showings are not allowed in a Coming Soon status.

Section 1.4 Exempted Listings: If a seller requests his or her property and/or address be exempted, this must be memorialized in writing in the listing contract. If the seller refuses the listing to be disseminated by the service, the Participant may then take an office exclusive and such listing shall be submitted to the MLS but not disseminated to the Participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the service.

This Must Be at the Direction of the Seller and NOT the listing broker. However, MLS Participants must submit exempt listings within one (1) business day once the listing is publicly marketed. See Section 1.01, Clear Cooperation

Section 1.4.2 Internet Exempted Listings: Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within 48 hours.

Section 1.5 Listing Period: The Expiration date submitted to the MLS must correspond to the date specified in the Listing Contract (except when it is modified by amend/extend). The listing period will begin when the listing is made Active and will continue until the listing is in an Off- Market status. This will be referred to as Days In MLS. If the listing broker and/or listing office expires and enters the same property within thirty days a violation of the MLS rules will occur, and immediate \$100 fine will be assessed.

Section 1.6 Detail on Listings Filed with the MLS: Listing information submitted to the MLS, whether it is required or optional, must be accurate. Required fields vary between types of properties.

Section 1.9 Reporting Status Changes to the MLS: When the status of a listing changes to Pending, Closed, Leased, Expired/Terminated, Withdrawn or back to Active, it must be reported to the MLS within three business days. Failure to report status changes within 3 business days will result in an immediate \$25.00 untimely status change fine. Per MLS Rules & Regulations Section 8.1 (7) & (8) Repeat Offenders will be referred to the MLS Rules Committee for appropriate further action.

Section 1.10 Reporting Changes to Listing Information: When the seller authorizes a change to the original listing contract, the listing broker must submit the change to the MLS within three business days.

Section 1.11 Withdrawal of Listing Prior to Expiration: Property listings may be withdrawn from the MLS by the Listing broker prior to the Expiration Date specified in the listing contract. Listings in a Withdrawn status are subject to a valid listing agreement and will move into Expired status once the Expiration date has been reached. The MLS may request written confirmation from the Listing brokers and/or sellers to confirm that the listing should have been withdrawn.

Section 1.12 Contingencies Applicable to Listings: Contingencies or conditions placed on any term in a listing must be specified and noticed to the Participants.

Section 1.12.0 Resale Restrictions Applicable to Listings: Properties with resale restrictions containing appreciation or other buyer qualifications or any other restrictions must be specified and noticed to the Participants.

Section 1.12.1 Possibility of a Short Sale: If it is likely or possible that a listed property could be a short sale, disclosure must be made within three business days when reasonably known to the Listing broker. Please see Section 6.0 Compensation Specified on Each Listing, note 3, regarding short sale compensation.

Section 1.13 Listing Price Specified: The listing price must be stated as the List or Base price. If subject to an auction, disclosure must be made in the Special Listing Conditions field. The auction price must not be lower than the reserve or lowest allowable bid. The listing price includes all portions of real or personal property identified in the listing features and description. The base price excludes any builder upgrades.

Should a mistake occur when entering the Original List Price, REcolorado® may request written documentation to correct a mistake.

Section 1.14 Expiration, Extension and Renewal of Listings: Unless they are renewed by the Listing broker, Active and Withdrawn listings will automatically expire on date entered in the MLS which should be the date specified in the listing contract. All extensions and renewals must be in writing. Verbal extensions and renewals may not be entered in the system.

An expired listing that is relisted by the same Listing broker within thirty (30) days will be subject to a violation of these rules.

Sellers do not have the unilateral right to require the MLS to expire a listing without the Listing broker's approval. However, when a seller can document that his or her exclusive relationship with the Listing broker has been terminated, the MLS may expire the listing at the request of the seller.

Section 1.15 Termination (Expiration) Date on Listings: All listings filed with the MLS must have a definite and final termination (expiration) date, which is negotiated between the listing broker and the seller. The system will automatically expire Active and Withdrawn listings on the termination (expiration) date entered.

Section 1.16 Parcel Identification or Tax Identification Number: The accurate Parcel number must be specified on all listings submitted to the MLS.

Section 1.17 Public Remarks: The Public Remarks field enables brokers to describe a specific listed property by identifying valuable qualities, details and inclusions. Information included in the Public Remarks is intended for public viewing on Internet sites, brochures, fliers, etc., and should identify features of the property rather than details about any individual and/or entity. Subscribers are prohibited from displaying any personal advertising at any time in the Public Remarks section of the listing. Restricted information includes, but is not limited to, phone numbers, e-mail addresses, web addresses, company and/or personal names, co-op compensation and other financial information. However, providing a link to photographic and/or multi-media display is acceptable if the branding is specific to the listing brokerage and/or listing broker. When information is entered in the Public Remarks, it must be specific to the listed property and must comply with all federal, state and local laws (e.g., fair housing and anti-discrimination laws).

Section 1.17.1 Private Remarks: The Private Remarks field may only be viewed by other Subscribers and is intended for the Listing broker to communicate relevant details and information about a listed property, including, but not limited to, website addresses, e-mail addresses, company and/or personal names, phone numbers, co-op compensation and other financial information. When information is entered in the Broker Remarks, it must be specific to the listed property and must comply with all federal, state and local laws (e.g., fair housing and anti-discrimination laws).

Section 1.18 Listing Photographs: At least one photograph per listing must be submitted to the MLS within three (3) business days; except where the seller expressly direct that photographs of their property not appear in MLS compilations. The primary photo must be germane or specific to that listed property.

Photographs may contain text that describes valuable qualities, details and inclusions of the listed property. The text must be subtle enough not to obscure or detract from the image it is describing. Borders, watermarks, and yard signs are allowed as non-predominant features of a listing photo. Photos may not contain phone numbers, e-mail addresses, web address, company and/or personal names, co-op compensation and other financial information. Promotions, personal and/or company branding, advertisement(s) and logos are prohibited on photographs submitted to the MLS.

Use of a photograph from another Subscriber's listing is strictly prohibited unless you have written permission from the owner of the copyright.

Prior to submitting photographs all Listing brokers will be required to certify in the MLS that they hold the copyright or have obtained the proper permissions from the copyright holder to grant REcolorado the license to use.

Subscribers may not submit to the MLS any photograph where the true appearance of a property has been manipulated (e.g. removing a permanent object from the photograph, modifying the appearance of the landscape, making visual improvements that do not already exist). Virtual staging is allowed.

Note: The term photograph in this section includes but is not limited to photographs, artist renderings, blueprints, illustrations, images, graphics and builder plans.

Section 1.19 Square Footage Specified: All square footage entered in the MLS must be accurate. There are three required Square Footage fields: Above Grade Finished Area, Building Area Total and Living Area. Above Grade Living Area is all square footage in the main structure that is above or partially above grade; always excluding the basement. Building Area Total is all square footage in the main structure whether finished or not, excluding decks and garages. Living Area is all finished square footage in the main structure, including basements and attached in-law suites.

Section 1.20 MLS of Choice: Firms: If a Participant chooses to participate in REcolorado and the office is located within the service area of the metro Denver area Associations of REALTORS®, South Metro Realtors® Association, Aurora Association of Realtors®, Mountain Metro Association of Realtors®, the Realtors® of Central Colorado and Steamboat Springs Board of Realtors® all the licensees, and administrative assistants under the supervision and control of the Participant must participate in REcolorado, unless they can provide evidence that they subscribe to another MLS and are not using REcolorado products and services (MLS of Choice). Listings: All listings of the property types designated in Section 1.1 that are located within the service areas of the metro Denver area Associations of REALTORS®, South Metro Association of Realtors®, Aurora Association of Realtors®, Mountain Metro Association of Realtors®, the Realtors® of Central Colorado and Steamboat Springs Board of Realtors® must be submitted to the MLS. These listings may also be submitted to any other MLS. Participants are not required to submit properties located outside of these areas. However, they will be accepted if submitted voluntarily and must follow these rules.

Section 1.21 Fair Housing: The Participant is responsible for ensuring that no offensive words appear in any of their own or their affiliated broker associates' listings and that only trained personnel are permitted to enter listings into the MLS. The Participant is also responsible for expiring listings or information contained in listings when content, including photographs may violate applicable federal, state and local fair housing. If any errors, omissions or offensive words appear in any listing submitted to the MLS, the Participant will be liable and must, upon notification, immediately remove or correct the necessary information. Any violation of this section is an incurable offense and may subject the Participant to immediate sanctions and possible termination or suspension of MLS subscribership.

Section 1.22 Listings of Suspended Subscriber: When a Subscriber is suspended from the MLS for failing to abide by the MLS Rules & Regulations or suspended from any Association of REALTORS® for failing to abide by a duty of subscribership, including the Code of Ethics, bylaws or other subscribership obligations (except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS may be retained in the MLS, at the Subscriber's option, until they are sold, withdrawn or expired. These listings will not be reactivated or extended by the MLS beyond the termination date on the listing contract in effect at the time of suspension. If a Subscriber has been suspended from any Association of REALTORS® (except where MLS participation without Association is permitted by law) and/or the MLS for failure to pay appropriate dues, fees or charges, the MLS is not obligated to provide MLS services, such as continued inclusion of the suspended Subscriber's listings in the MLS. Prior to any removal of a suspended Subscriber's listings from the MLS, the suspended Subscriber will be advised in writing of the intended removal so that the suspended Subscriber may advise his or her clients.

Whenever suspension results from the loss of subscribership in an Association of REALTORS®, the Subscriber must reapply for subscribership with the Association he or she was suspended from, apply for subscribership with another Association of REALTORS® or apply for subscribership with the MLS as a non-REALTOR® and pay all appropriate dues, fees or charges.

Section 1.23 Listings of Expelled Subscriber: When a Subscriber is expelled from the MLS for failing to abide by the MLS Rules & Regulations or expelled from any Association of REALTORS® for failing to abide by a duty of subscribership, including the Code of Ethics, bylaws or other subscribership obligations (except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS by the expelled Subscriber may, at the Subscriber's option, be retained in the service until they are sold, withdrawn or expired. These listings will not be reactivated or extended by the MLS beyond the termination date on the listing contract in effect at the time of expulsion. If a Subscriber has been expelled from any Association of REALTORS® (except where MLS participation without Association subscribership is permitted by law) and/or the MLS for failure to pay appropriate dues, fees or charges, the MLS is not obligated to provide MLS services, such as continued inclusion of the expelled Subscriber's listings from the MLS. Prior to any removal of an expelled Subscriber's listings from the MLS, the expelled Subscriber will be advised in writing of the intended removal so that the expelled Subscriber may advise his or her clients.

Whenever expulsion results from the loss of subscribership in an Association of REALTORS®, the Subscriber must reapply for subscribership with the Association he or she was expelled from, apply for subscribership with another Association of REALTORS® or apply for subscribership with the MLS as a non-REALTOR® and pay all appropriate dues, fees or charges.

Section 1.24 Listings of Resigned Participants: When a Participant resigns from the MLS, the MLS is not obligated to provide services, such as continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information.

Section 1.25 Reinstatement of Terminated, Expelled and Resigned Participants: Whenever a Participant is terminated, expelled, suspended, or resigns from the MLS, the Participant will be charged a reactivation fee for their service to be reinstated.

Section 1.26 Participation: All Participants must sign the Participation Agreement and all Users must agree to the subscriber agreement as well as REcolorado terms and conditions & rules prior to accessing the MLS.

An Office ID will be assigned to the Participant and must be used to participate in the MLS. Every User will be assigned a unique username and password, which may not be used by any other person. Each User will be responsible for the safekeeping of his or her password. Your password is for your exclusive use in conducting real estate brokerage or appraisal duties. You agree to not share your password with any other User, including but not limited to any customer, client, other brokers or assistants, vendors or 3rd party service providers.

