

New Braunfels/Canyon Lake Association of REALTORS®, San Marcos Area Board of REALTORS®, and Seguin Board of REALTORS®

Rules and Regulations of the Central Texas Multiple Listing Service

Listing Procedures

Section 1 Listing Procedures:

Listings of real or personal property of the following Types and Classes (in MLS terminology), which are listed subject to a real estate broker's license and are located within the territorial jurisdiction of the Central Texas Multiple Listing Service (hereinafter referred to as the "MLS") and are taken by Participants on listing forms or are electronically filed or entered (hereafter referred to as "filed") in the MLS in formats accepted by the Service, shall be electronically filed or timely entered in the Multiple Listing Service. Listings shall be filed timely by entering them into the computerized database of the Central Texas MLS within 5 calendar days (not counting weekends, holidays or postal holidays) after all necessary signatures of seller(s) have been obtained or as otherwise authorized by the seller. The "Classes" and "Types" of property required to be filed in the MLS are:

Residential Class

- (a) Types: single family, manufactured-real property, manufactured-no real property, condominium or townhouse for sale or exchange

Land & Farm Class

- (a) Types: vacant lots and acreage for sale or exchange
- (b) Types: farm and ranch tracts for sale or exchange

Commercial Class

- (a) Types: commercial-improved, commercial-unimproved, commercial lease

Multi-Family Class (MF)

- (a) Types: duplex, triplex, quadraplex, complex or mobile home park for sale or exchange

Note: Rental properties may be filed in the MLS, but filing of rentals is not required. When filed, they should be properly coded as "For Sale," "For Rent," or "For Sale or For Rent."

(a) Listing Agreement Forms Used in the MLS:

The Participant may use listing agreement forms prepared by the Texas Association of REALTORS®, or any NAR-affiliated Board of REALTORS®, a Texas-licensed attorney, or other lawful source, providing the listing agreement includes the seller's written authorization to submit the agreement to the Multiple Listing Service. The Multiple Listing Service shall not require a Participant to submit listings on a form other than the form the Participant individually chooses to use, but selected property data elements may be required in the listings as specified in the property data form approved by the Multiple Listing Service. Moreover, the Multiple Listing Service, through its legal counsel:

1. may reserve the right to refuse to accept a listing on a listing form which fails to adequately protect the interests of the public and the Participants,
2. may 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), and

3. meets other requirements of Section 1.

(b) Exclusive Right to Sell and Exclusive Agency Contracts:

The Central Texas Multiple Listing Service shall accept exclusive right to sell listing contracts and exclusive agency listing contracts, and may accept other forms of agreement which make it possible for the listing broker to offer compensation to the other Participants of the Multiple Listing Service acting as subagents, buyer agents, or any form of agency authorized by law and/or the Texas Real Estate Commission (TREC).

The different types of listing agreements include: (1) exclusive right to sell, (2) exclusive agency, (3) open, and (4) net. The Service may not accept net listings because they are deemed unethical and, in most states, illegal. Open listings are not accepted, except where required by law, because they usually do not include the authority to cooperate and compensate other brokers and inherently provide disincentives for cooperation.

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

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but 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 from exclusive right to sell listings with no named prospects exempted by appropriate annotations in the Remarks and/or Addendum sections of the MLS listing. Exclusive agency listings can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell listings with no named prospects exempted. Care should be exercised to ensure that proper codes are used in the MLS to denote exclusive right to sell listings with prospect reservations, including expiration dates of the reservations.

(c) Other Requirements of Listing Agreement.

The listing agreement must include the seller's written authorization to submit the agreement to the Central Texas Multiple Listing Service, provide for timely notice of status changes of the listing to the MLS, and authorize disclosure of sales information including selling price to the MLS upon sale of the property.

(d) Listing Types:

The Multiple Listing Service does not regulate the type of listings its Members may take but this does not mean that the Multiple Listing Service must accept every type of listing. The Multiple Listing Service shall decline to accept open listings (except where required by law) and net listings, and it may limit its service to listings of certain kinds of property. But, if it limits the kind of listings it will accept, Members shall be free to accept such listings outside the Multiple Listing Service.

(e) Auction Listings.

The Multiple Listing Service may accept exclusively listed property that is subject to auction provided such listings are clearly annotated as auction properties in the Remarks, and have appropriate codes in the Features or Keywords sections if such codes are available. Participants are not required to file auction listings with the Multiple Listing Service.

