



BYLAWS  
AND  
RULES AND REGULATIONS  
GOVERNING THE OPERATION OF  
MULTIPLE LISTING SERVICE  
OF  
YAKIMA ASSOCIATION OF REALTORS®, INC.

Adopted July 11, 2012  
and Approved by the  
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## ARTICLE 1

### *Registered Office and Registered Agent*

**Article 1. REGISTERED OFFICE AND REGISTERED AGENT:** The initial registered office of the Multiple Listing Service of **Yakima Association of REALTORS®**, Inc., hereinafter referred to as the "Service" or the "corporation," shall be located at 2707 River Rd, Yakima, Washington 98902. The registered office shall be changed and located in the State of Washington at such place as may be fixed from time to time by the Board of Directors ("Board") upon filing such notices as may be required by law, and the registered agent shall have a business office identical with such registered office. Any change in the registered agent or registered office shall be effective upon filing such change with the Office of the Secretary of State of the State of Washington unless a later date is specified.

## ARTICLE 2

### *Purposes*

**Article 2. PURPOSES:** A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law); by which cooperation among participants is enhanced; 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 customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

## ARTICLE 3

### *Shareholder*

**Article 3. SOLE SHAREHOLDER:** **Yakima Association of REALTORS®**, a non-profit Washington corporation, is and shall be the only shareholder. Accordingly, all action required or permitted by RCW Title 23B to be taken at a shareholder's meeting, whether at an annual meeting or at a special meeting, shall be taken without a meeting. However, all such actions shall be evidenced by one or more written consents describing the action taken, signed by the President and Secretary of the **Yakima Association of REALTORS®**, together with a waiver of notice, and delivered to the Secretary-Treasurer of the Service for inclusion in the minutes or filing with the corporate records. The annual meeting of the Shareholder shall be held immediately following the monthly meeting of the Board of Directors of the **Yakima Association of REALTORS®** held in November of each year.

## ARTICLE 4

### *Service Area*

**Article 4. SERVICE AREA:** The area within which the Service will offer its services shall at all times be coextensive with or within the territorial jurisdiction of the **Yakima Association of REALTORS®**.

### **ARTICLE 5**

#### *Participation*

**Article 5. PARTICIPATION DEFINED:** Any REALTOR® of this or any other Board who is a principal, partner, corporate officer or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "Membership" or "Participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other 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 the Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right of access to information developed by or published by the Service where access to such information is prohibited by law. The REALTOR® Principle of any firm, partnership, or corporation or branch office manager designated by said firm, partnership or corporation as the "Participant" shall have all rights, benefits, and privileges of the Service, and shall accept all obligations to the Service for the Participant's firm, partnership, or corporation, and for compliance with the Bylaws and Rules and Regulations of the Service by all persons affiliated with the Participant who utilize the Service.

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 ongoing 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. *(Adopted 11/08)*

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 membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. *(Adopted 11/08)*

**Article 5.1 APPLICATION FOR PARTICIPATION:** Application for participation shall be made in such manner and form as may be prescribed by the Board of Directors of the Service and made available to any REALTOR® Principle of this or any other association requesting it. The application form shall contain a signed statement agreeing to abide by these Bylaws and any other applicable Rules and Regulations of the Service as from time to time adopted or amended.

**Article 5.2 DISCONTINUANCE OF SERVICE:** Participants of the Service may discontinue the Service by giving the Service 30 days written notice and may reapply to the Service after six months by making formal application in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid.

**Article 5.3 SUBSCRIBERS:** Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants. Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant’s licensed designee.

## ARTICLE 6

### *Service Charges*

**Article 6. SERVICE CHARGES:** The charges made for participation in the Service shall be as determined and as amended from time to time by the Board of Directors of the Service, and specified in the Rules and Regulations of the Service.

## ARTICLE 7

### *Shares*

**Article 7. ISSUANCE OF SHARES:** No shares of stock shall be issued unless authorized by the Board. Such authorization shall include the maximum number of shares to be issued and the consideration to be received for each share.

**Article 7.1 CERTIFICATE OF SHARES:** Certificates prepared by the Board of Directors and signed by the President or the Vice President, and by the Secretary-Treasurer shall represent the

shares of the Corporation. All certificates for shares shall be consecutively numbered or otherwise identified, shall state on their face the name of the corporation, that it is organized under the laws of the State of Washington, the name of the person to whom shares represented thereby are issued, and the number of shares and the date of issue.

**Article 7.2 TRANSFERS:** Transfer of shares shall be made only upon the stock transfer books of the corporation, which shall be kept at the registered office of the corporation, or its principal place of business.

## ARTICLE 8

### *Governing Body*

**Article 8. GOVERNMENT OF THE SERVICE:** The government of the Service shall be vested in a Board of Directors comprised of the elected Officers and Directors nominated and elected as described in this Article.

**Article 8.1 OFFICERS OF THE SERVICE:** The Officers of the Service, who shall also be Directors, shall be a President, a Vice President, and a Secretary-Treasurer, and shall have such duties as described in this Article.

**Article 8.2 BOARD OF DIRECTORS:** There shall be a total of six (6) elected Directors, including the President, Vice President, and Secretary-Treasurer of the Service. All Directors must be elected from among the Participants and must continue to qualify as a Participant or Member (as defined in Article 5.1) for the duration of their term. Any Director ceasing to so qualify shall be deemed to have resigned his/her position as a Director and any such vacancy shall be filled in accordance with Article 8.4. In addition to the elected Directors, the current President of the **Yakima Association of REALTORS®** or a person appointed by him/her, and the Immediate Past President of the Service shall serve as Directors, ex officio, with full voting privileges.

**Article 8.3 NOMINATION AND ELECTION OF OFFICERS AND DIRECTORS:** The Officers and Directors of the Service shall be nominated by a vote of the Participants in the Service in accordance with the provisions of Article 9, Meetings, of these Bylaws and as further set forth following:

- 1. Nominating Committee.** The President of the Service shall appoint a Nominating Committee each year, which Committee shall be comprised of six (6) Participants of the Service. The appointment of the Nominating Committee shall be made by such a date as to enable the Committee to meet and select a proposed slate of Officers and Directors of the Service not more than sixty (60), nor less than twenty (20) days prior to the date of the meeting of the Participants of the Service at which nominees shall be selected by vote of the Participants. The proposed slate of Officers and Directors shall be reported to the President and Secretary of the Service.
- 2. Notice of Proposed Nominees.** The President shall cause a list of the proposed nominees selected by the Nominating Committee to be forwarded to the Participants of the Service, setting forth the time, place, and other pertinent conditions of the meeting to

select the final list of nominees by vote of the Participants of the Service. The notice to the Participants of the Service concerning the meeting to select nominees for Officers and Directors shall be mailed on a date at least fifteen (15) days prior to the proposed meeting.