All Users must follow these MLS Rules & Regulations as a term of their subscribership with the MLS. This includes acknowledging that all Users who are licensed under the supervision of a Participant and all administrative assistants either licensed or unlicensed, (unless qualify for exemption) must also be assigned a unique username and password and pay applicable fees.

All Users of REcolorado sharing username and passwords with those who should have their own account (all users who are licensed under the supervision of a Participant including unlicensed administrative assistants) will be assessed a \$500 fine. Repeat offenses will be determined by the MLS Rules & Regulations Committee, with potential fines of up to \$15,000.

All Users of REcolorado sharing username and passwords with those who would not be approved to have REcolorado Subscribership will be assessed a \$5,000 fine and subject to immediate suspension of their account. Reinstatement of account will require payment of the fine and application to the MLS Rules & Regulations Committee and /or the Board of Directors for reinstatement. Repeat offenses will be determined by MLS Rules & Regulations Committee and may include fines of up to \$15,000 and possible legal action.

Section 1.27 Licensee Identification: Participants must notify REcolorado® within three business days of adding or deleting a User. Licensees must hold a valid and active Colorado real estate license or have a valid appraiser license to be a Subscriber of the MLS and to have their listings included in the MLS. Should a User's license become inactive, the User's listings may be Withdrawn or transferred to the Participant.

Section 1.28 Change of Address or Affiliation: The Participant must notify the MLS within three business days of relocating, changing office information or changing REALTOR® Board/Association affiliation.

Selling Procedures

Section 2.0 Showings and Negotiations: Appointments for showings and negotiations with the seller for the purchase of a listed property filed with the MLS must be conducted through the Listing broker, except under any of the following circumstances:

1. The listing broker gives the cooperating broker specific authority to show and/or negotiate directly with the seller, which must be disclosed in the listing.
2. After reasonable effort, the cooperating broker cannot contact the listing broker or his or her assigned representative; however, the listing broker, at his or her option, may preclude such direct negotiations by cooperating brokers.

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

Section 2.2 Submission of Written Offers and Counteroffers: The listing broker must submit to the seller all written offers until closing unless precluded by law, government rules and regulations or agreed otherwise in writing between the seller and the listing broker. Unless a subsequent offer is contingent upon the termination of an existing contract, the listing broker must recommend that the seller obtain the advice of legal counsel prior to acceptance of a subsequent offer.

Brokers working with buyers or tenants must submit to the buyer or tenant all offers and counteroffers until acceptance and must 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: Cooperating brokers, or assigned representatives acting on their behalf, have the right to participate in the presentation to the seller or lessor of any offers they secure to purchase or lease. Cooperating brokers do not have the right to be present at any discussion or evaluation of the submitted offer between the seller or lessor and the listing broker. The seller or lessor may refuse, through written instructions to the listing broker, to allow the cooperating broker to be present when his or her offer is presented. In such cases, the cooperating broker has the right to receive a copy of the seller's or lessor's written instructions. The listing broker still has the right to control the scheduling of appointments for such presentations.

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

Section 2.4 Right of Listing broker in Presentation of Counteroffers: Listing brokers, or assigned representatives acting on their behalf, have the right to participate in the presentation of any counteroffer made by the seller or lessor. Listing brokers do not have the right to be present at any discussion or evaluation of a counteroffer by the buyer or lessee. The buyer or lessee may refuse, through written instructions to the cooperating broker, to allow the listing broker to be present when his or her counteroffer is presented. In such cases, the listing broker has the right to receive a copy of the buyer's or lessee's written instructions.

Section 2.5 Reporting Resolution of Contingencies: The listing broker must notify the MLS within three business days when a contingency on file with the MLS has been fulfilled, renewed or the agreement cancelled.

Section 2.6 Reporting Canceled Contracts: If the contract fails on a listing in a Pending status, the Listing broker must make the appropriate status changes in the MLS within three business days.

Section 2.7 Pending and Pending Still Accepting Offers: When a seller and buyer have a mutually executed contract, but the property is still available for showings and offers are still being accepted, disclosure must be specified in the MLS. Any listing still accepting offers must be available for showings. Once a listing has been placed in a Pending status, the listing price may not be changed.

If negotiations were carried on under Section 2.0 hereof, the cooperating broker shall report accepted offers to the listing broker and the listing broker shall report them to the MLS.

Section 2.9 Reporting Sales to the MLS: Closed information must be reported by the Listing broker and may only be reported once.

If a listing is terminated as a result of the seller procuring the buyer, the Listing broker is still responsible for providing the closed information.

The following are required fields to be completed when reporting a closed transaction: Sale Concession Amount, Sale Concession Type, Seller Down Payment Assistance Amount, Selling Company ID, Sold Agent ID, Closed Date, Closed Price, Listing Terms, Pending Date and if the Commission was modified.

The Listing broker must abide by the following restrictions when reporting sold information:

1. The Closed Price must reflect contract price alone. All amenities, both real and personal property, must be indicated in the listing when they are included in the price.
2. The list price may not be altered to conform to the accepted offer price.

3. When a listing has been entered under more than one property type, the sold information may only be reported once. All other listings under additional property types must be expired, with notation in Broker Remarks.
4. Sale concessions must be reported in the appropriate field. Sale concessions are defined as:
 - a. Any cash or cash equivalences given by seller to buyer and any payment of buyer transaction costs made by the seller. A sale concession is not money receive for repairs of the property.
5. Seller down payment assistance must be reported. Seller down payment assistance is defined as a monetary contribution from a property's seller to a third-party down payment assistance agency, which in turn redistributes the contribution to the buyer to aid them with the down payment.
6. When a firm changes ownership and a new Office ID is assigned, the original Office ID must remain on listings sold prior to the change in ownership.

Section 2.10 Entry of Closed Listings: Exempted listings may be entered after closing for comparable and statistical analysis.

Prohibitions

Section 3.0 Information for Subscribers Only: Any listing filed with the MLS may not be made available to any non-Subscriber without the prior consent of the Listing broker.

Section 3.1 For Sale Signs: If the Listing broker places a for-sale sign on a property, the listing must be submitted to the MLS within one business day. If there is a coming soon rider on the for-sale sign, then the listing may be entered in a Coming Soon status. If there is not a coming soon rider on the for-sale sign, then the listing must be entered in an Active status.

Only the for-sale sign of the Listing broker may be placed on a property. When the Listing broker places a for sale sign on a property without submitting the listing to the MLS, a copy of the listing contract may be requested to verify that it was memorialized in the listing contract the seller did not want the listing entered in the MLS. However, if the listing is being publicly marketed then the listing must be submitted to the MLS within one business day.

Section 3.2 Sold Signs: Prior to closing, only the Listing broker may post a sold sign on a property. However, if the Listing broker gives their authorization, the cooperating broker may post such a sign.

Section 3.3 Solicitation of a Listing Filed with the MLS: Subscribers are prohibited from soliciting a listing on a property filed with the MLS unless such solicitation is consistent with Article 16 of the REALTORS® Code of Ethics, its Standards of Practice and its Case Interpretations. This 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. This includes listings in all statuses. Subscribers must still ensure that the property has not been relisted in an Active status or is currently in a Withdrawn status prior to contacting a seller.

Section 3.4 Use of MLS in Participant Name and Web Address:

1. **Use of REcolorado® Trademarks Prohibited:** Participants, Users and Licensees shall not use the copyrights or trademarks of REcolorado®, Inc. and shall not use REcolorado® logo, “REcolorado®”, “REcolorado® MLS” or derivatives thereof in Participant names, name of their firm, domain names, web addresses, uniform resource locators (URLs), social medial handles/ names or locators or e-mail addresses. Participants, Users and Licensees shall not use REcolorado logos, “REcolorado, MLS” or derivatives thereof in Participant names, name of their firm, domain names, web addresses, and uniform resource locators (URLs), social medial handles/ names or locators or e-mail addresses.
2. **Use of Term “MLS” Prohibited:** Participants, Users and Licensees shall not use the term “multiple listing service,” the acronym “MLS,” or derivatives thereof, in Participant names, except as provided in Section 3.4 (3). In addition, Participants, Users and Licensees shall not use the term “multiple listing service,” the acronym “MLS,” or derivatives thereof in Participant names, name of their firm, domain names, web addresses, uniform resource locators (URLs), social medial handles/ names or locators e-mail addresses, blog address, or in any other way represent, suggest or imply that the individual or firm is an MLS, or that they operate an MLS. All existing uses of such terms must cease no later than April 30, 2009 unless the Participant’s or User’s name is protected by, and only to the extent protected by, Section 3.4 (3).

Participants, Users and Licensees shall not represent, suggest or imply that consumers or others have direct or indirect access to MLS databases, or that consumers or others can search MLS databases (e.g., “Search the MLS”, “Access REcolorado® MLS”, etc.) available only to Participants, Users and Licensees.

3. **Prospective Application:** Section 3.4 (2) shall not apply to uses of the term “multiple listing service,” the acronym “MLS,” or derivatives thereof, in Participant, User or Licensee names which were in effect on the date this rule was adopted (May 5, 2008). Such prior use, on or before October 31, 2008, shall include a disclaimer that provides that the Subscriber is not a multiple listing service, but is a Subscriber of REcolorado®, Inc. The disclaimer shall prominently and conspicuously appear or be verbally stated in all of the Subscriber’s advertising (verbal, written, electronic or other venue), the home page of the Subscriber’s website, any page from which visitors to the site may search for property, and any page on which another Subscriber’s listings appear. The Subscriber’s name(s), which include such prior use, shall not be sold, assigned, transferred, licensed, sub-licensed, loaned, gifted or otherwise conveyed to any other Participant, User or Licensee.

Orientation

Section 4.0 Orientation: All Subscribers must complete an orientation program within ninety (90) days of the date they were authorized to join REcolorado®. The orientation program will address the MLS Rules & Regulations, REcolorado® policies and procedures, products and services, basic listing information and Realtor benefits. Failure to attend the orientation program within 90 days will result in immediate suspension of services. Subscribers are not required to attend any other courses as a requirement of participation in the MLS.

Use of Lockboxes

Section 5.0 Use of Lockboxes: Lockboxes are not security devices; they are used to expedite the showing of properties. REcolorado® does not provide lockboxes and Listing brokers may use any type of lockbox they choose. Cooperating brokers must contact the Listing broker or his or her assigned representative to arrange appointments to show or enter a listed property. Combinations to lockboxes are prohibited from publication in the MLS.

Division of Commissions

Section 6.0 Compensation Specified on Each Listing: The Listing broker must specify, on each listing filed with the MLS, the compensation offered to other MLS 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 contract. In such instances, entitlement to cooperative compensation offered through the 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 contract; 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 contract might not be paid; and how promptly had the Listing broker communicated to cooperating brokers that the commission established in the listing contract might not be paid.

In filing a property with the MLS, the Participant is making blanket unilateral offers of compensation to the other MLS Participants, regardless of the service level offered, and must; therefore, specify the compensation being offered to the other Participants on each listing filed with the MLS. Specifying the compensation on each listing is necessary because the cooperating broker has the right to know what his or her compensation will be prior to his or her endeavor to sell or lease.

The Listing broker retains the right to determine the amount of compensation offered to other Participants (acting as buyer agents or in other agency or non-agency capacities defined by law), which may be the same or different. This does not preclude the Listing broker from offering any 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 an offer to purchase and provided that the modification in the specified compensation is not the result of any contract among all or any other Participants in the MLS. Any superseding offer of compensation must be expressed as either a percentage of the gross or net sales price or as a definite dollar amount. If paid off net, this must be clearly identified in broker remarks.