(f) Types of Properties Required to Be Filed:

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

1. residential
2. residential income
3. subdivided vacant lot

4. land and ranch
5. business opportunity
6. motel-hotel
7. mobile homes
8. mobile home parks
9. commercial income
10. industrial

Section 1.1 Listings Subject to Rules and Regulations of the Service:

Any listing taken on a contract to be filed with the Central Texas Multiple Listing Service is subject to the rules and regulations of the Service upon signature of the seller(s).

Section 1.2 Complete Details on Listings Filed with the Service:

A listing agreement or property data form, when filed with the Central Texas Multiple Listing Service by the listing broker, shall be complete in every detail which is reasonably ascertainable as specified on the property data form.

Section 1.3 Exempted Listings:

If the seller refuses to permit the listing to be disseminated by the Service, the Participant may take the listing ("office exclusive") but such listing shall be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the Service and a copy of such certification shall be provided to the individual board through which the individual acquires access to the MLS within 3 days of the date the seller signs the certification.

Section 1.4 Change of Listing Data:

Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the Service within two (2) days after the authorized change is received by the listing broker.

Section 1.5 Withdrawal of Listing Prior to Expiration:

Listings of property may be withdrawn from the Multiple Listing Service by the listing broker before the expiration date of the listing agreement, provided notice is filed with the Service by appropriate entry in the MLS.

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

Section 1.6 Contingencies Applicable to Listings:

Any contingency or conditions of any term in a listing shall be specified and noticed to Participants in the Remarks or Addendum sections of the Central Texas MLS.

Section 1.7 Listing Price Specified:

The full gross listing price stated in the listing contract will be included in the information published in the Central Texas MLS compilation of current listings, unless the property is subject to auction.

Section 1.8 Listing Multiple Unit Properties:

All properties which are readily identifiable units of property and which may be sold separately must be indicated individually in the listing. When the sub-units such as variable acreage parcels out of larger tracts are not readily identifiable, they may be annotated with simple language such as "all or part." When part of a listed property has been sold, proper notification should be given to the Central Texas Multiple Listing Service.

Section 1.9 No Control of Commission Rates or Fees Charged by Participants:

The Central Texas Multiple Listing Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Multiple Listing Service shall not fix,

control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non-participants.

Section 1.10 Expiration of Listings:

Listings filed with the Central Texas Multiple Listing Service will automatically be removed from the compilation of current listings on the expiration date specified in the agreement unless prior to that date the MLS receives notice that the listing has been extended or renewed. Otherwise, a new listing agreement and new MLS # is required. The extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and filed with the Service.

Section 1.11 Termination Date on Listings:

Listings filed with the Service shall bear a definite and final termination date, as negotiated between the listing broker and the seller.

Section 1.12 Jurisdiction:

Only listings of the designated types of property located within the jurisdiction of the CENTRAL TEXAS MLS are required to be submitted to the Service. Listings of property located outside the CENTRAL TEXAS MLS jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service. The jurisdictional area of the CENTRAL TEXAS MLS is Comal, Hays, and Guadalupe Counties, in the State of Texas.

Section 1.13 Listings of Suspended Participants: When a Participant of the service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, association bylaws, MLS bylaws, MLS rules and regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the association (except where MLS participation without association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, and association 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 a suspended Participant's listings from the MLS, the suspended Participant should be advised, in writing, of the intended removal so that the suspended Participant may advise his clients.

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

(b). Listings of Expelled Participants - Failure to Pay Dues, Fees or Charges:

If a Participant has been expelled from the Board through which the Participant acquires access to the Central Texas MLS (except where MLS participation without Board membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, a Board MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised, in writing, of the intended removal so that the expelled Participant may advise his clients. It is an independent obligation of Participants to pay MLS dues.

Section 1.15 Listings of Resigned Participants:

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

Section 1.16 Mandatory Photos:

At least one digital image of each property listed in the Central Texas MLS shall be uploaded to the service as the main view photo. All listings that lack a photo will incur a fine as outlined in Section 7.4, Schedule of Fines. Photos will not be electronically altered (i.e. color added to grass, imperfections removed or changed) so as to create a false impression of the true appearance of the property. Only pictures pertaining to the listed property will be placed in the Multiple Listing Service. The only exceptions are floor plans, conceptual drawings/schematics, aerial photos, plats, surveys or an artist's rendering. Pictures of the listing agent, logos of the builder or listing agent, electronically altered photos, and any photo that is not of the specific property being listed will be considered a violation of this policy.