3. **Rights of Participants to Select Additional Nominees.** The names of additional proposed nominees may be added to the list selected by the Nominating Committee by a petition submitted to the Secretary of the Service by ten percent (10%) of the Participants of the Service, with said petition received not less than ten (10) days prior to the date of meeting of the Participants to select nominees for Officers and Directors. The names contained in such petition, if duly received and certified, shall be presented in writing to the Participants at the meeting to select nominees as additional nominees for consideration for such office as specified in the petition. In addition, nominations may be made from the floor at the duly noticed meeting of the Participants to select nominees for Officers and Directors and, if seconded, shall be added to the list of proposed nominees.
4. **Voting by Written Secret Ballot.** Voting for selection of nominees, if other than on a motion to cast a unanimous vote for the original proposed slate shall be by secret ballot, and said ballot shall contain blank spaces for writing in additional names proposed by petition or from the floor at the meeting to select nominees.
5. **Nominees Submitted to Shareholder for Annual Election or Upon Vacancy.** When nominees for Officers and Directors of the Service for the forthcoming fiscal year have been selected by vote of the Participants of the Service, such nominees shall be submitted to the Board of Directors of the **Yakima Association of REALTORS®** (shareholder) for election. Upon election by the Board of Directors of the **Yakima Association of REALTORS®** (shareholder), the individuals so elected shall be considered Officers-Elect and Directors-Elect and shall assume their respective offices as of January 1.

The term of office for Officers and Directors of the Service shall be on a calendar year basis. In the event one (1) or more nominee(s) is/are not elected by the Board of Directors of the Yakima Association of REALTORS® (shareholder), or an officer's or director's position becomes vacant for any reason, including resignation or removal after election, and upon notice of such failure of election, the President of the Service shall select a proposed Participant or Participants, as required, subject to confirmation by the Board of Directors, for submission as nominee(s) to the Board of Directors of the **Yakima Association of REALTORS®** (shareholder) to be considered for election to fill the vacancy or vacancies existing.

In the event that nominees are not duly and timely provided by the Service to the Board of Directors of the **Yakima Association of REALTORS®**, as provided in these Bylaws, then the Board of Directors of the **Yakima Association of REALTORS®** shall exercise rights as sole and exclusive shareholder to elect a Participant or Participants of the Service to fill any existing vacancy or vacancies as Officers or Directors of the Service.

**Article 8.4 TERM OF OFFICE:** Except for the term of office of the initial Board of Directors, which shall be set by the Board of Directors of the **Yakima Association of REALTORS®** (shareholder), the term of office for Officers and Directors shall be as follows: The Officers



shall serve for a one-year term. The elected Directors shall serve for staggered three-year terms, or for such lesser term as may be necessary to complete the term of a vacated director's position, with one-third of the terms expiring each year. Officers and Directors shall take office upon the effective date of their offices and shall continue until their successors are elected, qualified, and installed. No Officer or Director shall be nominated and elected to the same office for more than two consecutive terms.

**Article 8.5 DUTIES OF OFFICERS AND DIRECTORS:** The duties of the Officers and Directors shall be as follows:

- 1. The President** shall be the chief executive officer of the Service and shall preside at its meetings and those of the Board of Directors, and shall perform all the duties of President subject to declared policies and, as required, subject to confirmation of the Board of Directors.
- 2. The Vice President** shall, in the absence of the President, perform all of the duties of President.
- 3. The Secretary-Treasurer** shall be the custodian of the funds of the Service and shall keep an accurate record of all receipts and disbursements. The Secretary-Treasurer shall provide to all Members of the Board of Directors a quarterly statement of all accounts and financial affairs for the Service, and shall have charge of the corporate seal and affix the name to all documents properly requiring such seal.
- 4. The Board of Directors** of the Service shall be the governing body of the Service and shall have control of all the affairs of the Service and shall authorize all expenditures of funds. The Board of Directors shall, prior to the end of each fiscal year, prepare a budget reflecting projected costs and expenses of the Service for the next fiscal year, indicating projected income from all sources. The budget shall be submitted to the Board of Directors of the **Yakima Association of REALTORS®** (shareholder) for approval on a date not less than fifteen (15) days prior to the first day of the next fiscal year. The Board of Directors shall employ such executive, legal, and office personnel it deems necessary to care for and maintain the properties of the Service and otherwise conduct the administrative business of the Service. The Board of Directors shall have the right to make an audit of all books and accounts at any time without notice. The Board of Directors shall have the power from time to time to adopt such Rules and Regulations that they may deem appropriate subject to final approval of the Board of Directors of the **Yakima Association of REALTORS®** (shareholder). Except as otherwise provided in these Bylaws and Rules and Regulations, the action of the Board of Directors shall be final.

**Article 8.6 REMOVAL OF OFFICERS AND DIRECTORS:** In the event that an Officer or Director of the Multiple Listing Service is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure.

- 1.** A petition requiring the removal of an Officer or Director and signed by not less than one-third of the Participants or a majority of all Directors of the MLS shall be filed with the President of the MLS, or if the President is the subject of the petition, with the

next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.

2. Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the Participants of the MLS shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.
3. The special meeting shall be noticed to all Participants at least ten (10) days prior to the meeting, and shall be conducted by the President of the MLS unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting or the hearing by the Participants. Provided a quorum is present, a three-fourths vote of Participants present and voting shall be required for removal from office.
4. Any vote taken by the Participants to remove an Officer or Director must ultimately be confirmed by a majority vote of the Directors of the shareholder. Notwithstanding the foregoing, the shareholder may remove an Officer or Director by a majority vote of the Directors of the shareholder.