Note 1: The MLS will not have a rule requiring the Listing broker to disclose the amount of total negotiated commission in the listing contract, and the MLS will not publish the total negotiated commission on a listing that has been submitted to the MLS by a Participant. The MLS will not disclose the total commission negotiated between the seller and the Listing broker in any way.

Note 2: The compensation specified on listings filed with the MLS must appear in one of three forms. The information to be published must 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 Cooperating broker submitting an offer to purchase. The compensation specified on listings published by the MLS must be shown in one of the following forms:

- a. By showing a percentage of the gross selling price
- b. By showing a definite dollar amount
- c. Showing a percentage of the net selling price

Note 3: The listing broker may, from time to time, adjust the compensation offered to other MLS Participants for their services with respect to any listing by advance published notice to the MLS so that all Participants will be advised in advance of their submitting an offer to purchase. When a Participant discloses a potential short sale, they must communicate to other Participants how any reduction in the commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between listing and cooperating Participant. All compensation disclosures and compensation information related to short sales must be communicated through broker remarks.

Note 4: The MLS will not make any rules on the division of commissions between Participants and non-Participants. This should remain solely the responsibility of the Listing broker.

Note 5: The MLS, 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. Compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated

must be clearly communicated to potential cooperating brokers prior to the time they submit an offer that ultimately results in a successful transaction.

Note 6: Nothing in these MLS Rules & Regulations precludes a Listing broker and a cooperating broker, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction.

Section 6.1 No Control of Commission Rates or Fees Charged to Participants: The MLS will not fix, control, recommend, suggest or maintain commission rates or fees for services to be rendered by Participants. Further, the MLS will not fix, control, recommend, suggest or maintain the division of commissions or fees between Participants or between Participants and non-Participants.

Section 6.2 Subscriber as Owner/Seller: If a Subscriber owns or shares ownership of a property that will be disseminated through the MLS, it must be specified.

Section 6.3 Subscriber as Purchaser: If a Subscriber wishes to purchase or lease a property listed by another Subscriber, such contemplated interest must be disclosed in writing to the Listing broker no later than the time an offer to purchase is submitted to the Listing broker.

Section 6.4 Dual Variable Compensation: The existence of a dual variable compensation arrangement (i.e., a contract 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 a contract 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) must be disclosed by the listing broker by marking yes in the Variable Compensation field. The Listing broker must, 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.

MLS Service Fees and Charges

Section 7.0 Assessment of MLS Fees: All MLS fees including (but not limited to) initial participation fees, recurring participation fees, etc., may be assessed to MLS Participants or to individual Users.

Recurring Participation Fees (Monthly Maintenance Fees): The fee of each Participant within REcolorado's service area shall be an amount equal to the monthly maintenance fee times each Participant or individual User this includes all who are licensed and under the supervision of the Participant, administrative assistants licensed and unlicensed, those licensed as a broker or an associate, or licensed or certified appraiser, unless they belong to another MLS. This does not preclude the MLS from making all Users

responsible for such financial obligations. However, should a User become delinquent on their financial obligations, the Participant will then become financially responsible for that User if User(s) is still licensed and under the supervision of the Participant.

Note: In cases where the MLS holds the individual User(s) responsible for such financial obligations, the MLS will notify the Participant of the individual Users' delinquent accounts and the Participant will only be financially responsible for individual Users' fees after such notification; provided that the individual User(s) is still licensed and under the supervision of the Participant.

Section 7.1 Waivers of MLS Fees; MLS of Choice: Upon request, a Participant may be granted a waiver for MLS fees with respect to any individual 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, provided the individual does not use any MLS products or services or is out of REcolorado's service area. Upon request REcolorado will provide a no-cost waiver of MLS fees for any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS or CIE where the Principal broker participates. MLS may, at their discretion may require that broker Participants sign a certificate for nonuse of its MLS services by their licensees, which can include penalties and termination of the waiver if violated.

Business Interruptions: REcolorado®, the shareholder Associations of REALTORS® and the participating Associations of REALTORS® are not liable for any damages that may result from interruptions in MLS service. REcolorado® will not issue credits or refunds for any failure or delay in performance that results from the required procedures of system preventative maintenance, operations or repair.

Compliance with the MLS Rules & Regulations

Section 8.0 Applicability of Rules to Subscribers: All Subscribers are subject to the MLS Rules & Regulations and may use MLS access for only those activities authorized under their respective licensure and in accordance with these rules and may be disciplined for violations thereof.

Participants are ultimately responsible and accountable for each of their affiliated Users, their compliance with the MLS Rules & Regulations and their payment of fees and/or sanctions. Participant agrees that the enforcement of these rules is at the sole discretion of the REcolorado compliance team, the MLS Rules & Regulations Committee and the Board of Directors. By becoming and remaining a Participant, each Participant agrees to be subject to these rules and regulations, the enforcement of which are at the sole discretion of the Committee & REcolorado Board of Directors.

Section 8.1 Enforcement of MLS Rules: Any complaint concerning an alleged violation of the MLS Rules & Regulations must be made in writing and submitted to REcolorado for review. The complainant's information will not be disclosed.

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 and the Committee 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 association in accordance with the bylaws and rules and regulations of the association of REALTORS® within twenty (20) days following receipt of the directors' decision.

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

1. All written complaints concerning potential violations of the MLS Rules & Regulations will be researched to determine whether a violation occurred. Complaints must be filed with the MLS within 180 days of the sold date to be considered.
2. All violations are considered confidential.
3. If, after researching a complaint, it is determined that none of the MLS Rules & Regulations have been violated, REcolorado will respond to the complainant with an explanation of why no violation occurred.
4. The Committee & Board of Directors shall give consideration to all written complaints having to do with violations of the rules and regulations. The Board of Directors gives REcolorado the authority to the Compliance Department to research a listing when a written complaint to report an alleged violation has been filed. The Compliance Department and the MLS Rules & Regulations Committee may, through administrative authority granted by the REcolorado Board of Directors, impose discipline for violation of the rules and other MLS governance provision. Discipline that may be imposed may consist of one or more of the following:
 - a. Courtesy Notification
 - b. Violation Notification
 - c. Letter of reprimand to the Participant or User or both
 - d. Attendance at MLS orientation or other appropriate courses or seminars which the Subscriber can reasonably attend taking into consideration cost, location and duration
 - e. Appropriate, reasonable sanction(s) not to exceed \$15,000
 - f. Probation for a stated period not less than (30) days nor more than one (1) year (should any violation occur within the probation period the matter will be referred to the MLS Rules & Regulations Committee for further discipline)

- g. Suspension and/or termination of MLS rights, privileges and services with no right to reapply for a specified period not to exceed three (3) years (only at the discretion of the Board of Directors).
5. If it is determined that a violation of the rules did occur and does not involve an alleged violation of one or more Standards of Conduct, as set forth in Section 17 of the MLS Rules & Regulations or request for arbitration, an email notice of Non-Compliance will be sent to the Listing broker and copied to the Participant to request correction of the violation. In the event, there is not an email address for the listing broker the notice will be sent by certified mail.
6. Subscribers are given three days from the date of the notice is issued to correct the violation(s). For each three-day period that the violation goes uncorrected fine(s) may be assessed. Fines range from \$25.00 to \$15,000 dollars depending on the severity. Notices and fines are progressive.
7. The severity of discipline will increase incrementally and will commensurate with the offense. Multiple repeated violations and flagrant disregard for the rules; or violations that may negatively influence the effective and efficient functioning of the MLS or may potentially harm clients, customers or the public will be referred to the MLS Rules & Regulations Committee for the appropriate discipline and/or may be subject to immediate sanctions.
8. Should the same Subscriber violate a specific rule again within a year from the date of the most recent notice, it may be considered a repeat offense. The severity of discipline with repeat offenses will increase incrementally for subsequent violations. Multiple repeat offenses will be referred to the MLS Rules & Regulations Committee for further appropriate discipline.
9. All fees and sanctions will be payable under the same terms and conditions set for MLS bills.
10. REcolorado® may, in its sole discretion, deny service to any Subscriber. As well as any Subscriber who has violated the Standards of Conduct, as set forth in Section 17 of the MLS Rules & Regulations, when the violation resulted in declaratory judgment being entered by any court of competent jurisdiction.

All other complaints of unethical conduct shall be referred by the board of directors of the service to the association of REALTORS® for appropriate action in accordance with the professional standards procedures established in the association's bylaws.

Section 8.2 Review of an Imposed Sanction: Any recipient of a sanction may request a review of the Fine.

1. Any request to review an imposed fine must be made in writing and must be submitted within 30 days of the date the fine was assessed. The written request must state a reason for seeking the review. The MLS Rules & Regulations Committee will review the written request at their next regularly scheduled meeting.
2. The Subscriber may request to appear before the committee to make a presentation of no more than 15 minutes to state his or her reasons for requesting the review.

3. During the review process, the Subscriber must comply with REcolorado Compliance team, and/or the MLS Rules & Regulations Committee's current decision or interpretation of the rule and sanction.
4. If the fine is upheld by the MLS Rules & Regulations Committee, the Subscriber may request a second review of the decision by the Board of Directors. The request must be made in writing stating the reason(s) for the second review within 30 days of the date the original request was denied by the MLS Rules & Regulations Committee. The Subscriber must appear in person before the Board of Directors and will have no more than 15 minutes to make his/her presentation.
5. Failure to appeal within the time limitations set forth above will result in a complete waiver of rights to request further review of the matter.

Section 8.3 Review of a Decision or Interpretation of the Rules: Upon receipt of a Violation Notice the Subscriber may request review of a decision or interpretation of a rule by the MLS Rules & Regulations Committee.

1. Any request for a hearing to review a decision or interpretation of the rules by the MLS Rules & Regulations Committee must be submitted by the Subscriber in writing to the committee Chair within 30 days of the date the Violation Notice was issued. In the case of a letter alleging violation of Internet display of listings, a written request to review the decision or interpretation must be made within 30 days of the date of the violation notification letter. The written request for a hearing must state a reason for seeking the review. Failure to request a hearing within these time limitations will result in a complete waiver of the rights to request a hearing to review the matter.
2. During the review process, the Subscriber must comply with the REcolorado Compliance team, and/or the MLS Rules & Regulations Committee's current decision or interpretation of the rule.
3. The MLS Rules & Regulations Committee will follow due process in accordance with the Professional Standards Process outlined in the National Association of REALTORS® Code of Ethics and Arbitration Manual.
4. The MLS Rules & Regulations Committee will be required to schedule a meeting within 30 days of the request for review.
 - a. In the event the MLS Rules & Regulations Committee decision is in favor of a rule change; the recommendation will be forwarded to the REcolorado Board of Directors for their consideration. The MLS Rules Committee Chairman will appear before the Board to explain the Committee's rationale.
 - b. In the event the MLS Rules & Regulations Committees' decision is contrary to the opinion of the Subscriber; the Subscriber will be required to abide by the existing rules and may request review by the Board.

MLS Information

Section 9.0 Confidentiality of MLS Information: Any information provided by the MLS will be considered official information of REcolorado®. Such information will be considered confidential and is exclusively for the use of Subscribers.