Selling Procedures

Section 2.0 Showings and Negotiations:

Appointments for showings and negotiations with the seller for the purchase of listed property filed with the Multiple Listing Service shall be conducted through the listing broker, except under the following circumstances:

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

Section 2.1 Presentation of Offers:

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

Section 2.2 Submission of Written Offers:

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

Section 2.3 Right of Cooperating Broker in Presentation of Offer:

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

Section 2.4 Right of Listing Broker in Presentation of Counter-Offer:

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

Section 2.5 Reporting Sales to the Service:

Sales shall be reported immediately (within 2 days) to the Central Texas Multiple Listing Service by the listing broker unless the negotiations were carried on under Section 2.0(a) or 2.0(b) hereof, in which case the cooperating broker shall report, sending a copy to the listing broker within twenty-four (24) hours after acceptance.

Note: The listing agreement of a property filed with the Central Texas 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 Participant.

Section 2.6 Reporting Resolutions of Contingencies:

The listing broker shall report to the Central Texas Multiple Listing Service within two (2) days that a contingency on file with the Multiple Listing Service has been fulfilled or renewed, or the agreement cancelled.

Section 2.7 Advertising of Listing Filed with the Service:

A listing shall not be advertised by any Participant other than the listing broker without the prior consent of the listing broker.

Section 2.8 Reporting Cancellation of Pending Sale:

The listing broker shall report within two (2) days to the Central Texas Multiple Listing Service the cancellation of any pending sale and the listing shall be reinstated immediately.

Section 2.9 Lockboxes

Lockboxes may be used when authorized by owner or listing/lease agreement. A key box authorized by the Central Texas MLS Directors will be the access key box for use on listed properties. THE AUTHORIZED KEY BOX IS THE SUPRA LOCK BOX SYSTEM. Participants may, at their discretion, use other lockboxes if they so desire. In no event shall the combinations for combination lockboxes be placed in the MLS database.

- (a) Participants shall establish their own office Lock Box control. Boxes may be obtained from the respective member Board: New Braunfels/Canyon Lake, San Marcos or Seguin.
- (b) MLS neither warrants the security of the Lock Boxes nor recommends their use or non use. Rather, MLS merely makes them available at lowest cost to Participants for use when authorized in the Listing Agreement.

Refusal to Sell

Section 3 Refusal to Sell:

If the seller of any listed property filed with the Central Texas Multiple Listing Service refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the Service and to all Participants by notification to the Staff of the Association who shall then transmit such notice to all MLS Participants by facsimile, email, MLS messaging or other communications procedures.

Prohibitions

Section 4 Information for Participants Only:

Any listing filed with the Service shall not be made available to any broker or firm not a Member of the Central Texas MLS without the prior consent of the listing broker. However, statistical data and information on sold properties may be provided non-Participating members of the Board, Affiliates of the Board, government appraisal entities, and other parties at the discretion of the Board of Directors.

Section 4.1 "For Sale" Signs:

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

Section 4.2 "Sold" Signs:

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

Section 4.3 Solicitation of Listing Filed with the Service:

Participants shall not solicit a listing on property filed with the Service unless such solicitation is consistent with Article 16 of the Realtors®' Code of Ethics, its Standards of Practice, and its Case Interpretations.

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

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

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

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

Division of Commissions

Section 5 Compensation Specified on Each Listing:

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

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

The compensation specified on listings filed with the Multiple Listing Service shall appear in one of two forms. Such information shall clearly inform the Participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker, in writing, in advance of his producing an offer to purchase. The compensation specified on listings published by the MLS shall be

shown in one of the following forms:

1. by showing a percentage of the gross selling price, or
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 non-agency capacities defined by law) which may be the same or different.

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

Note 1: The Board Multiple Listing Service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the Board Multiple Listing Service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a Participant. The Board Multiple Listing Service 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 Multiple Listing Service Participants for their services with respect to any listing by advance published notice to the Service so that all Participants will be advised.

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

Note 4: Nothing in these MLS rules precludes a listing Participant and a cooperating Participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction.

Section 5.1 Participant as Principal:

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

Section 5.2 Participant as Purchaser:

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

Section 5.3 Dual or Variable Rate Commission Arrangements:

The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that

results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

Service Charges

Section 6 Service Fees and Charges:

The following service charges for operation of the Central Texas Multiple Listing Service are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed.

Note: Participation in the Central Texas MLS is optional for both the Participant and the agents/Subscribers in the Participant's firm. However, Participants with agents who do not subscribe to the MLS are responsible for assuring that non-subscribing agents under their supervision do not access or use the resources of the MLS, whether in the office or elsewhere. Policing access to MLS devices can be difficult in open office work areas, on mobile laptops or agent's and on home computers. Nevertheless, failure of Participants to avoid abuse by subscribers under their supervision can put the Participant's access at risk. The Service recommends Participants are to be cautious with use of their own access codes and establish office policies requiring Subscribers departing their offices, or are otherwise leaving the supervision of the Participant to document that they have uninstalled the MLS system. The Central Texas MLS shall change the access codes of Participants and subscribers from time to time, or upon request of Participants or subscribers to facilitate control of a MLS access.