## **ARTICLE 9**

### *Meetings*

- Article 9.** **ANNUAL MEETING:** The annual meeting of Participants of the Service shall be held during the month of November at the time and place specified by the Board of Directors.
- Article 9.1** **SPECIAL MEETINGS OF THE SERVICE:** Special meetings of Participants of the Service may be called from time to time by the President, the Board of Directors, or by ten percent (10%) of the Participants of the Service. Written notice stating the day, place, and hour of the meeting, the purpose or purposes for which the meeting is called, shall be delivered to all REALTORS® who are Participants in the Service not less than five (5) days prior to said meeting.
- Article 9.2** **QUORUM AND VOTING AT MEETINGS OF THE SERVICE:** For the transaction of business, twenty percent (20%) of the Participants of the Service shall be considered a quorum. A majority vote by such Participants present and voting at a meeting of the Directors attended by a quorum shall be required for passage of motions.
- Article 9.3** **MEETINGS OF THE BOARD OF DIRECTORS:** The Board of Directors may meet at any time it deems advisable on the call of the President or any two (2) Members of the Board of Directors. Four (4) Directors shall constitute a quorum. A majority vote by the Directors present and voting at a meeting attended by a quorum shall be required for passage of motions. Absence from three consecutive regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation there from.
- Article 9.4** **PRESIDING OFFICER:** At all meetings of the Participants of the Service, or of the Board of Directors, the President or, in the absence of the President, the Vice President shall serve as presiding officer. In the absence of the President and Vice President, the President shall

name a temporary Chairman or, upon his/her failure to do so, the Board of Directors of the Service shall appoint a temporary Chairman.

## ARTICLE 10

### *Contracts, Loans, Checks and Deposits*

- Article 10.1 CONTRACTS:** The Board may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.
- Article 10.2 LOANS TO THE CORPORATION:** No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.
- Article 10.3 CHECKS, DRAFTS, ETC:** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, and agent or agents, of the corporation and In such manner as shall from time to time be determined by resolution of the Board.
- Article 10.4 DEPOSITS:** All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board may select.

## ARTICLE 11

### *Indemnification of Officers, Directors, Employees, and Other Agents*

- Article 11.1 DIRECTORS AND OFFICERS:** The corporation shall indemnify its directors and officers to the fullest extent permitted by the Washington Business Corporation Act (Act), as the same exists or may hereafter be amended (but, in the case of alleged occurrences of actions or omissions preceding any such amendment, only to the extent that such Amendment permits the corporation to provide broader indemnification rights than the Act permitted the corporation to provide prior to such amendment).
- Article 11.2 EMPLOYEES AND OTHER AGENTS:** The Corporation shall have power to indemnify its employees and other agents as set forth in the Act.
- Article 11.3 NO PRESUMPTION OF BAD FAITH:** The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed, in the case of conduct in the person's official capacity, the person's conduct was in the corporation's best interests and in all other cases, the person's conduct was at least not opposed to the corporation's best interests, and with respect to any criminal proceeding, that the person had reasonable cause to believe that the conduct was lawful.

**Article 11.4 ADVANCES OF EXPENSES:** The expenses incurred by a director or officer in any proceeding shall be paid by the corporation in advance at the written request of the director or officer, if the director or officer:

- (a) Furnishes the corporation a written affirmation of such person's good faith belief that such person is entitled to be indemnified by the corporation; and
- (b) Furnishes the corporation a written undertaking to repay such advance to the extent that it is ultimately determined by a court that such person is not entitled to be indemnified by the expenses and without regard to the person's ultimate entitlement to indemnification under this bylaw or otherwise.

**Article 11.5 ENFORCEMENT:** Without the necessity of entering into an express contract, all rights to indemnification and advances under this bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or officer who serves in such capacity at any time while this bylaw and relevant provisions of the Act and other applicable law, if any, are in effect. Any right to indemnification or advances granted by this bylaw to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (a) the claim for indemnification or advances is denied, in whole or in part, or (b) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting a claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in connection with any proceeding in advance of its final disposition when the required affirmation and undertaking have been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Act for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its shareholder) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because the claimant has met the applicable standard of conduct set forth in the Act, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its shareholder) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

**Article 11.6 NON-EXCLUSIVITY OF RIGHTS:** The rights conferred on any person by this bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, bylaws, agreement, vote of the shareholder or disinterested Directors or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent permitted by the law.

- Article 11.7 SURVIVAL OF RIGHTS:** The rights conferred on any person by this bylaw shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.
- Article 11.8 INSURANCE:** To the fullest extent permitted by the Act, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this bylaw.
- Article 11.9 AMENDMENTS:** Any repeal of this bylaw shall only be prospective and no repeal or modification hereof shall adversely affect the rights under this bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.
- Article 11.10 SAVINGS CLAUSE:** If this bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, the corporation shall indemnify each director, officer or other agent to the fullest extent permitted by any applicable portion of this bylaw that shall not have been invalidated, or by any other applicable law.
- Article 11.11 CERTAIN DEFINITIONS:** For the purposes of this Article VII, the following definitions shall apply:
- (a) "**Corporation**" includes any domestic or foreign predecessor entity of a corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.
  - (b) "**Director**" means an individual who is or was a director of a corporation or an individual who, while a director of a corporation, is or was serving at the corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. A director is considered to be serving an employee benefit plan at the corporation's request if the director's duties to the corporation also impose duties on, or otherwise involve services by, the director to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context requires otherwise, the estate or personal representative of a director.
  - (c) "**Expenses**" include counsel fees.
  - (d) "**Official capacity**" means: (i) when used with respect to a director, the office of director in a corporation; and (ii) when used with respect to an individual other than a director, as contemplated in the Act, the office in a corporation held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the corporation. "Official capacity" does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise.
  - (e) "**Proceeding**," means any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

## ARTICLE 12

### *Books and Records*

- Article 12.1 BOOKS OF ACCOUNTS AND MINUTES:** The corporation shall keep books and records of accounts and minutes of the proceedings of the Board and the shareholder and shall keep at its registered office or principal place of business a share register.
- Article 12.2 COPIES OF RESOLUTIONS:** Any person dealing with the corporation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board or shareholder, when certified by the President or Secretary.

### **ARTICLE 13**

#### *Corporate Seal*

- Article 13. CORPORATE SEAL:** The Board may provide for a corporate seal, which shall have inscribed thereon the name of the corporation, the year and state of incorporation and the words "corporate seal."

### **ARTICLE 14**

#### *Accounting Fiscal Year*

- Article 14. FISCAL YEAR:** The accounting year of the corporation shall be the calendar year, provided that if a different accounting year is at any time selected for purposes of federal income taxes, the accounting year shall be the year so selected.

### **ARTICLE 15**

#### *Committees*

- Article 15. COMMITTEES:** The President, with the approval of the Board of Directors, may create such standing or Ad Hoc Committees, as he/she deems desirable and shall appoint their Members. Each Committee may consist of Participants in the Service, and other REALTORS® employed by or affiliated as independent contractors with a Participant serving as a representative of said Participant and with their consent.