Section 9.1 REcolorado® and the Associations of REALTORS® are not responsible for the Accuracy of Information: The information published and disseminated by the MLS is communicated verbatim, without change by the MLS, as filed with the MLS by the Subscriber. The MLS does not verify the information provided by its Subscribers and, consequently, disclaims any responsibility for its accuracy. Each Subscriber agrees that REcolorado®, the shareholder Associations of REALTORS® and their participating Associations of REALTORS®, Realtors of Central Colorado and Steamboat Springs Association of Realtors are not responsible or liable for any inaccuracy or inadequacy in the information provided. Furthermore, REcolorado®, the shareholder Associations of REALTORS® and their participating Associations of REALTORS®, Realtors of Central Colorado, Steamboat Springs Realtor Association are not responsible or liable for any violations to fair housing laws or applicable federal or state laws or regulations.

Ownership of MLS Compilations and Copyrights

Section 10.0 Authorization of Seller: The Participant owns the listing agreement. Prior to submitting a listing to the MLS, the Listing broker should own, or have the authority to *license* all listing content (e.g. photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to a listed property) to be published in the MLS compilation of listing information.

Use of listing and listing information by MLSs for purposes other than the defined purposes of MLS requires Participant's consent. Such consent cannot be required as a condition of obtaining or maintaining MLS participatory right. MLSs may presume such consent if listing brokers are given adequate notice of any intended use unrelated to the defined purpose of MLS and given the opportunity to affirmatively withhold consent for that use.

Participants cannot be required to transfer *ownership* rights (including intellectual property rights) in their listings or listing content to MLS to obtain or maintain participatory rights except that MLSs may require participants to *grant the licenses necessary for* storage, reproduction, compiling and distribution of listings and listing information to the extent necessary to fulfill the defined purposes of MLS. MLSs may also require participants to warrant that they have the rights in submitted information necessary to grant these rights to MLS.

The term MLS compilation, as used in Sections 10 and 11, describes any format in which property listing content is collected and disseminated, including, but not limited to, bound book, loose leaf binder, computer database, card file, flyers, MLS printouts.

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

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

Prior to submitting photographs all Listing brokers will be required to certify in the MLS that they hold the copyright or have obtained the proper permissions from the copyright holder to grant REcolorado the license to use.

Section 10.0.1 Digital Millennium Copyright Act (DMCA): The Digital Millennium Copyright Act (DMCA) is a federal copyright law that enhances the penalties for copyright infringement occurring on the Internet. The law provides exemptions or “safe harbors” from copyright infringement liability for online service providers (OSP) that satisfy certain criteria. Courts construe the definition of “online service provider” broadly, which would likely include MLSs as well as participants and subscribers hosting an IDX display.

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

1. Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, participant, subscriber, or other individual or entity.
2. Develop and post a DMCA-compliant website policy that addresses repeat offenders.
3. Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.
4. Have no actual knowledge of any complained-of infringing activity.
5. Not be aware of facts or circumstances from which complained-of infringing activity is apparent.

6. Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

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

Section 10.1 Right, Title and Interest: All right, title and interest in each copy of every MLS compilation created and copyrighted by REcolorado®, and in the copyrights therein, must at all times remain vested in REcolorado®.

Section 10.2 Entitlement to MLS Compilations: Each Participant will be entitled to license from REcolorado® a number of copies of each MLS compilation sufficient to provide the Participant and each affiliated User with one copy of the compilation. The Participant must pay for each copy (the fee for which will be set by REcolorado®).

Through this license, Subscribers will only acquire the right to use the MLS compilation in accordance with these MLS Rules & Regulations.

Section 10.3 Editorial Control: REcolorado® will not be responsible for reviewing, editing or exercising any form of editorial control over the content of REcolorado® products and services.

Section 10.4 Change in REcolorado® Products and Services: REcolorado® reserves the right to modify any or all REcolorado® products or services.

Use of Copyrighted MLS Compilations

Section 11.0 Distribution: Participants are responsible for each copy of any MLS compilation licensed to them by REcolorado® and, therefore, must maintain control over each copy. Participants may only distribute copies to other Subscribers. Use of information developed by or published by the MLS is strictly limited to the activities authorized under a Participant's licensure or certification, and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or subscribership or any right of access to information developed or published by the MLS where access to such information is prohibited by law.

No Subscriber may distribute, provide or make any portion of the MLS database available to any person or entity that is not authorized by the MLS Rules & Regulations to receive such information. Subscribers may not reproduce, sell, license, rent, transfer, transmit, broadcast, display, publish or commercially exploit or allow anyone else to reproduce, sell, license, rent, transfer, transmit, broadcast, display, publish or commercially exploit any information obtained from the MLS without prior written consent from REcolorado®.

Section 11.1 Display: Subscribers will be permitted to show the MLS compilation to prospective purchasers or sellers in conjunction with their ordinary business activities and their attempts to locate ready, willing

and able buyers for the property described in the MLS compilation. However, those compilations do not include fields that are considered confidential and intended for brokers only.

Section 11.2 Reproduction: Subscribers are prohibited from reproducing any MLS compilation or any portion thereof, except in the following limited circumstances:

Subscribers may reproduce from the MLS compilation and distribute to prospective purchasers not more than 100 copies of property listing content contained in the MLS compilation that relate to any properties in which the prospective purchasers are or may, in the judgment of the Participant or their affiliated broker associates, be interested. Each copy must include the listing office which must be prominently displayed.

Subscribers may not show or reproduce listing content pertaining to properties that prospective purchasers have not expressed interest in, or the Subscriber is not seeking to promote interest in.

Nothing contained herein precludes any Participant or affiliated broker associate from utilizing, displaying, distributing or reproducing property listing sheets or other compilations of content pertaining to their own listings.

Any MLS information, whether provided in written, printed or electronic form, is provided for the exclusive use of Subscribers. Such information may not be transmitted, retransmitted or provided, in any manner, to any unauthorized individual, office or firm.

None of the forgoing prevents any individual legitimately in possession of current listing information, closed information, comparable or statistical information from utilizing such information to support valuations on properties for clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. MLSs must either permit the use of existing data feeds or create a separate data feed to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by the MLS Rules & Regulations.

Use of MLS Information

Section 12.0 Limitations on Use of MLS Information: Content from the MLS compilation of current listing information, REcolorado's® Statistical Report and/or Closed or comparable reports may be used for public mass media advertising or other public representations. However, any print or non-print forms of advertising or other public representations that are based in whole or in part on information supplied by REcolorado® must clearly demonstrate the period from which the information was obtained. All public representations and mass media advertisements must include the following notices:


- “Based on information from REcolorado®, Inc. for the period (date) through (date).”
- “Not all properties were listed and/or closed by Company.”
- “This representation is based in whole or in part on content supplied by REcolorado®, Inc. REcolorado®, Inc. does not guarantee nor is it in any way responsible for its accuracy. Content maintained by REcolorado®, Inc. may not reflect all real estate activity in the market.”

Referring to specific listings on advertisements and public representations is acceptable. Every property listed and/or closed by anyone else must include the Listing Office name.

The Notices must be prominently displayed in a readily visible color and typeface.

Advertisements that knowingly or negligently make libelous, slanderous, defamatory, obscene, pornographic, profane, vulgar, repulsive, abusive or otherwise offensive or illegal material may not be displayed. REcolorado®, in its sole discretion, will determine whether the contents or materials presented as advertising on the display of MLS content could be reasonably construed as offensive and should, therefore, be prohibited. REcolorado® reserves the right to prohibit, in its sole discretion, any advertising that REcolorado® deems offensive or otherwise inappropriate.

Section 12.1 Advertising of Listings Filed with the MLS: It is prohibited to advertise other Participants’ listings, other than Closed listings, without prior consent. This does not refer to IDX, which requires prior approval from the MLS and is governed under Section 15.0 of these rules.

Section 12.2 Use of MLS Logo in Advertising: The official registered MLS logo () is the property of the National Association of REALTORS® and may not be used by a non-REALTOR® Subscriber to present themselves as holding REALTOR® subscribership. Any violation of this section will result in suspension or expulsion from the MLS and liability for violation of applicable trademark and copyright laws.

Section 12.4 Downloading Restrictions: Users may not download more than 500 listings from the MLS. Only Participants may persistently store more than 500 listings and must submit a signed Content License Agreement and pay all applicable fees before downloading additional listings. When downloading numerous listings, Subscribers must employ appropriate security protection (such as firewalls) provided that any security measures required may not be greater than those employed by the MLS. Offenses where there have been excessive exports of data or other abusive practices are subject to fines of up to \$15,000 and possible suspension of MLS access. Offenses where a username and password were shared with unauthorized user(s) for excessive exports of data or other abusive practices will be assessed a \$15,000 fine and subject to immediate suspension of MLS access. Reinstatement of MLS access will require payment of the fine and application to the Board of Directors for reinstatement. Repeat Offenses will be determined by legal counsel.

Section 12.5 Proper Use of MLS-Obtained E-mail Addresses: E-mail addresses in the MLS are intended for Subscribers to communicate about specific listings. For instance, e-mail addresses may be used to

contact the Listing broker with questions about the listed property, to respond to questions and to notify other Subscribers about a new listing. Even when they pertain to real estate, e-mail addresses obtained from the MLS may not be used to indiscriminately send spam. MLS content may not be exploited for commercial use.

Section 12.6 Proper Use of MLS Information: The purpose of the MLS is to market properties and offer compensation to other Participants for the sole purpose of selling the property. Trolling/prospecting Expired and/or Withdrawn listings is not an acceptable use of MLS content. Subscribers are prohibited from giving Expired and Withdrawn listing information to 3rd party servers/companies or taking MLS information in mass to purposes of lead generation. A subscriber may solicit on a listing by listing basis, but not in mass.

Section 12.7 Complaints of Unauthorized Use of Listing Content Any participant who believes another participant has engaged in the unauthorized use or display of listing content, including photographs, images, audio or video recordings, and virtual tours, shall send notice of such alleged unauthorized use to the MLS. Such notice shall be in writing, specifically identify the allegedly unauthorized content, and be delivered to the MLS not more than sixty (60) days after the alleged misuse was first identified. No participant may pursue action over the alleged unauthorized use and display of listing content in a court of law without first completing the notice and response procedures outlined in this Section 9.3 of the MLS rules.

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

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

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

Amendments

Section 13.0 Changes in MLS Rules & Regulations: Amendments to the MLS Rules & Regulations may be made from time to time by the Board of Directors. Once an amendment is made, Subscribers will be given

a 30-day grace period, unless otherwise specified, before sanctions will be assessed for violations of a newly created rule.

Arbitration of Disputes

Section 14.0 Arbitration of Disputes: Through their subscribership with the MLS, Participants agree to arbitrate disputes involving contractual issues and questions and specific non-contractual issues and questions (defined in Standard of Practice 17-4 of the Code of Ethics, which is outlined in paragraph 3 below) with MLS Participants in different firms that arise out of their relationships as MLS Participants. Arbitration is subject to the following qualifications:

1. If all disputants are REALTOR® Participants, they must arbitrate in accordance with the Professional Standards Process outlined in the National Association of REALTORS® Code of Ethics and Arbitration Manual.
2. If all disputants are non-REALTOR® Participants, or if the disputants are both REALTOR® and non-REALTOR® Participants, they must arbitrate in accordance with the Professional Standards Process outlined in the National Association of REALTORS® Code of Ethics and Arbitration Manual. REcolorado®, in its sole discretion, will select the appropriate entity for the Professional Standards Process or for arbitration.
3. Specific non-contractual disputes that are subject to arbitration are:
 - a. Where a listing broker has compensated a cooperating broker and another cooperating broker subsequently claims to be the procuring cause of the sale or lease. In such cases the complainant may name the first cooperating broker as a respondent, and arbitration may proceed without the listing broker being named as a respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction.
 - b. Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sale or lease. In such cases, the complainant may name the first cooperating broker as respondent, and arbitration may proceed without the listing broker being named as a respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance, the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction.