(a). Initial Participation Fee:

Applicants for participation in the Service shall pay an application fee of an amount determined by the Board of Directors of each participating Board or Association through which the individual Participant or Subscriber acquires access to the MLS, with such fee to accompany the application. The Participant's fee includes the fees, if any, for setting up a new office.

(b). Recurring Participation Fee:

The participation fee of each Participant shall be an amount determined by the Board of Directors of each participating Board or Association (through which the individual Participant or Subscriber acquires access to the Central Texas MLS), times each salesperson and licensed or certified appraiser who has access to and use of the Service, whether licensed as a broker, sales licensee, or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such Participant.

(1). Affiliated licensed or unlicensed administrative and clerical staff, personal assistants, and/or individuals seeking licensure or certification as real estate appraisers who use access and use of MLS information solely for the benefit of their employers and not for personal benefit or profit, shall not be considered in the computation of MLS fees and charges, provided the Participant certifies that the individual uses MLS information exclusively for the benefit of the Participant or MLS subscribers, is not compensated on the basis of production and shares no commissions.

(2). Access Codes for Certified Non-Subscribers. Individuals certified under Section 6 (b)(1) may be given their own MLS access codes. Such individuals should not use access codes of subscribers when there is risk of simultaneous uploads or downloads under the same codes.

(c). Payment of Fees.

Payment of participation fees shall be determined by each individual Board or Association. Fees for new members shall be prorated on a monthly basis at a rate determined by each participating Board or Association (through which the individual Participant or Subscriber acquires access to the MLS). The Central Texas MLS shall pay to SEI a monthly fee as set out in the SEI contract. Each individual Board or Association of the Central Texas Multiple Listing Service in turn shall be assessed its portion of that SEI charge based on its percentage participation in the MLS. Such percentage participation shall be adjusted annually.

(d). Listing Data Entry Fees and Scanning Services.

Any fees for entering the listing data for a Participant or subscriber or for scanning and/or entering photos or other graphics to substitute for photos in Central Texas MLS listings shall be at the discretion of each individual Board or Association of the MLS (through which the individual Participant or Subscriber acquires access to the MLS).

(e). All Multiple Listing Service Fees.

All fees may be revised by the Board of Directors of each individual Board or Association of the MLS at its discretion. The individual Board of Directors shall estimate the MLS share of overall office operating expenses, including technology, communications, manpower, and other MLS operating costs. The MLS should provide revenues to offset the MLS share of direct and indirect expenses and provide for reasonable reserves, but should not finance unrelated Board operations. Each individual Board or Association shall be assessed its portion of such MLS expenses based on its percentage participation in the MLS. Such percentage participation shall be adjusted annually.

(1). The Multiple Listing Service should pay its own way and allow for a reasonable operating reserve, including resources to cover unexpected short-term revenue drops or weakness in the real estate market. Reserves should also be adequate to replace or upgrade the MLS system's technology and equipment, from time to time, without debt or special assessments on individual Board/Association membership or MLS Participants.

(2). But, the MLS is merely another service of the individual Board/Association and not the principal activity or reason for each Board's/Association's existence. As long as it is able to restrict its services exclusively or primarily to Board/Association members, the Service is not properly a Board/Association profit center.

Compliance of Rules

Section 7 Applicability of Rules to Users and/or Subscribers:

Brokers, principal and non-principal, sales licensees, appraisers, and others authorized to have access to information published by the Central Texas 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 7.1 Unauthorized Use.

Section 7.1.1 Unauthorized Use of a Keypad:

Keypads may not be shared by Subscribers with anyone.

Section 7.1.2 Unauthorized Use of MLS Tools:

Sharing of Central Texas MLS tools with non-MLS Participants is prohibited. This includes providing passwords for non-MLS Participants to access MLS data, or any other unapproved method whereby non-subscribers gain access to MLS data.

Section 7.1.3 IDX Policy Violations:

The violation of any item published in Section 16 of the Central Texas MLS Rules & Regulations constitutes a violation under this section.

Section 7.2 Database Violations.

Section 7.2.1 Late Submission of Listing:

All properties required to be listed in the Central Texas MLS system must be entered according to the time

frame in the listing agreement.

Section 7.2.2 Late Reporting of Any Change of Status:

Participant or Subscriber must report all status changes listed in the MLS within two (2) days status change on subject property.