### **ARTICLE 16**

#### *Amendments*

- Article 16.1 AMENDMENTS TO BYLAWS:** Amendments to these Bylaws shall be by the Participants of the Service, and shall be determined at an Annual Meeting or Special Meeting of the Service in accordance with the provisions of Article 9, concerning Meetings of the Service, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy. Amendments to the Bylaws of the Service approved by the Participants shall further be subject to approval of the Board of Directors of the **Yakima Association of REALTORS®** (shareholder).

When amendments to the Bylaws of the Service have been approved by the Board of Directors of the **Yakima Association of REALTORS®** (shareholder), said amendments shall be effective immediately or as stated in the amending resolution.

If the proposed amendments to the Bylaws of the Multiple Listing Service fail to be approved by the Board of Directors of shareholder, the Board of Directors of the Multiple Listing Service shall be informed, and advised that the proposed amendment or amendments to Bylaws be further considered and resubmitted to shareholder as approved by the Participants of the Multiple Listing Service.

**Article 16.2 AMENDMENTS TO RULES AND REGULATIONS:** Amendments to the Rules and Regulations of the Service shall be by consideration and approval of the Board of Directors of the Multiple Listing Service in accordance with the provisions of Article 9, concerning Meetings of the Board of Directors, subject to final approval by the Board of Directors of the **Yakima Association of REALTORS®** (shareholder).

When approved by the Board of Directors of the **Yakima Association of REALTORS®** (shareholder), as described, the amendments to the Rules and Regulations of the Multiple Listing Service shall be effective immediately or as stated in the amending resolution.

If the proposed amendments of the Multiple Listing Service Rules and Regulations fail to be approved by the Board of Directors of the shareholder, the Board of Directors of the Multiple Listing Service shall be informed, and advised that the proposed amendment or amendments must be further considered and resubmitted as approved by the Board of Directors of the Multiple Listing Service of the Board of Directors of the **Yakima Association of REALTORS®** (shareholder).

These Bylaws may be altered, amended or repealed and the Board may adopt new Bylaws. The shareholder may also alter, amend and repeal these Bylaws or adopt new Bylaws. All Bylaws made by the Board may be amended, repealed, altered or modified by the shareholder.

## **ARTICLE 17**

### ***Dissolution***

**Article 17. DISSOLUTION:** In the event this Service shall at any time terminate its activities, the Board of Directors of the Service shall consider and adopt a plan of liquidation and dissolution with the approval of the Participants thereof and of the Board of Directors of the **Yakima Association of REALTORS®**. Said plan shall provide for the collection of all assets, the payment of all liabilities, and the remaining portions thereof be assigned to the **Yakima Association of REALTORS®**.

## **ARTICLE 18**

### ***Rules of Order***

**Article 18. RULES OF ORDER:** Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Service, its Board of Directors and committees, in all instances where in its provisions do not conflict with these Bylaws.

BE IT RESOLVED that the following Rules and Regulations are adopted to govern the operation of Multiple Listing Service of **Yakima Association of REALTORS®**, Inc., hereafter referred to as MLS.

## SECTION 1

### *Listing Procedures*

**Section 1. LISTING PROCEDURES:** Listings must be entered directly into the MLS only by the Listing Participant, Subscriber, or authorized personnel having access to the MLS Electronic Database under the Designated Broker. All listings of real or personal property, which are listed subject to a real estate broker's license, and which are located within the service area of the **Yakima Association of REALTORS®** taken by Participants on any form shall be entered in the MLS Electronic Database the second business day by 5:00 PM after all necessary signatures of seller(s) have been obtained.

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



*1. May reserve the right to refuse a listing form, which fails to adequately protect the interest of the public and the Participants.*

*2. Assure that no listing form filed with the Multiple Listing Service establishes, directly or indirectly, any contractual relationship between the Multiple Listing Service and the client (buyer or seller).*

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

*The listing agreement must include the seller's written authorization to submit the agreement to the MLS.*

*The different types of listing agreement include:*

*(a) Exclusive right to sell*

*(c) Open*

*(b) Exclusive agency*

*(d) Net*

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

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

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

**Section 1.1 LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE MLS:** Any listing taken on a contract to be referred to MLS for dissemination is subject to the Rules and Regulations of the MLS upon signature of the seller(s).

**Section 1.2 DETAIL ON LISTINGS FILED WITH THE MLS:** Listing agreements or Property Data Forms filed for dissemination with MLS, shall be complete in every detail which is ascertainable. A "Property Data Form" may be required as approved by the MLS.

**Section 1.3 EXEMPTED LISTINGS:** If the seller refuses to permit the listing information to be disseminated to the MLS Participants, the REALTOR® may then take a listing, which shall be designated as a Limited Service Contract, which shall be filed with the MLS but not

disseminated to participants. A statement signed by the seller that he/she does not desire the listing to be disseminated by the MLS must accompany filing of the listing.

**Section 1.4 CHANGE OF STATUS OF LISTING:** Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the MLS Electronic Database only by the listing participant, subscriber, or authorized personnel having access to the MLS Electronic Database under the Designated Broker the next business day by 5:00 PM.

**Section 1.5 WITHDRAWAL OF LISTING PRIOR TO EXPIRATION:** Listed property may be withdrawn from MLS by the listing broker before expiration date of the listing agreement provided notice is filed with the MLS, including a copy of the agreement between the seller and listing broker which authorized withdrawal.

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

**Section 1.6 CONTINGENCIES APPLICABLE TO LISTINGS:** Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants.

**Section 1.7 LISTING PRICE SPECIFIED:** The full gross listing price should be stated in the listing agreement.

**Section 1.8 LISTING MULTIPLE UNIT PROPERTIES:** All property, which is to be or may be sold separately, must be indicated individually in the listing and on the Property Data Form. When part of a listed property has been sold, proper notification should be given to the MLS.

**Section 1.9 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS:** The MLS shall not fix, control, recommend, suggest or maintain commission rates or fees for services to be rendered by Participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and no participants.

**Section 1.10 EXPIRATION, EXTENSION, AND RENEWAL OF LISTINGS:** Any listing filed with MLS automatically expires on the date specified in the agreement unless renewed by the listing broker and notice of renewal or extension is filed with MLS prior to expiration.

If notice of renewal or extension is dated after the expiration date of the original listing, then a new listing must be secured for the listing to be filed with MLS. It should then be published as a new listing. Any extension or renewal of a listing must be signed by the seller(s) and be filed with the MLS.

**Section 1.11 TERMINATION DATE ON LISTINGS:** Listings filed with MLS shall bear a definite and final termination date as negotiated between the listing broker and the seller.

**Section 1.12 JURISDICTION:** Only listings of property located within the jurisdiction of the **Yakima Association of REALTORS®** are required to be submitted to the MLS. Listings of property located outside the Association's jurisdiction within its state will be accepted if submitted voluntarily by a Participant, but cannot be required by the MLS. Out of state listings cannot be accepted by MLS.