- c. Where a buyer or tenant representative is compensated by the buyer or tenant and, as a result, the listing broker reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sale or lease. In such cases, the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance, the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction.
- d. Where two or more listing brokers claim entitlement to compensation pursuant to open listings with a seller or landlord who agrees to participate in arbitration (or who requests arbitration) and who agrees to be bound by the decision. In cases where one of the listing brokers has been compensated by the seller or landlord, the other listing broker, as complainant, may name the first listing broker as respondent and arbitration may proceed between the brokers.
- e. Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, claims to be the procuring cause of sale or lease. In such cases, arbitration shall be between the listing broker and the buyer or tenant representative, and the amount in dispute is limited to the amount of the reduction of commission to which the listing broker agreed.

Internet Data Exchange (IDX)

Section 15.0 IDX Defined: IDX affords Participants the ability to authorize limited electronic display and delivery of their listing(s) by other Participants via the following authorized mediums under the Participant's control: websites, mobile apps, and audio devices. As used throughout these rules, "display" includes "delivery" of such listings. REcolorado will respond to all IDX request within five (5) business days, barring extenuating circumstances related to qualification and review of the vendors use of IDX content.

REcolorado enable's MLS Participants to display aggregated MLS listing information by specified electronic means in accordance with this policy. Electronic display subject to this policy means displays on Participants' public websites and displays using applications for mobile devices that is in the Participants control. For purposes of this policy "control" means Participants can add, delete, modify and update information as required by this policy. All displays of IDX listings must also be under the actual and apparent control of the Participant and must be presented to the public as being the Participant's display. Actual control requires that the Participant has developed the display or caused the display to be developed for the Participant pursuant to an agreement giving the Participant authority to determine what listings will be displayed, and how those listings will be displayed. Apparent control requires that a

reasonable consumer viewing the Participant's display will understand the display is the Participant's, and that the display is controlled by the Participant. Factors evidencing control include, but are not limited to, clear identification of the name of the brokerage firm under which the Participant operates in a readily visible color and typeface, except as otherwise provided for in this policy (e.g. displays of minimal information). All electronic display of IDX information conducted pursuant to this policy must comply with state law and regulations, and MLS rules. Any display of IDX information must be controlled by the Participant, including the ability to comply with this policy and applicable MLS rules.

Note: IDX provided listings may be displayed and shared via social media channels, with the proper required display fields; this includes a business page on Facebook (not individual pages).

Section 15.1 Internet Advertising of Listings Filed with the MLS: An IDX Subscriber may advertise other Participants' listings on the Internet only with the prior consent of the listing broker and MLS. All IDX Subscribers must adhere to the provisions in the MLS Rules & Regulations.

Section 15.2 Authorization: Through subscribership with the MLS, it is presumed that all Participants consent to the display of their listings by other Participants in accordance with the provisions detailed in the MLS Rules & Regulations. Participants must notify the MLS when they want to prevent the display of a listing (either on a blanket or on a listing-by-listing basis). If a Participant notifies the MLS that they refuse to permit the display of their listings on a blanket basis, then the Participant may not download, frame or display the aggregated MLS content of other Participants. When a Participant has given blanket authority for other Participants to display their listings on IDX websites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display. MLS Participants may not use the IDX-provided listings for any purpose other than display as provided for in these rules. This does not require Participants to prevent indexing of IDX listings by recognized search engines.

Section 15.3 Participation: Participation in IDX is available to all Participants and Subscribers who consent to the display of their listings by other Participants and broker subscribers.

1. Prior to obtaining access to the IDX content, IDX Subscribers must notify the MLS when they intend to establish display any portion of the IDX database and must give the MLS direct access for purposes or monitoring/ensuring compliance with applicable rules and policies.
2. Vendors must notify REcolorado and obtain written approval prior to providing access to the IDX content.
3. IDX Subscribers may only display the IDX database on their own website(s) or limited electronic displays which they must first register with REcolorado®. Subscribers must register all domain names accessing IDX content with REcolorado®.
4. Subscribers may not use deceptive domain names to present a false picture to the public. For instance, Subscribers must avoid using domain names that incorporate or play on competing broker and brokerage firm names.

5. MLS Participants shall present a true picture in their advertising and representation to the public, including the URLs and domain names they use, and Participants may not:
 - 1) Engage in deceptive or unauthorized framing of real estate brokerage websites;
 - 2) Manipulate (e.g. presenting content developed by others) listings and other content in any way that produces a deceptive or misleading result
 - 3) Deceptively use metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic,
 - 4) Present content developed by others without either attribution or without permission
 - 5) To otherwise mislead consumers.
6. Listings including property address can be included in the IDX displays except where the seller has directed their Listing brokers to withhold their listings or their listings property address from all display(s) on the Internet (including but not limited to, publicly-accessible websites or VOWs) or other electronic forms of display or distribution.
7. IDX Subscribers may select the listings they choose to display on their IDX websites or limited electronic display based only on objective criteria, including, but not limited to, factors such as geography or location (“uptown,” “downtown,” etc.), list price, type of property (e.g., condominiums, cooperatives, single family detached, multi-family), cooperative compensation offered by listing brokers, type of listings (e.g., exclusive right-to-sell, exclusive agency or open listing) or the level of service provided by the listing firm. Selection of listings to be displayed on an IDX site must be independently made by each Subscriber.
 - a. IDX Subscribers may limit the listings displayed on their websites or limited electronic display to a specific market area using the following fields: Area, County Code, Zip Code, City, Sub Area or Property Type if the website conforms to the following:
 - i. When a specific Area, County Code, Zip Code, City, Sub Area or Property Type is used to select listings, all listings from that Area, County Code, Zip Code, City, Sub Area or Property Type must be included on the Subscriber’s website.
 - ii. If a specific market area is chosen based upon Area, County Code, Zip Code, City, Sub Area or Property Type, the Subscriber’s website must clearly indicate which specific market area is being displayed.
8. IDX Subscribers and IDX websites or limited electronic display may not distribute, provide or make any portion of the MLS database available to any person or entity that is not authorized by the MLS Rules & Regulations. Subscribers may not reproduce, sell, license, rent, transfer, transmit, broadcast, display, publish, commercially exploit, frame and/or link; or allow anyone else to reproduce, sell, license, rent, transfer, transmit, broadcast, display, publish, commercially exploit, frame and/or link any information accessed from the IDX database to anyone without prior written consent from REcolorado®.
9. IDX Subscribers must employ reasonable methods to prevent the IDX database from being downloaded as a compilation. Subscribers are prohibited from remarketing, reselling, linking, re-

branding or re-releasing the IDX content (in whole or in part). IDX content is to promote the end user as a buyer or seller of real estate. With this intent, Subscribers may permit substantially all information from one listing at a time to be downloaded or reduced to tangible form by end users for their personal use.

10. When downloading numerous listings, Subscribers must employ appropriate security protection. (such as firewalls) provided that any security measures required may not be greater than those employed by the MLS.
11. IDX Vendors and/or Subscribers must maintain an audit trail of consumer activity on their websites and provide that information to the MLS should the MLS believe the IDX website has caused or permitted a breach in the security of the listing content or violated the MLS Rules & Regulations as related to use by consumers. Tech partners must also maintain a current list of every Subscriber that uses REcolorado® IDX content regardless of how each Subscriber accesses the IDX database. A copy of the current and updated list must be submitted to REcolorado® once every month.
12. IDX Subscribers are required to indicate on their websites that the information being provided is for consumers' personal, non-commercial use and may not be used for any other purpose.
13. Any IDX display controlled by a Participant or Subscriber that
 - a. Allows third parties to write comments or reviews about a listing or displays a hyperlink to such comments or reviews in immediate conjunction with listings, or
 - b. Displays an automated estimate of the market value of the listing or hyperlink to such estimate in immediate conjunction with the listing

either or both of those features shall be disabled or discontinued for the seller's listings at the request of the seller. This listing broker or agent shall communicate to the MLS that the seller has elected to have one or both features disabled or discontinued on all displays controlled by participants. Except for the forgoing a participants IDX display may communicate the participant's professional judgement concerning any listing. Nothing shall prevent an IDX display form notifying its customers that a feature has been disabled at the request of the seller.

14. Participants shall maintain a means (e.g. email address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property. Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or agent for the property explaining why the data or information is false. However, participants shall not be obligated to correct any data or information that simply reflects good faith opinions, advice or professional judgement.
15. Participants may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all displays are consistent with these IDX rules and the MLS Participant holds participatory rights in those MLSs. Co-mingle means that consumers

are able to execute a single property search resulting in the display of IDX information from each of the MLSs on a single search results page and that Participants may display listings from each IDX feed on a single website, webpage or display.

Section 15.4 Display: Display of listing information pursuant to IDX is subject to the following rules:

IDX provided listings must clearly present the following required IDX Fields on IDX full displays: Photo, REcolorado Logo, Listing Number, Listing Office, Status and at a minimum a link to the IDX Disclaimer & Copyright Language. Additionally, the following required IDX Fields are required on a limited display: Listing Number, Listing Office and REcolorado Logo.

1. These required Fields must be in a readily visible color and typeface on every listing that displays IDX content. These elements must be prominently displayed so that the public may readily identify other Subscriber's listings. This includes visible color and typeface not smaller than the median used in the display of listing data.
2. IDX provided listings that have minimal information or a limited display views (e.g. thumbnails, text messages, tweets, pop-ups, reports, emails, views, etc. and sharing features being generated from IDX provided listings) must clearly present three required IDX Fields: Listing Number, Listing Office and REcolorado Logo in a readily visible color and typeface on every IDX provided listing and display. These elements must be prominently displayed so that the public may readily identify IDX provided listings. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the device's application.
3. Any IDX display controlled by the Participant must clearly identify the name of the brokerage firm under which they operate IDX in a readily visible color and typeface not smaller than the median used in the display of listing data. MLS participants' firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner. Websites of licensees affiliated with a participant's firm shall disclose the firm's name and the licensee's state(s) of licensure in a reasonable and readily apparent manner.
4. Participants, Users and Licensees shall not represent, suggest or imply that consumers or others have direct or indirect access to MLS databases, or that consumers or others are able to search MLS databases (e.g., "Search the MLS", "Access REcolorado® MLS", etc.) that are available only to Participants, Users and Licensees.
5. IDX Subscribers are prohibited from modifying or manipulating information relating to other Participants' listings. (This does not limit or regulate the design elements of a website but refers to changes to actual listing content.) 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 and does not reside within the IDX content. This requirement does not restrict the format of MLS data display or display of fewer than all the available listings or fewer authorized data fields.

6. IDX Subscribers are prohibited from altering the content of the IDX database in any capacity or manner.
7. IDX listings displayed may not contain any additional fields that are not designated in the Content License Agreement. Confidential fields and information (e.g., Broker Remarks, listing and expiration dates, co-op compensation, showing instructions, property security information, etc.) may not be displayed. Any additional information or content added to the IDX display must reside outside the IDX content. IDX related content may not be altered.
8. Display of Expired and Withdrawn listings is prohibited.
9. Display of the sellers and/or occupant's name, phone number and e-mail address are prohibited.
10. IDX Subscribers must refresh all MLS downloads and all MLS content at least once every twelve (12) hours to ensure that the listing content is current and accurate.
11. Listings obtained through IDX feeds from Realtor Association MLSs where the MLS Participant holds participatory rights must be displayed separately from listings obtained from other sources. Listings obtained from other sources (e.g. from other MLSs, from non-participating brokers, etc.) must display the source from which each such listing was obtained. Displays of minimal information (e.g. thumbnails, text messages, tweets, etc. of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that included all required fields. An MLS Participant may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules and the MLS Participant or subscriber holds participatory rights in those MLSs. As used in this policy, "co-mingling" means that consumers can execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and participants may display listings from each IDX feed on a single webpage or display. Note: An MLS Participant or an MLS Subscriber may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant or MLS Subscriber holds participatory rights in those MLSs. As used in this policy, "co-mingling" means that consumers can execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page and that Participants may display listings from each IDX feed on a single webpage or display
12. IDX Subscribers may frame their websites with their own logos and navigation. Co-branding is allowed but must not be deceptive or misleading. However, third-party advertising and banners are prohibited always within the IDX content. Third-party advertising is defined as any information that is not directly related to a Subscriber's real estate brokerage business. For the purposes of this rule co-branding will be presumed not to be deceptive or misleading if the Participant's logo is larger than that of any third party.
13. IDX Subscribers are prohibited from commingling, integrating or aggregating IDX content with information specific to properties that are for sale by owner.

