



VIRTUAL OFFICE WEBSITE (VOW) POLICY

SECTION 37.1: DEFINITIONS

- a) A Virtual Office Website (VOW) is a Participant's Internet 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 for all active and closed Service data, 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 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 37 of these Rules, the term "Participant" includes a Participant's affiliated non-brokers and sales licensees-except when the term is used in the phrases "Participant's consent" and "Participants oversight, supervision and accountability". References to "VOW" and "VOWs" include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner ("AVP") on behalf of a Participant.
- c) "Affiliated VOW Partner" ("AVP") refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to the Participant's supervision, accountability and compliance with the VOW policy. No AVP has independent participation rights in the Service by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use Service Listing Information except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to the Service Listing Information is derivative of the rights of the Participant on whose behalf the AVP operates a VOW.
- d) As used in Section 37 of these Rules, the term "Service Listing Information" refers to active listing information and sold data provided by Participants to the Service and aggregated and distributed by the Service to Participants.

SECTION 37.2: SCOPE OF POLICY

- a) The right of a Participant's VOW to display Service Listing Information is limited to that supplied by the Service(s) in which the Participant has participatory rights. However, a Participant with offices participating in different Services may operate a master website with links to the VOW's of 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 Service Participants whose listings will be displayed on the Participant's VOW.

SECTION 37.3: CONSUMER REGISTRATION VOW REQUIREMENTS

- a) Before permitting any consumer to search for or retrieve any Service Listing Information on his or her VOW, the Participant must take each of the following steps:
 - i. The Participant must first establish with that consumer a lawful broker-consumer relationship as defined by state law), including completion of all actions, required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
 - ii. The Participant must obtain the name of and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.
 - iii. The Participant must require each Registrant to have a 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 email 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, email address, user name and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant's password.
- c) If the Service has reason to believe that a Participant's VOW has caused or permitted a breach in the security of the Service Listing Information or a violation of Service rules, the Participant shall, upon request of the Service, provide the name, email address, user name and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the Service, provide an audit trail of activity by any such Registrants.
- 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 data 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 data or information provided, except with the Registrant's consideration of the purchase or sale of an individual property;
 - v. That the Registrant acknowledges the Service' ownership of and the validity of the copyright in the Service 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 must be established separately from the Terms of Use, must be prominently labeled and may not be accepted solely by mouse click.
- f) The Terms of Use agreement shall also expressly authorize the Service, and other Service Participants or their duly authorized representatives, to access the VOW for the sole purpose of monitoring compliance with MRED rules and monitoring display of Participant's listings by the VOW. The agreement may also include such other provisions as may be agreed to between the Participant and the Registrant.

SECTION 37.4: CONTACT INFORMATION - A Participant's VOW must prominently display an email 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 properties 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 37.5: MONITORING - A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of Service 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 Service.

SECTION 37.6: LISTINGS/PROPERTY ADDRESSES

- a) A Participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the Service 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 customers via other delivery mechanisms, such as email, fax or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.
- b) A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document (See Appendix B)

SECTION 37.7: COMMENTS AND REVIEWS; AVMs

- a) Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.
- b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of these features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the Service 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 37.8, 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 37.8: ACCURACY/CORRECTION OF PROPERTY INFORMATION - A Participant's VOW shall maintain a means (e.g., email 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 Service and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 48 hours following receipt of a communication from the listing broker explaining why the data or information is false. The Participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice or professional judgment.

SECTION 37.9: UPDATING OF INFORMATION - A Participant shall cause the Service Listing Information available on its VOW to be refreshed at least once every three (3) days.

SECTION 37.10: DISTRIBUTION OF INFORMATION - Except as provided in these rules or any other applicable Service rules or policies, no Participant shall distribute, provide or make accessible any portion of the Service Listing Information to any person or entity.

SECTION 37.11: PRIVACY POLICY - 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 37.12: EXCLUSION OF LISTINGS - 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 37.13: INTENTION TO OPERATE VOW - A Participant who intends to operate a VOW to display Service Listing information must notify the MLS of its intention to establish a VOW, and must make the VOW readily accessible to the Service and to all Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable Service rules or policies.

SECTION 37.14: MULTIPLE VOWs - 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 VOW's on his or her behalf. However, any VOW operated on behalf of a participant by an AVP is subject to the supervision and accountability of the Participant.

SECTION 37.15: EXCLUSIONS FROM SEARCHES - A Participant's VOW may not make available for search by, or display to Registrants any of the following information:

- a) Expired or cancelled listings.
- b) The compensation offered to other Service Participants.
- c) The type of listing agreement, i.e. Exclusive Right to Sell, Exclusive Right to Lease 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, such as those regarding showings or security of listed property.

SECTION 37.16: CHANGING/AUGMENTING CONTENT - A Participant shall not change the content of any Service information that is displayed on a VOW from the content as it is provided in the Service. The Participant may, however, augment Service Listing Information with additional information not otherwise

prohibited by these Rules or by other applicable Service rules or policies as long as the source of such other information is clearly identified. This rule does not restrict the format of display of Service Listing Information on VOW's or the display on VOW's of fewer than all of the authorized information fields.

SECTION 37.17: VOW NOTICE - A Participant shall cause to be placed on his or her VOW, a notice indicating that the Service Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by the Service. A Participant's VOW may include other appropriate disclaimers necessary to protect the Participant and/or the Service from liability.

SECTION 37.18: LIMITATION ON NUMBER OF LISTINGS - A Participant shall not limit the number of listings that a Registrant may view, retrieve or download.

SECTION 37.19: PASSWORDS - A Participant shall require the Registrant's passwords be reconfirmed or changed every ninety (90) days.

SECTION 37.20: ADVERTISING - 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 37.21: SOURCES OF LISTINGS - A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another Service or from a broker not participating in the Service, to identify the source of the listing.

SECTION 37.22: SEARCHING OF LISTINGS FROM OTHER SOURCES - A Participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another Service or from a broker not participating in the Service, to be searched separately from the listings in the Service.

SECTION 37.23: LICENSEE AGREEMENT - Participants and the AVP's operating VOW's on their behalf must execute the license agreement required by the Service.

SECTION 37.24: WITHHELD LISTINGS - Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the Service (if requested) within 48 hours.

SECTION 37.25: SECURITY - Services that allow persistent downloading of the Service database by Participants for display or distribution on the Internet or by other electronic means may require that Participants (1) utilize appropriate security protection, such as firewalls, which requirement may not impose on Participants security obligations greater than those employed concurrently by the Service, and/or (2) Maintain an audit trail of Registrants' activity on the VOW and make that information available to the Service if the Service has reason to believe that a Participant's VOW has caused or permitted a breach in the security of the data or a violation of MRED rules related to use by one or more Registrants.

EFFECTIVE DATE OF VIRTUAL OFFICE WEBSITE (VOW) POLICY: APRIL 1, 2009

See Appendix A for Sanctions Available for Service Rules Violations and Data Misappropriation.

Appendix A

Sanctions Available for Service Rules Violations and Data Misappropriation

Internal Remedies for Service Rules Violations

1. A fine of up to \$5,000.
2. Suspension of Service privileges.
3. Termination of Service privileges.

Judicial Remedies for Data Misappropriation and Copyright Infringement

1. Injunctive relief.
2. Statutory damages, which may range from \$750 to \$30,000, in the discretion of the court, or up to \$150,000 if the infringement is willful.
3. Actual damages and lost profits.
4. Attorney's fees and costs, at the discretion of the court.

Potential criminal penalties.