**Section 1.13 LISTINGS OF SUSPENDED PARTICIPANTS:** When a Participant of MLS is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in MLS until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Association or MLS (or both) for failure to pay appropriate dues, fees or charges, MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of suspended Participant's listings from the MLS, the suspended Participant should be advised in writing of the intended removal so that the suspended Participant may advise his/her clients.

**Section 1.14 LISTINGS OF EXPELLED PARTICIPANTS:** When a Participant of MLS is expelled from MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS shall, at the expelled Participant's option, be retained in MLS until sold, withdrawn, or expired, and shall not be renewed or extended by MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Association or MLS (or both) for failure to pay appropriate dues, fees or charges, MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of expelled Participant's listings from the MLS, the expelled Participant should be advised in writing of the intended removal so that the expelled Participant may advise his/her clients.

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

## SECTION 2

### *Selling Procedures*

**Section 2. SHOWINGS AND NEGOTIATIONS:** Appointments for showings and negotiations with the seller for the purchase, lease, rent or exchange of listed property filed with MLS shall be conducted through the listing broker except under the following circumstances:

(a) The listing broker gives cooperating brokers specific authority to show and/or negotiate directly, or

(b) After reasonable effort, the cooperating broker cannot contact the listing broker or his/her representative, the cooperating broker may call the President or Vice President of the MLS or

the President of the **Yakima Association of REALTORS®** who shall coordinate the presentation of proposed offer. Reasonable effort is construed to mean a three-hour period of attempting to reach the listing broker or his/her representative. However, the listing broker, at his/her option, may preclude such direct negotiations by cooperating brokers.

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

**Section 2.2 SUBMISSION OF WRITTEN OFFERS AND COUNTER-OFFERS:** Listing office shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.

**Section 2.3 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER:** The cooperating broker (subagent or buyer agent) or his/her representative shall have the right to participate in the presentation to the seller or lessor of any offer he/she secures to purchase or lease. The cooperating broker does not have the right to be present at any discussion or evaluation of that offer by the seller(s) or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

**Section 2.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFER:** The listing broker or his/her representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He/she does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

**Section 2.5 REPORTING SALES TO THE MLS:** Status changes, including final closing of sales and sale prices, shall be reported to the multiple listing service by the next business day by 5:00 PM. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report accepted offers and prices to the listing broker the next business day after the occurrence by 5:00 PM and the listing broker shall report them to the MLS within 24 hours after receiving notice from the cooperating broker.

*Note 1: The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS;*

*to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its participants. (Amended 11/01)*

*Note 2: In disclosure states, if the sale price of a listed property is recorded, the reporting of the sale price may be required by the MLS.*

*In states where the actual sale prices of completed transactions are not publicly accessible, failure to report sale prices can result in disciplinary action only if the MLS:*

- 1. categorizes sale price information as confidential and*
- 2. limits use of sale price information to participants and subscribers in providing real estate services, including appraisals and other valuations, to customers and clients; and to governmental bodies and third-party entities only as provided below.*

*The MLS may provide sale price information to governmental bodies only to be used for statistical purposes (including use of aggregated data for purposes of valuing property) and to confirm the accuracy of information submitted by property owners or their representatives in connection with property valuation challenges; and to third-party entities only to be used for academic research, statistical analysis, or for providing services to participants and subscribers. In any instance where a governmental body or third-party entity makes sale price information provided by the MLS available other than as provided for in this provision, a listing participant may request the sale price information for a specific property be withheld from dissemination for these purposes with written authorization from the seller, and withholding of sale price information from those entities shall not be construed as a violation of the requirement to report sale prices. (Adopted 11/11)*

*Note 3: As established in the Virtual Office Website (“VOW”) policy, sale prices can only be categorized as confidential in states where the actual sale prices of completed transactions are not accessible from public records. (Adopted 11/11)*

**Section 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES:** Listing broker shall report to the MLS within twenty-four (24) hours that a contingency on file with the MLS office has been fulfilled or renewed, or the agreement canceled.

**Section 2.7 ADVERTISING OF LISTING FILED WITH SERVICE:** Advertising of any listing by a Participant, other than the listing office, is permissible only with consent of the listing broker.

**Section 2.8 REPORTING CANCELLATION OF PENDING SALE:** Listing office shall report immediately to the MLS at the time any contingent or pending sale is canceled, and the listing shall be reinstated immediately.

## SECTION 3

### *Refusal to Sell*

- Section 3. REFUSAL TO SELL:** If the seller of any listed property filed with MLS refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact should be transmitted immediately to the Service and to all Participants.

## SECTION 4

### *Prohibitions*

- Section 4. INFORMATION FOR PARTICIPANTS ONLY:** Any listing filed with MLS shall not be available to any non-participant in MLS without the prior consent of the listing broker.
- Section 4.1 "FOR SALE" SIGNS:** Only the "For Sale" signs of the listing broker may be placed on the property.
- Section 4.2 "SALE PENDING" OR "SOLD" SIGNS:** Prior to closing, only the "Sale Pending" or "Sold" sign of the listing broker may be placed on a property, unless the listing broker authorized the cooperating (selling) broker to post such a sign.
- Section 4.3 SOLICITATION OF LISTING FILED WITH THE MLS:** Participants shall not solicit a listing on 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.

*(NOTE 1: This section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standard of Practice 16-4. This Section is intended to encourage sellers to permit their properties to be filed with the Service by protecting them from being solicited, prior to expiration of the listing, by brokers and salespersons seeking the listing upon its expiration.*

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

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

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

- Section 4.4** No MLS participant, subscriber, or licensee affiliated with any Participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants, subscribers and licensees affiliated with Participants shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and

subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

## SECTION 5

### *Division of Commissions*

**Section 5. COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING:** The listing broker shall 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 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 sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

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

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

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

The listing broker retains the right to determine the amount of compensation offered to other Participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law) which may be the same or different.