14. IDX Subscribers are prohibited from displaying sold content that is more than three years old unless requested; and may only display one photograph. Should an IDX Subscriber request to have access to sold data from January 1, 2012 for display in IDX, REcolorado will review the request and if vetted will allow sold data from January 1, 2012 to be downloaded or displayed under IDX, except for those listings which a Participant has withheld consent or a listing which the seller has prohibited Internet display.
15. Participants & Subscribers shall not use the term “multiple listing service,” the acronym “MLS,” or derivatives thereof, in Participant names, except as provided in Section 3.4 (3). In addition, Participants, Users and Licensees shall not use the term “multiple listing service,” the acronym “MLS,” or derivatives thereof in Participant names, name of their firm, domain names, web addresses, uniform resource locators (URLs), e-mail addresses, blog address, or in any other way represent, suggest or imply that the individual or firm is an MLS, or that they operate an MLS. All existing uses of such terms must cease, unless the Participant’s or User’s name is protected by, and only to the extent protected by, Section 3.4 (3).

Section 15.5 Violations Relative to Internet Display of Listings: The ability to display other Participant’s listings on the Internet carries with it a heavy responsibility to protect the interests of every Participant. For failure to abide by the MLS Rules & Regulations as it applies to the Internet display of listings and participation in IDX, the following will apply:

1. Notices and fines are progressive as indicated in the following sanction schedule:
 - a. Courtesy/Violation Notification
 - b. Initial Fine \$25.00
 - c. Subsequent Fine(s) \$50.00 or \$100.00
 - d. Immediate Fine \$100.00
 - e. Suspension/Termination of IDX
 - f. The matter will then be referred to the MS Rules & Regulations Committee for further discipline. Suspension and/or termination of participation in the MLS are at the discretion of the Board of Directors.
2. The severity of discipline will increase incrementally and will commensurate with the offense. Flagrant disregard for the rules; or violations that may negatively influence the effective and efficient functioning of the MLS or may potentially harm clients, customers or the public will be referred to the MLS Rules & Regulations Committee for the appropriate discipline.
3. A first offense will result in a written warning, which requires that the violation be corrected within three days
4. Violations of different sections of the IDX Agreement and MLS Rules & Regulations will constitute first offenses for those violations, except that no more than a total of five violations may occur within a 12-month period. Upon notification of the fifth violation, access to the IDX database will

be suspended or terminated for no less than 30 days and no more than one year. Termination of IDX database access will be for a stated period of one to three years as determined by the MLS Rules & Regulations Committee and REcolorado Board of Directors, and the Subscriber's listings will be excluded from the IDX database.

Section 15.6 Review of IDX Fines: Subscribers may request that the MLS Rules & Regulations Committee review an imposed fine under the following guidelines:

1. Requests for the MLS Rules & Regulations Committee to review an IDX fine must be made in writing within 30 days of the date the fine was issued and must include reason for seeking the review. The committee will review the request at their next regularly scheduled meeting.
2. The Subscriber may request to appear before the committee to make a presentation and state his or her reasons for requesting the review. However, all rules must be adhered to prior to the hearing taking place.
3. If the fine is upheld by the MLS Rules & Regulations Committee, the Subscriber may request a second review of the decision by the Board of Directors. The request must be made in writing within 30 days of the date the original request was denied by the MLS Rules & Regulations Committee. The written request for a hearing must state a reason for seeking a second review. The matter will be processed in accordance with the Professional Standards Process outlined in the National Association of REALTORS® Code of Ethics and Arbitration Manual. REcolorado®, in its sole discretion, will select the appropriate entity for the Professional Standards Process.
4. Failure to request a hearing within these time limitations will result in a complete waiver of rights to request a hearing to review the matter.

Section 15.7 Review of IDX Database Suspension/Termination: IDX Subscriber may submit a written request for the MLS Rules & Regulations Committee and/or the REcolorado Board of Directors to reinstate access to the IDX content. Written requests must include a reason for requesting reinstatement and will be considered by the committee during their next regularly scheduled meeting. Under no circumstances may access be reinstated until a waiting period of 120 days has passed from the IDX content termination date. Reinstatement will be at the sole discretion of the REcolorado Board of Directors.

Section 15.8 Termination:

1. Should an IDX Subscriber change office, the IDX approval may terminate between the MLS and the Subscriber.
2. IDX Subscribers must immediately destroy or delete IDX information that they are not authorized by the MLS Rules & Regulations to use. Furthermore, they must refrain from using or displaying, in any manner, any and all information accessed from the IDX database that they are not authorized to use.
3. Upon termination of the IDX approval or any agreement between REcolorado® and an IDX Subscriber that provides access to REcolorado's® products and services, Subscribers must

immediately destroy or delete and cease to use or display any and all information they accessed from the IDX database, including, but not limited to, listing content, REcolorado logos and IDX disclaimers.

4. When REcolorado® notifies an IDX Subscriber that certain content in the IDX database is no longer licensed; the Subscriber must destroy or delete and cease to use or display such content within three days.

Virtual Office Websites (VOW)

Section 16.0 (a): A Virtual Office Website (“VOW”) is a Participant’s Internet website, or a feature of a Participant’s website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant’s oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant may, with his or her Participant’s consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant’s oversight, supervision, and accountability.

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

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

(d) As used in Section 16 of these Rules, the term “MLS Listing Information” refers to active listing information and sold data provided by Participants to the MLS and aggregated and distributed by the MLS to Participants.

Section 16.1 (a): The right of a Participant’s VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.

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

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

Section 16.2 (a): Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:

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

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

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

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

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

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

- i. That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
- ii. That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;
- iii. That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;
- iv. That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;
- v. That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.

(e) The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.

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

Section 16.3: A Participant's VOW must prominently display the e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the Participant to ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principal broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

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

Section 16.5 (a): A Participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who

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

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

Seller Opt-Out Form

1. Please check either Option a or Option b

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

OR

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

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

Initials of seller

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

Section 16.6 (a): Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing

(b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 16.7, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customer that a particular feature has been disabled "at the request of the seller."

Section 16.7: A Participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 48 hours following receipt of a communication from the listing broker explaining why the data or information is false. The Participant shall not, however, be obliged to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 16.8: A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every 12 hours.

Section 16.9: Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.

Section 16.10: A Participant's VOW must display the Participant's privacy policy informing Registrants of all the ways in which information that they provide may be used.

Section 16.11: A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR®.

Section 16.12: A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

Section 16.13: A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the Participant.

Section 16.14: A Participant's VOW may not make available for search by, or display to, Registrants any of the following information:

- a. The compensation offered to other MLS Participants.
- b. Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.

Section 16.15: A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other

applicable MLS rules or policies as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS Listing Information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields

Section 16.16: A Participant shall cause to be placed on his or her VOW a notice indicating that the MLS Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by the MLS. A Participant's VOW may include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

Section 16.17: A Participant shall cause any listing that is displayed on his or her VOW to identify the name of the listing firm in a readily visible color, in a reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.

Section 16.18: A Participant can limit the number of listings that a Registrant may view, retrieve, or download

Section 16.19: A Participant shall require that Registrants' passwords be reconfirmed or changed every 90 days.

(Note: The number of days passwords remain valid before being changed or reconfirmed must be specified by the MLS in the context of this rule and cannot be shorter than 90 days. Participants may, at their option, require Registrants to reconfirm or change passwords more frequently.)

Section 16.20: A Participant may display advertising and the identification of other entities ("co-branding") on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant's logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

Section 16.21: A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

Section 16.22: A Participant shall cause any listing displayed on his or her VOW obtained from other sources, or from a broker not participating in the MLS to be searched separately from the listings in the MLS. Other sources do not include listings from other MLSs.

Section 16.23: Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

Section 16.24: Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within 48 hours.

Standards of Conduct for MLS Participants

Section 17.0 Standards of Conduct for MLS Participants:

1. Participants are prohibited from engaging in any practice or taking any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other Participants have with clients.
2. Signs giving notice of property for sale, rent, lease or exchange must not be placed on a property without the prior consent of the seller/landlord.
3. Participants acting as buyer/tenant representatives or brokers must not attempt to extend a listing broker's offer of cooperation and/or compensation to other brokers without the prior consent of the listing broker.
4. Participants are prohibited from soliciting a listing currently listed exclusively with another broker. However, if the listing broker, when asked by the Participant, refuses to disclose the Expiration Date and nature of such listing (e.g., exclusive right-to-sell, exclusive agency or other form of contractual agreement between the listing broker and the client) the Participant may contact the owner to secure such information and may discuss the terms upon which the Participant might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing.
5. Participants are prohibited from soliciting buyer/tenant agreements from buyers/tenants who are subject to exclusive buyer/tenant agreements. However, if the broker, when asked by a Participant, refuses to disclose the Expiration Date of the exclusive buyer/tenant agreement, the Participant may contact the buyer/tenant to secure such information and may discuss the terms upon which they might enter into a future buyer/tenant agreement or, alternatively, may enter into a buyer/tenant agreement to become effective upon expiration of any existing exclusive buyer/tenant agreement.
6. Participants are prohibited from using information obtained from the listing broker through offers to cooperate made through the MLS or through other offers of cooperating to refer listing brokers' clients to other brokers or to create buyer/tenant relationships with listing brokers' clients unless such use is authorized by listing brokers.
7. The fact that an exclusive agreement has been entered into with a Participant does not preclude or inhibit any other Participant from entering into a similar agreement after the expiration of the prior agreement.
8. The fact that a prospect has retained a Participant as an exclusive representative or exclusive broker in one or more past transactions does not preclude other Participants from seeking such prospect's future business.

9. Participants are free to enter into contractual relationships or to negotiate with sellers/landlords, buyers/tenants or others who are not subject to an exclusive agreement, but they are prohibited from knowingly obligating them to pay more than one commission except with their informed consent.
10. When Participants are contacted by the client of another Participant regarding the creation of an exclusive relationship to provide the same type of service, and Participants have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternatively, enter into an agreement that becomes effective upon expiration of an existing exclusive agreement.
11. In cooperative transactions, Participants must compensate cooperating Participants and must not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other Participants without the prior express knowledge and consent of the cooperating broker.
12. Participants are not precluded from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another Participant. A general telephone canvass, general mailing or distribution addressed to all prospects in a given geographical area or in a given profession, business, club, organization or other classification or group is deemed general for purposes of this standard. The following types of solicitations are prohibited:
Telephone or personal solicitations of property owners who have been identified by a real estate sign, multiple listing compilation or other information service as having exclusively listed their property with another Participant or mail and other forms of written solicitations of prospects whose properties are exclusively listed with another Participant when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, for sale or for rent signs or other sources of information intended to foster cooperation with Participants.
13. Participants, prior to entering into a representation agreement, have an affirmative obligation to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same time of real estate service.
14. Participants acting as buyer and tenant representatives or brokers must disclose that relationship to the seller/landlord's representative or broker at first contact and must provide written confirmation of that disclosure to the seller/landlord's representative or broker not later than execution of a purchase agreement or lease.
15. On unlisted property, Participants acting as buyer/tenant representatives or brokers must disclose that relationship to the seller/landlord at first contact for that buyer/tenant and must provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement.

Participants must make requests for anticipated compensation from the seller/landlord at first contact.

16. Participants acting as representatives or brokers of sellers/landlords must disclose that relationship to buyers/tenants as soon as practicable and must provide written confirmation of such disclosure to buyers/tenants not later than execution of any purchase or lease agreement.
17. Participants are not precluded from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage) or from offering the same type of service for property not subject to other brokers' exclusive agreements. However, information received through an MLS or any other offer of cooperation may not be used to target clients of other Participants to whom such offers to provide services may be made.
18. Participants acting as buyer/tenant representatives or brokers must not use the terms of an offer to purchase/lease to attempt to modify the listing broker's offer of compensation to buyer/tenant representatives or brokers or make the submission of an executed offer to purchase/lease contingent on the listing broker's agreement to modify the offer of compensation.
19. All dealings concerning property exclusively listed or with buyers/tenants who are subject to an exclusive agreement must be carried on with the client's representative or broker, not with the client (except with the consent of the client's representative or broker or where such dealings are initiated by the client). Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospects, Participants must ask prospects whether they are a party to any exclusive representation agreement. Participants must not knowingly provide substantive services concerning a prospective transaction to prospects who are parties to exclusive representation agreements, except with the consent of the prospects' exclusive representatives or at the direction of prospects.
20. Participants, prior to or after terminating their relationship with their current firm must not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm. This does not preclude Participants from establishing agreements with their associated licensees governing assignability of exclusive agreements.
21. These rules are not intended to prohibit ethical, albeit aggressive or innovative business practices, and do not prohibit disagreements with other Participants involving commission, fees, compensation or other forms of payment expenses.
22. Participants must not knowingly or recklessly make false or misleading statements about competitors, their businesses or their business practices.
23. MLS Participants shall present a true picture in their advertising and representation to the public, including the URLs and domain names they use, and participants may not:
 - 1) Engage in deceptive or unauthorized framing of real estate brokerage websites;

- 2) Manipulate (e.g. presenting content developed by others) listing and other content in any way that produces a deceptive or misleading result,
 - 3) Deceptively use metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic,
 - 4) Present content developed by others without either attribution or without permission or
 - 5) To otherwise mislead consumers
24. MLS Participants' firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner. Websites of licensees affiliated with a Participant's firm shall disclose the firm's name and the licensee's state(s) of licensure in a reasonable and readily apparent manner.

Glossary

The terms in this section are defined as they apply to the MLS system, MLS processes or the MLS Rules & Regulations. These terms may be used differently in the real estate industry.

Above Grade Finished Area: All above grade and partially above grade square footage within the main structure (excludes the basement, decks and garage).

Accepted Offer: When a seller and buyer have accepted, signed and received a valid offer to purchase the property.

Active: An MLS status designation indicating that a property is currently available for sale and available for showings.

Also Marketed As: this is a field found on the Marketing tab in Listing Input. It will allow a listing that is entered into the correct Property Type to appear in searches for other selected Property Types without having to enter duplicate listings.

Apartment: A structure that is divided into separate units, where an individual unit is for sale/lease.

Appraiser: A person licensed by the state of Colorado to use his or her industry experience, education and training to estimate property values.

Bank/Government Sponsored Enterprise (GSE): A financial institution licensed by a governmental entity or its assigns. Its primary activities include borrowing and lending money. A quasi-governmental institution such as Freddie Mac and Fannie Mae.

Basement: The lowest habitable level of a building that rests on a below grade foundation (e.g., cellar, standard, walk-out and garden level). Basement square footage is prohibited from inclusion Above Grade Finished Area.

Broker: An individual authorized by state licensure to use his or her industry experience, education and training to facilitate real estate transactions for another party or entity.

Broker Associate: Any individual who holds a current and valid Colorado real estate broker's license and operates under the supervision of a Participant.

Broker Load (Manage Listings): A level of access to the MLS, controlled by the Participant, which enables Users to add or change MLS listing information.

Builder: An individual or business that constructs properties designated for residential use.

Building Area Total: All finished and unfinished square footage within the main structure (excludes garages and decks, etc.).

Business Opportunity: A property type where the business is for sale. It may or may not include real property.

Buyer's Agency Compensation: is the total commission to be paid for the sale, expressed as either a percentage or constant currency amount. Any percentage amount or dollar figure greater than zero will be accepted.

Buyer's Agent: A licensed real estate broker who has established an agency relationship with a buyer to represent them in the purchase of property.

Closed: An MLS status designation indicating that a contract on a property has gone through successful closing and the purchase agreement has been fulfilled.

Closed Date: the date that the purchase of the property was finalized through the process of a successful closing.

Coming Soon: A listing agreement has been executed. The listings in not Actively on the MLS but will be moved to Active status after 7 days.

Commercial Lease/Sale: A property type that brokerages transactions such as: office, industrial, retail, hotel and special purpose.

Commission: The percentage of a property's sale price that the seller agrees to pay the listing broker upon successful closing. This figure should be indicated in the listing contract, not in the MLS.

Comparable: Properties with similar characteristics (e.g., style, area, square footage) used to estimate the value of another property.

Comparative Market Analysis (CMA): A comparison of recently sold properties with similar features used to estimate the value of another property.

Condominium (COND): A structure that is divided into separate units which can be bought and sold/leased individually. Residents share ownership of commons areas, including pools, exercise facilities and parking lots. Ut have individual ownership of the unit and airspace.

Cooperating Broker: A licensed real estate broker who contributes to the sale of another broker's listed property by procuring a buyer to purchase or lease the property.

Corporation/Trust: A legal entity that exists independently of the person or persons who created it, and that is invested with many of the rights given to individuals. A corporation may enter into contracts, buy and sell property, etc. This category can include trusts, LLC's and Partnerships.

Days in MLS: The number of days a property has been listed in the MLS. The days will begin when the listing is made Active and will continue until the listing is in an Off-Market status.

Deeded Parking: A parking space that is deeded separately and is for sale/lease.

Duplex: A type of residential property that is divided into two attached single-family dwellings.

Earnest Money: A deposit made by a buyer and attached to any valid purchase offer as evidence of his or her intent to buy the property. (The amount of earnest money is determined by the seller under advisement from the listing broker.) This amount will be specified in the listing contract.

Estate: An entity that administers assets and liabilities of a deceased person, including land, real property, personal belongings and debts.

Exclusions: Items not included in the sale of a property, including, but not limited to, washer, dryer, refrigerator, freezer, window coverings, hot tub, etc.

Exempted Listing: A property that the seller does not want listed in the MLS. This must be specified in the listing contract.

Expiration Date: The date in the listing contract on which the contract terminates.

Expired/Terminated: An MLS status designation indicating the listing contract has expired or has been terminated by agreement between broker and seller.

Farm: A property type that is 35 or more acres of land that may or may not contain buildings and either is or could be incoming producing.

Fractional: A structure where the property has multiple owners.

Government - Includes HUD, VA & Farm Home Administration: Government-owned property, public ownership or state ownership. This does not include Fannie Mae or Freddie Mac. HUD: A department of the US government that promotes private and public housing. FHA and GNMA are agencies within HUD. VA: A department of the US government that guarantees a mortgage made by an approved lender. It was designed to help veterans and their families with home ownership.

Grade: Ground level.

High-Rise Building: A structure type that consists of 8 or more floors.

IDX Subscriber: Any individual who holds a current and valid Colorado real estate broker's license and is authorized to display IDX content on his or her Internet website. Also referred to as "Subscriber".

Income (INC): A residential property type that includes multi-family properties with two or more units, which may potentially generate income for the buyer.

Incomplete: The listing has not been completely entered and is not published in the MLS. Only the office will have access to these listings. Incomplete listings that have not been updated within 30 days will automatically be removed from the system.

Individual: Natural person(s), a human being(s), not a corporation or a builder.

Internet Data Exchange (IDX): Affords Participants the option of authorizing display of their listings on other Subscribers' Internet website or electronic display.

Kick Out/Right of First Refusal: An MLS option in the Contingent Approval Conditions Field indicating there is a mutually executed contract with a contingency listed in Additional Provision of, or in an Addendum to, the Colorado Real Estate Commission form. This includes the requirement of buyers' sale of home.

Land (LND): A property type that includes vacant land zoned for non-commercial use.

Leased: the lease agreement has been executed and the property is no longer available

Lender Owned: A property acquired by a lien holder through foreclosure, deed-in-lieu, abandonment, etc. that is available for resale. Seller type includes but is not limited to: Bank/Government Sponsored Enterprise (GSE) & Government.

Listing Contract Date: The date in which the current listing broker made the listing Active in the MLS. This date may or may not correspond the listing date in the listing agreement.

Listing broker: A licensed real estate broker who; on behalf of the Participant represents the interests of the seller and operates under the terms and conditions outlined in a valid listing contract.

Listing Content: Photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information and other details or information related to listed property.

Listing Contract: A written agreement that exists between the Participant and the seller; which is required by law to define the terms and conditions of their relationship, including the type of contract, level of service, exclusions, listing period and commission structure.

Listing Input Form: Electronic and hard-copy forms through which Participants submit listings to the MLS.

Listing Terms: What financing the seller will accept as indicated in the listing agreement.

Livable Structures: additional structures on a property that are considered livable. They must have walls, floors, ceilings and a separate heat source and would be considered suitable for a person to occupy year-round.

Living Area: All finished square footage within the main structure (includes basement if finished).

Long-Term Rental: A property that can be rented for 30 days or longer.

Low-Rise Building: A structure type that consists of 1-3 floors.

Manufactured Home: Homes built on a steel chassis after June 15, 1976. They must have an installed HUD Plate and HUD Tags, (not paper attached in kitchen or bedroom). They must also have documents proving the Vehicle Identification Number (VIN) has been purged from county records. The HUD Plate is more critical than the HUD Tags, but both are required for financing. If there is no HUD Data Plate, there will be no loan; no exceptions. Manufactured homes are built to HUD factory-built code.

Mid-Rise Building: A structure type that consists of 4-7 floors.

Mobile Home: Homes built on a steel chassis prior to June 15, 1976 that do not have a HUD Data Plate and HUD Data Tags outside. These homes pre-date HUD building codes and are ineligible for "manufactured" home status. The ONLY way the home moves from mobile to manufactured is if the home has the requisite HUD Data Plate and HUD Tags after proper and permanent installation and proper records to document that the Vehicle Identification Number (VIN) has been purged.

Modular Home: Homes built in a factory or in pre-assembled modules and not on a steel chassis. The home must meet or exceed local building code at the time of construction/assembly and is therefore considered a stick-built home eligible for all the same financing options. Note: this is not meant to include pre-assembled trusses and walls.

Multi-Family: A structure that is divided into units that are in a multi-unit building, where units do not have a legal description containing condo, condominium or townhome variants.

New Home Community: A community that is being developed by a builder or master builder and will include newly built single-family residences for sale.

New Home Plan: A builder's plan for a single-family residence that has not yet been permitted, does not have an address and for which construction may not have begun.

New Home Spec: An under construction or completed single-family residence that was built "on spec" by a new home builder. It may have been a model home that is now for sale.

Manufactured in Park: A property type that consists of homes that are built on a steel chassis and is not legally attached to the land on which it is resting. The land could be leased, or the home could be sold standalone from the land.