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

**Note 1:** *MLS shall not require the listing broker to disclose the amount of total negotiated commission in his/her listing contract, and the MLS shall not publish the total negotiated commission on a listing that has been submitted to the MLS by a Participant. MLS shall not disclose in any way the total commission negotiated between the seller and the listing broker.*

**Note 2:** *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.*

**Note 3:** *The MLS shall make no rule on the division of commissions between Participants and non-Participants. This should remain solely the responsibility of the listing broker.*

**Note 4:** *Multiple Listing Services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval; and that 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 5:** *Nothing in these MLS rules precludes a listing participant and a cooperating participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction.)*

**Note 6:** *Multiple listing services must give participants the ability to disclose to other participants any potential for a short sale. As used in these rules, short sales are defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies. Multiple listing services may, as a matter of local discretion, require participants to disclose potential short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they may, as a matter of local discretion, also be permitted to communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between listing and cooperating participants. All confidential disclosures and confidential information related to*



*short sales, if allowed by local rules, must be communicated through dedicated fields or confidential "remarks" available only to participants and subscribers.*

**Section 5.0.1 DISCLOSING POTENTIAL SHORT SALES:** Participants must disclose potential short sales (defined as a transaction where title transfers, where the sales price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing participants. When disclosed, participants may, at their discretion, advise other participants whether and how any reduction in the gross commission established in the listing agreement, required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating participants.

Where participants communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between the listing and cooperating participants, listing participants shall disclose to cooperating participants in writing the total reduction in the gross commission and the amount by which the compensation payable to the cooperating broker will be reduced within 24 hours of receipt of notification from the lender.

**Section 5.1 PARTICIPANT AS PRINCIPAL:** If a Participant or any licensee affiliated with a Participant has any interest in property, the listing of which is to be disseminated through the MLS, that person shall disclose that interest when the listing is filed with the MLS and such information shall be disseminated to all MLS Participants.

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

**Section 5.3 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS:** The existence of a dual or variable rate commission arrangement shall be disclosed by the listing broker by a key, code or symbol as required by the MLS. A dual or variable rate commission arrangement is: 1) One in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or (2) One in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is representing a buyer/tenant, the cooperating broker must then disclose such information to their client before the client makes an offer to purchase or lease.

## SECTION 6

### *Service Charges*

- Section 6. SERVICE FEES AND CHARGES:** The following service charges for operation of the MLS are in effect to defray costs of the service, subject to change from time to time in the manner prescribed:
- (a) **An initial participation** fee of \$500.00 cash shall be paid at the time participation is first initiated by a Participant; provided, however, the initial participation fee may be changed from time to time as determined by the MLS in such amount as shall approximate the actual cost of bringing the service to the Participant. There will be a \$100 fee for change of ownership in an existing member office. (Change of ownership means transfer of more than 50% of the ownership interest in an existing business.) The initial Participation fee is non-transferable. There shall be a \$250 participation fee for a Branch office established by an existing member.
  - (b) **A monthly service charge**, which shall be estimated from time to time by the MLS Board of Directors shall be paid by each salesperson who has access to and use of the Service, whether licensed as a broker or salesperson, who is employed by or affiliated as an independent contractor (including licensed or certified appraisers) with a Participant. The ultimate responsibility for delinquent dues, fees, and charges is that of the Participant. A Participant may request in writing a waiver of the monthly MLS fee for a subscriber/user who is engaged solely and exclusively in a specialty of the real estate business that is separate and apart from listing, selling or appraising properties. A waiver as provided for in this paragraph shall be in writing in the form of an agreement provided by the MLS, and shall set forth in sufficient detail that a licensed salesperson is exclusively engaged in some other type of activity separate and apart from the listing or selling of properties filed with the MLS. The MLS Board of Directors shall consider the waiver request at its next regularly scheduled meeting, and shall advise the REALTOR® member of its response immediately thereafter. All waivers shall automatically terminate on December 31 of each year unless renewed by executing a new waiver pursuant to this paragraph.
  - (c) The MLS Board of Directors may establish additional service charges for incidental services, which charges shall be disseminated to the Participants 30 days in advance of the effective date.

## **SECTION 7**

### *Compliance with Rules*

- Section 7. COMPLIANCE WITH RULES – AUTHORITY TO IMPOSE DISCIPLINE:** By becoming and remaining a participant or subscriber in this MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a) Letter of warning
- b) Letter of reprimand
- c) Attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location and duration
- d) Appropriate, reasonable fine not to exceed \$15,000
- e) Suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- f) Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.

**Note:** A participant (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or user/subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the MLS rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the individual's record will reflect the fulfillment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance. (Revised 05/14)

**Section 7.1 COMPLIANCE WITH RULES:** The following action may be taken for non-compliance with the rules:

- (a) The monthly service charge shall be due on the first day of each month. If not paid by 5:00 p.m. on the tenth (10<sup>th</sup>) day of each month, as evidenced by actual receipt of payment by MLS, service shall be discontinued to the salesperson until all past and current charges owing by said salesperson are paid in full. A re-connect service charge shall be imposed in an amount established by the Board.
- (b) For failure to comply with any other rule, the provisions of Section 9 shall apply.
- (c) The MLS Board of Directors may establish a schedule of moderate fines for non-compliance of rules, which schedule shall be disseminated to the Participants 30 days in advance of the effective date.

**Section 7.2 APPLICABILITY OF RULES TO USERS AND/OR SUBSCRIBERS:** Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these Rules and Regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the Rules and Regulations. Further, failure of any user or subscriber to abide by the Rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

## SECTION 8

### *Meetings*

**Section 8. MEETINGS:** The meetings of the Participants of the MLS or the Board of Directors of the MLS for the transaction of business of the MLS shall be held in accordance with the provisions of Article 9, Bylaws of the MLS.

## SECTION 9

### *Enforcement of Rules or Disputes*

**Section 9. CONSIDERATION OF ALLEGED VIOLATIONS:** The Board of Directors shall give consideration to all written complaints having to do with violations of the Rules and Regulations.

**Section 9.1 VIOLATIONS OF RULES AND REGULATIONS:** If the alleged offense is a violation of the Rules and Regulations of the MLS and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by Board of Directors of the MLS, and if a violation is determined, the Board of Directors of the MLS may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the **Yakima Association of REALTORS®** in accordance with the Bylaws and Rules and Regulations of the **Yakima Association of REALTORS®** within twenty (20) days following receipt of the Directors' decision

**Section 9.2 COMPLAINTS OF UNETHICAL CONDUCT:** All complaints of unethical conduct shall be referred by the Board of Directors of the MLS to the Executive Officer of the **Yakima Association of REALTORS®** for appropriate action in accordance with the professional standards procedures under the terms of the Bylaws.