Multi-Level: A property with 4 or more levels above grade. May also have a basement.

Multiple Listing Service (MLS):

- A facility for the orderly correlation and dissemination of listing information, which allows Participants to better serve their clients and the public
- A means by which authorized Participants make blanket unilateral offers of compensation to other Participants
- A means of enhancing cooperation among brokers
- A means by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses and other valuations of real property for bona fide clients and Participants
- A means by which Participants engaging in real estate appraisal contribute to common databases

(Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale or lease.)

Net Sales Price: Gross sales price minus buyer upgrades (new construction) and seller concession (as defined by the MLS unless otherwise defined by state law or regulation).

Open Space: Undeveloped land set aside or reserved for public or private use as defined by the governmental jurisdiction(s) where the land is located.

Parcel Number: Identifies a specific property and is found in county records identified as a PIN, County PIN or code.

Participant: Any brokerage owner, employing broker, independent proprietor, certified or registered appraiser or managing broker acting on behalf of the brokerage owner who is granted subscribership to the MLS through receipt of a signed REcolorado® Participation Agreement and who is capable of offering and accepting cooperation and compensation to and from other Participants. All Participants must agree in writing to comply with the MLS Rules & Regulations and to pay all costs associated with MLS subscribership. Participants are ultimately responsible for any affiliated Users, including their compliance with MLS Rules & Regulations and payment of all subscribership costs.

Participation Agreement: A written and signed agreement between a Participant and REcolorado® that outlines the guidelines and stipulations for subscribership.

Parcel Number: Identifies a specific property and is found in county records identified as a PIN, County PIN or code.

Patio/Cluster: A structure type where several single-family residences may or may not be attached together. Often share common landscaping services through HOA. Patio homes may have zero-lot-lines.

Pending: MLS status designation indicating seller and buyer have a mutually executed contract. An offer has been accepted and is no longer on the market. This does not mean with earnest money is received.

Private Remarks: a confidential field intended to communicate information regarding the listings to other brokers.

Public Remarks: An optional field in residential, condo, income and land listings used to communicate descriptive property information and inclusions to the public.

Outbuildings: are non-livable structures that may be used for animals or other purposes, such as a barn, stable, indoor arena or workshop.

Ownership: the person, party or entity or designee that that holds legal title to the property.

REALTOR®: A licensed real estate broker who is a Member of the National Association of REALTORS®.

REcolorado®, Inc.: Formed in March of 1984; owned by the Denver Metro Associations of REALTORS®: Aurora Association of REALTORS®, Douglas/Elbert REALTOR® Association, and South Metro Denver REALTOR® Association to provide MLS products and services from one collective source.

Relocation Company: A firm or entity that while assisting in the relocation of employees will facilitate the transfer of property to the end buyer. It may hold legal or equitable title to real property to facilitate that transfer.

Residential (RES): A property type that consists of single-family dwellings that is for sale or lease.

Residential Income: A property type that consists of multi-family properties of two to four (2-4) units which may potentially generate income for the buyer.

Sale Concession: Concessions/Buyer Credits or Incentives; includes any cash or cash equivalences given by the seller to the buyer and any payment of buyer transaction costs made by the seller. A sale concession is not money received for repairs of the property.

School Codes: A designated number that is given to every school, which is based on its area and school level.

Seller Down Payment Assistance: A monetary contribution from a property's seller to a third-party down payment assistance agency, which in turn redistributes the contribution to the buyer to aid them with the down payment.

Selling Broker: A licensed real estate broker who has established an agency relationship with a buyer to represent them in the purchase of property.

Shareholders: Denver Metro Associations of REALTORS®: Aurora Association of REALTORS®, Douglas/Elbert REALTOR® Association, and South Metro Denver REALTOR® Association.

Short Sale: A short sale is one where title transfers, the sale price is insufficient to pay the total of all liens and costs of sale, and the seller does not bring sufficient liquid assets to the closing to cure all deficiencies.

Short-Term Rental: A property that can be rented for 29 days or less.

Single Family Residence: A single family dwelling that is for sale/lease.

Specialty: A property that contains personal property that is for sale and may or may not be associated with real property. The Specialty property is transferring or describing the current use of the property and it may or may not have a deed transfer associated with it.

Sold Agent ID: The cooperating broker's Agent ID number.

Street Type: A term used to define the U.S. Postal Service's abbreviation for primary street suffixes (e.g., Ave., Blvd., Dr., Cir, etc.).

Subscriber: Both Participants and Users of the MLS.

Tax Legal Description: The County's legal description of the property which may include filing number, subdivision, township, range, section, block, boundaries and/or legal encroachments.

Townhouse: A single-family that shares a wall with another dwelling, but is not a duplex, triplex or quadruplex. NOTE: The Legal Description with Townhome, TWN, TWHM or a variant thereof must have a Property Subtype of Townhouse

Transaction Broker: A licensed real estate agent that represents the transaction rather than a buyer or seller and does not have an agency relationship to either side.

Transaction Broker Compensation: Total commission to be paid to the transaction broker expressed as either a percentage or constant currency amount. Any percentage amount or dollar figure greater than zero will be accepted.

Virtual Office Websites (VOWS): A Participant's or authorized User's Internet website through which consumers agree to receive real estate brokerage services, including the opportunity to search for MLS content subject to the Participant's oversight, supervision and responsibility.

Withdrawn: An MLS status designation indicating the listing is no longer being actively marketed through the MLS but is still subject to a valid listing contract.

Privacy Statement

As a Subscriber of the MLS, through the signature of the Participation Agreement, Participants warrant to REcolorado® Inc. that they will not use MLS content for any unlawful purpose, or any use prohibited pursuant to the MLS Rules & Regulations. Subscribers must not modify copy, distribute, transmit, display, transform, reproduce, publish, license, create derivative works from, transfer or sell any content, including, but not limited to, property information, software, products or services obtained from the MLS.

Appendix A – Clear Cooperation

What is Marketing

Marketing includes but is not limited to; distributing flyers, yard signs, digital communications such as email blasts, multi-brokerage listing sharing networks, brokerage sharing, applications available to the general public, and digital marketing on public-facing websites including IDX, VOW, and syndication portals. A listing must be entered into the MLS system, REcolorado Matrix, within one business day after any one of these marketing activities takes place.

- At the point any marketing takes place for a listing, it must be entered into REcolorado Matrix either as an Active or Coming Soon listing within one business day
- If a listing is in a Coming Soon status and there is a yard sign, it must have a coming soon rider
- Listings in Coming Soon status will not be available for syndication or IDX
- Listings in Coming Soon status will not accrue Days in MLS
- If Showings or Open Houses are taking place the listing must be in an Active status

Sanctions for Violations of the Clear Cooperation Policy MLS Section 1.1

- 1st Offense – Warning
 - Written warning sent to Participant and the Listing broker
- 2nd Offense - **\$1,500**
 - Fine to the Listing broker
- Repeat Offense(s) - **\$3,000**
 - Fine to each the Participant and the Listing broker
- Subsequent Offenses will be at the discretion of the MLS Rules Committee
- If 5 or more brokers within an office violate this rule the Participant will receive an immediate fine of **\$15,000** and **suspension**. Reinstatement will be at the discretion of the Board of Directors.

Appendix B – Property Types & Subtypes

Property Type: Residential / Residential Lease

A single-family dwelling for sale or lease.

- **Apartment** – A structure is divided into separate units, where an individual apartment (unit) is for sale/lease.
- **Deeded Parking** – A deeded parking space is for sale/lease.
- **Condominium** – A structure is divided into separate units which can be bought and sold/leased individually. Residents share ownership of common areas, including pools, exercise facilities, and parking lots, but have individual ownership of the unit and airspace.
Note: Any Legal Description with condo or condominium should have the Property Subtype of Condominium.
- **Fractional** – A structure where the property has multiple owners.
- **Multi-Family** – A structure that is divided into units that are in a multi-unit building, where units do not have a legal description containing condo, condominium, or townhouse variants.
- **New Home Community** – A “community” that is being developed by a builder or master builder and will include newly built single-family residences for sale. The community may include other amenities such as recreational centers, trails, golfing, etc.
- **New Home Plan** – A builder’s plan for a single-family residence that has not been permitted, does not have an address, and for which construction has not yet begun.
- **New Home Spec Home** – An under construction or completed single family residence that was built “on spec” (on speculation) by a new home builder. A spec home may have been a model home that is now for sale.
- **Single Family Residence** – A single-family dwelling is for sale/lease.
- **Townhouse** – A single-family that shares a wall with another dwelling, but is not a duplex, triplex or quadruplex. Note: Any Legal Description with townhome, TWN, TWHM, or a variant thereof must have the Property Subtype of Townhouse.

Property Type: Residential Income

Multi-family properties of two to four (2-4) units, which may potentially generate income for the buyer.

- **Duplex** – A structure that is divided into two attached single-family dwellings, where the entire structure is for sale.
- **Triplex** – A structure that is divided into three attached single-family dwellings, where the entire structure is for sale.

- **Quadruplex** – A structure that is divided into four attached single-family dwellings, where the entire structure is for sale.

Property Type: Land

Vacant land zoned for non-commercial use.

- Improved Land – Vacant land for sale that has water improvements installed.
- Unimproved Land – Vacant land for sale that does not have water improvements.

Property Type: Farm

A property that is or could be income producing and consists of 35 or more acres.

- **Farm** – 35 or more acres of land that may or may not contain buildings and either is or could be income producing.

Property Type: Manufactured in Park

The home for sale is built on a steel chassis and is not legally attached to the land on which it is resting. The land could be leased, or the home could be sold standalone from the land.

- **Manufactured Home** – A structure on a steel chassis built after June 15, 1976 and is not legally attached to the land on which it is resting. The land could be leased, or the home could be sold standalone from the land.

Note: The home will have an installed HUD plate and tags. There should be documents proving the VIN was purged from county records.

- **Mobile Home (pre 1976)** – A structure that is built on a steel chassis prior to June 15, 1976 and is without HUD plates and tags. It has a Vehicle Identification Number (VIN).

Property Type: Commercial Sale/Lease

A property for sale or lease that brokerages transactions, such as office, industrial, retail, hotel, and special purpose.

- **Industrial** – Zoning is designated for industrial uses.
- **Commercial Land** – Zoning is designated for commercial or other uses.
- **Office** – Property is designed to be used as an office space.
- **Retail** – Property is designed for retail use.
- **Special Purpose** – Property is designed for special uses, such as a school or meeting hall.
- **Multi-Family** - Property is an entire structure or complex for sale with five or more (5+) units that are individual dwellings.

Property Type: Business Opportunity

A business that is for sale. It may or may not include real property.

- **Business Opportunity** – A business that is for sale, like a salon, gas station, bed and breakfast, car wash, campground, bar/restaurant, or other.

Property Type: Specialty

Personal property that is for sale and may or may not be associated with real property. The Specialty listing is transferring or describing the current use of the property and might not have a deed transfer associated with it.

- **Boat Slip** – A place a boat can be tied up is for sale.
- **Man Cave / She Shed** – A structure designed as a personal retreat/getaway area and could include appliances, decorations, furniture, or other personal property.
- **Timeshare** – A “right to use” sale during specific time periods, where there is no deeded ownership associated with the purchase.
- **Storage Shed** – A structure or unit that is designed for storage.
- **Vehicle Vault** – A structure or unit that is specially designed to store vehicles. It could include lifts, pits, or other specialized equipment related to personal storage and maintenance of vehicles.
- **Other** – Use this Subtype for specialty listings that do not fit into one of the Subtypes listed above.