## SECTION 10

### *Confidentiality of MLS Information*

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

**Section 10.1 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION:** The information published and disseminated by the MLS is communicated verbatim, without change by the MLS, as filed with the MLS by the Participant. The MLS does not verify such information

provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the MLS harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

## SECTION 11

### *Ownership of MLS Compilations\* and Copyrights*

- Section 11.** **AUTHORITY TO USE LISTING DATA:** By the act of submitting any property listing content to the MLS, the Participant represents that he/she has been authorized to license and also thereby does license authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on "Comparables." Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.
- Section 11.1 OWNERSHIP OF COMPILATIONS:** All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by MLS, and in the copyrights therein, shall at all times remain vested in the MLS.
- Section 11.2 LEASE OF COMPILATIONS:** Each Participant shall be entitled to lease from the MLS a number of copies of each MLS Compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such Compilation. The Participant shall pay, for each such copy, the rental fee set by the MLS Board of Directors. \*\*

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

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

\*\*This section should not be construed to require the Participant to lease a copy of the MLS Compilation for any licensee (including licensed and certified appraisers) affiliated with the Participant who is engaged exclusively in a specialty of the real estate business other than listing, selling or appraising real property, and who does not, at any time, have access to nor use of the MLS information or MLS facility.

## SECTION 12

### *Use of Copyrighted MLS Compilations*

- Section 12.** **DISTRIBUTION:** Participants shall at all times maintain control over and responsibility for each copy of any MLS Compilation leased to them by the MLS, and shall not distribute any such copies to persons other than subscribers who are affiliated with such Participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and any other subscribers as authorized

pursuant to the governing documents of the MLS. Use of information developed by or published by an MLS is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation" or "Membership" or any right of access to information developed by or published by MLS where access to such information is prohibited by law.

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

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

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

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

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

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

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparables, or statistical information from utilizing such information to support valuations on particular 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 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 by the MLS. 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 these Rules and Regulations.

\*It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable" as used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchasers' decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus "reasonable" in number, shall include, but are not limited to, the total number of listings in the MLS Compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

### SECTION 13

#### *Use of MLS Information*

**Section 13. LIMITATIONS ON USE OF MLS INFORMATION:** Use of information from the MLS compilation of current listing information, from the Association's "Statistical Report," or from any "sold" or "comparable" report of the Association or MLS for public mass media advertising by an MLS Participant or in other public representations may not be prohibited. However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the Association or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice: "Based on information from the Multiple Listing Service of **Yakima Association of REALTORS®** for the period (date) through (date)."

### SECTION 14

#### *Orientation*

**Section 14. Orientation:** Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within sixty (60) days after access has been provided.

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with systems changes or enhancements and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated additional training remotely.

## SECTION 15

### *Internet Data Exchange (IDX)*

- Section 15. IDX Defined:** IDX affords MLS Participants the ability to authorize limited electronic display of their listings by other participants.
- Section 15.1 Authorization:** Participants' consent for display of their listings by other Participants pursuant to these rules and regulations is presumed unless a Participant affirmatively notifies the MLS that the Participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a Participant refuses on a blanket basis to permit the display of that Participant's listings, that Participant may not download, frame or display the aggregated MLS data of other Participants. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display.
- Section 15.2 Participation:** Participation in IDX is available to all MLS Participants who are REALTORS® who are engaged in real estate brokerage and who consent to display of their listings by other Participants.
- Section 15.2.1** Participants must notify the MLS of their intention to display IDX information and must give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies.
- Section 15.2.2** MLS participants may not use 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 15.2.3** Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing broker to withhold their listing or the listing's property address from all display on the Internet (including, but not limited to, publicly-accessible websites or Vows).
- Section 15.2.4** Participants may select the listings they choose to exclude listings from display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography or location ("uptown," "downtown," etc), list price, type of property, (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed on any IDX site must be independently made by each participant.
- Section 15.2.5** Participants must refresh all MLS downloads and IDX displays automatically fed by those downloads at least once every 12 hours
- Section 15.2.6** Except as provided in the IDX policy and these rules, an IDX site or a participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity.
- Section 15.2.7** Any IDX display controlled by a participant must clearly identify the names of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the



IDX policy and these rules, “control” means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules.

**Section 15.2.8** Any IDX display controlled by a participant or subscriber that

- a. allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
- b. displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing,

either or both of those features shall be disabled or discontinued for the seller’s listings at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all displays controlled by participants’. Except for the foregoing and subject to Section 18.2.9, a participant’s IDX display may communicate the participant’s professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying its customers that a particular feature has been disabled at the request of the seller.

**Section 15.2.9** Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the 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 listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

**Section 15.2.10** Participants shall not modify or manipulate information relating to other participants’ listings. MLS participants may augment their IDX displays of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated from the data supplied by the MLS. The source(s) of the information must be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized fields

**Section 15.3 Display:** Display of listing information pursuant to IDX is subject to the following rules:

**Section 15.3.1** Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS participants and users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed on IDX sites.

**Section 15.3.1.1** The type of listing agreement (e.g., exclusive right to sell, exclusive agency, etc.) may not be displayed.

**Section 15.3.2** Participants shall not modify or manipulate information relating to other Participants' listings. (This is not a limitation on site design but refers to changes to actual listing data.) MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields.

**Section 15.3.3** All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. 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 includes all required disclosures.

**Section 15.3.4** All listings displayed pursuant to IDX shall identify the listing agent.

**Section 15.3.5** Non-principal brokers and sales licensees affiliated with IDX Participants may display information available through IDX on their own websites subject to their Participant's consent and control and the requirements of state law and/or regulation.

**Section 15.3.6** All listings displayed pursuant to IDX shall show the MLS as the source of the information. Displays of minimal information (e.g. "thumbnails", text messages, "tweets", etc., of two hundred (200) characters or less are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

**Section 15.3.7** Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information is provided exclusively for consumers' personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect participants and/or the MLS from liability. 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 includes all required disclosures.

**Section 15.3.8** The data consumers can retrieve or download in response to an inquiry shall be determined by the MLS but in no instance shall be limited to fewer than **100** listings or five percent (5%) of the listings available for IDX display, whichever is fewer.

**Section 15.3.9** The right to display other Participants' listings pursuant to IDX shall be limited to a Participant's office(s) holding participatory rights in this MLS.

**Section 15.3.10** Listings obtained through IDX must be displayed separately from listings obtained from other sources, including information provided by other MLS's. 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 includes all required disclosures.

**Section 15.3.11** Display of expired, withdrawn, and sold listings is prohibited.

- Section 15.3.12** Display of seller’s (s’) and/or occupant’s (s’) name(s), phone number(s), and email address(es) is prohibited.
- Section 15.3.13** Participants are required to employ appropriate security protection such as firewalls on their websites and displays provided that any security measures required may not be greater than those employed by the MLS.
- Section 15.3.14** Participants must maintain an audit trail of consumer activity on their website and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers.
- Section 15.3.15** Deceptive or misleading advertising (including co-branding) on pages displaying IDX-provided listings is prohibited. For purposes of these rules, co-branding will be presumed not to be deceptive or misleading if the participant’s logo and contact information is larger than that of any third party.
- Section 15.4 Service Fees and Charges:** Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

## **SECTION 16**

### *Virtual Office Websites (VOWS)*

#### **Section 16.1 VOW Defined**

- 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 19 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 Virtual Office Websites, 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 19 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 16.2**

- a. The right of a participant’s VOW to display MLS listing information is limited to that supplied by the MLS(s) in which the participant has participatory rights. However, a participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.
- b. Subject to the provisions of the VOW policy and these rules, a participant’s VOW, including any VOW operated on behalf of a participant by an AVP, may provide other features, information, or functions, e.g., “Internet Data Exchange” (IDX).
- c. Except as otherwise provided in the VOW policy or in these rules, a participant need not obtain separate permission from other MLS participants whose listings will be displayed on the participant’s VOW.

### **Section 16.3**

- a. Before permitting any consumer to search for or retrieve any MLS listing information on his or her VOW, the participant must take each of the following steps.
  - i. The participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter, “Registrants”). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
  - ii. The participant must obtain the name of and a valid e-mail address for each Registrant. The participant must send an e-mail 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 e-mail 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 user name and a password, the combination of which is different from those of all other Registrants on the VOW. The participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The participant must also assure that any e-mail address is associated with only one user name 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, e-mail address, user name, and current password of each Registrant. The participant must keep such records for not less than one hundred eighty (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, e-mail 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' ownership of and the validity of the MLS' 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 16.4** A participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a

consumer can contact the participant to ask questions or get more information about any property displayed on the VOW. The participant or a non-principal broker or sales licensee licensed with the participant must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that participant and displayed on the VOW.

**Section 16.5** A participant's VOW must employ reasonable efforts to monitor for and prevent misappropriation, scraping, and other unauthorized uses 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 16.6**

- a. A participant's VOW shall not display the 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 e-mail, 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. 0

**Seller Opt-out Form**

1. Check one.

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

\_\_\_\_\_  
Initials of Seller

- c. The participant shall retain such forms for at least one (1) year from the date they are signed or one (1) year from the date the listing goes off the market, whichever is greater.

### **Section 16.7**

- a. Subject to Subsection b., below, a participant's VOW may allow third-parties:
- to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
  - to 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 19.8, a participant's VOW may communicate the participant's professional judgment concerning any listing. A participant's VOW may notify its customers that a particular feature has been disabled at the request of the seller.

**Section 16.8** A participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The participant shall correct or remove any false information relating to a specific property within forty-eight (48) hours following receipt of a communication from the listing broker explaining why the data or information is false. The participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

**Section 16.9** A participant shall cause the MLS listing information available on its VOW to be refreshed at least once every three (3) days.

**Section 16.10** Except as provided in these rules, in the **NATIONAL ASSOCIATION OF REALTORS®**, VOW policy, or in 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 16.11** A participant's VOW must display the participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

**Section 16.12** A participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a **Realtor®**.

**Section 16.13** A participant who intends to operate a VOW to display MLS listing information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to

the MLS and to all MLS participants for purposes of verifying compliance with these rules, the VOW policy, and any other applicable MLS rules or policies.

**Section 16.14** A participant may operate more than one VOW himself or herself or through an AVP. A participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a participant by an AVP is subject to the supervision and accountability of the participant.

**Note:** Adoption of Sections 19.15 through 19.19 is at the discretion of the MLS. However, if any of the following sections are adopted, an equivalent requirement must be imposed on participants' use of MLS listing information in providing brokerage service through all other delivery mechanisms.

**Section 16.15** A participant's VOW may not make available for search by or display to Registrants any of the following information:

- a. expired, and withdrawn listings
- b. the compensation offered to other MLS participants
- c. the type of listing agreement, i.e., exclusive right-to-sell or exclusive agency
- d. the seller's and occupant's name(s), phone number(s), or e-mail address(es)
- e. instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property

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

**Section 16.19** A participant shall require that Registrants' passwords be reconfirmed or changed at least every 90 days.

**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 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, including from another MLS or from a broker not participating in the MLS, to be searched separately from listings in the MLS.

**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 his or her 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 forty-eight (48) hours, if requested by the MLS.

## SECTION 17

### *Keybox System*

**Section 17. KEYBOX SYSTEM PROCEDURES:** MLS has adopted National Association of REALTORS® lock box security requirements (pertaining to the lockbox system in use) as provided for in Section 7.31 in the *Handbook on Multiple Listing Policy*.

## SECTION 18

### *Changes in Rules and Regulations*

**Section 18. CHANGES IN RULES AND REGULATIONS:** Amendments to the Rules and Regulations of MLS shall be by consideration and approval of the Board of Directors of the MLS, in accordance with the provisions of Article 16, Section 16.2, Bylaws of the MLS, subject to final approval by the Board of Directors of the **Yakima Association of REALTORS®**.

## **SECTION 19**

### ***Time Periods***

**Section 19. TIME PERIODS:** In any provisions of these rules and regulations calling for the giving of notice of listings or changes in listings or meetings within specified times, weekends and legal holidays shall be excepted in figuring the required time for giving notice.

## SECTION 20

### *Miscellaneous Charges & Fines*

<b>Violation</b>	<b>Fine</b>
Late Entered Listings (section 1, pg. 16)	\$5/day first two days
Not entered by 5 PM on the second business day	\$10/ day EACH day after
Late Entered CTG, Pendings, & Solds (section 1.4, pg. 17)	\$5/day first two days
Not entered by 5 PM on the next business day	\$10/day EACH day after
Listings added to Yakima MLS Electronic Database with wrong information.	\$5/day first two days
Error report changes not corrected by 5 PM on the next business day	\$10/day EACH day after
Re-Connect Fee Due to Disciplinary Action (section 7, Pg. 28)	\$500
Re-Connect Fee Due to Non-Compliance (section 7.1, pg.29)	\$25
MLS Staff Calling Broker/Participant to Correct Incorrect Information	\$5 EACH call/email/fax/ect.
NSF Check Fee	\$25
Removal of Keybox	\$50
By 5 PM on the second business day after listing closed or expired	
Unauthorized Loan of Keybox Key, EKEY, or Display Key	UP TO \$15,000
Sharing of FlexMLS Password	UP TO \$15,000
<b>Other violations will be presented to the MLS Board of Directors on a case by case basis.</b>	