Section 7.2.3 Incorrect/Incomplete Information:

All listings must contain correct and complete information in the required fields. Listing Participants and Subscribers will receive two warning notifications via email, and will have three (3) days per notification to correct the listing before a fine is incurred.

Section 7.2.4 Incorrect SOLD Information:

All listings must contain correct and complete SOLD information, including the sold price and the correct selling agent, in the required fields.

Section 7.2.5 Failure to Correct Information: Failure to correct any of the above will result in the imposition of fines in accordance with 7.4. Where there is continuing and apparently willful violation relative to a property listing or the collective listings of a Participant, suspension of MLS privileges of the individual may be imposed by the Central Texas MLS Board of Directors.

Section 7.3 Other Fines

Section 7.3.1 Including Security Codes in Listing:

For the prevention of safety and liability issues, gate combination and security codes are not to be included in displayed listings of any kind.

Section 7.3.2 Incorrect Address:

Only the address may be entered in the Address Field. Any other information is prohibited in the Address Field.

Section 7.3.3 Failure to Comply with Photo Policy:

At least one digital image of each property listed in the MLS shall be uploaded to the service within 1 (one) day of the input date as main view photo. Photos will not be electronically altered (i.e. color added to grass, imperfections removed or changed) so as to create a false impression of the true appearance of the property. Only pictures pertaining to the list shall be placed in the Multiple Listing Service. The only exceptions are floor plans, conceptual drawings/schematics, aerial photos, plats, surveys or an artist's rendering. Pictures of the listing agent, logos of the builder or listing agent, electronically altered photos, and any photo that is not of the specific property being listed will be considered a violation of this policy.

Section 7.3.4 Double Listing:

No listing may be entered twice in the same category. Listings may, however, be listed in two different categories if the subject property is eligible to be listed under each category.

Section 7.3.5 Directions:

The Direction Field is a required field. All listings must contain directions. It is not appropriate to enter telephone numbers, email addresses, or website addresses in this field as there are other specified fields in the listing format for this information.

Section 7.3.6 Unauthorized Listing Information in Public Remarks:

Only property related information shall be entered in the Public Remarks section of any listing. Any names, phone numbers, branded photos, email address, showing instructions, agent bonus information, brokerage information, security information, vacancy information, and website or web address is prohibited. The home builder name is permitted, as it describes the property.

Section 7.3.7 Failure to Report Sold Data:

Members cannot allow listings to expire, withdraw the listing, or report as another status (other than sold) if the

listing is sold. Listing agents obtain permission from the seller to report sold data before entering listing in the MLS, eliminating confidentiality questions of disclosing sold price as a condition of purchase. Participants in violation of this rule have the opportunity to participate in the appellate process, including a hearing, before fulfilling any sanction.

Section 7.4 Schedule of Fines

Fines shall be imposed to maintain the quality and accuracy of the MLS Compilation. Participants and Subscribers may appeal a fine by following the procedures outlined in Section 8.

- Policy: Participants violating the below listed sections will receive two written notifications of violation at three (3) days each. If item is not resolved in that time frame, a fine of \$50 will result.

Section	Description
1.16,1.17, 7.3.3	No picture with listing
1.16, 1.17, 7.3.3	Incorrect picture
7.3.2	Incorrect address or listing any information other than address in that field
7.3.4	Listing a property twice in the same category
7.3.5	No directions or information other than directions in that field
7.2.2	Failure to report all status changes within two (2) days of change
7.1.3	Any IDX violation
7.2.3, 7.2.4	Failure to have correct and complete information in ALL required fields for a listing

- Policy: violation of the below sections are considered serious. Participants violating any of the below will receive an automatic fine of \$100 for their first offense. Second offense of the same section will result in an automatic \$300 fine.

Section	Description
7.3.6	Any information other than physical description listed in public remarks
7.1.2	Sharing MLS tools with non-MLS members including password
7.1.1	Sharing keypad (Supra key access)
7.3.1	Listing security codes of any kind in displayed listing

- Policy: Participants violating the below mentioned section will receive two (2) written notifications of violation at three (3) days each. If item is not resolved in that time frame, a fine of \$100 will result. Each continued offense will result in one (1) warning at four (4) days, after which a fine of \$5000 will be enforced.

Section	Description
7.3.7	Failure to record sold data

Section 7.5 Other Sanctions and Methods of Enforcements

Section 7.5.1 Warning Letters

Notice by fax or email constitute written notice.

Section 7.5.2 Continual Infringement and Suspension of MLS Privileges

For continual violations, suspension of MLS Privileges may be warranted to resolve compliance issues with MLS Rules & Regulations. If suspension of MLS privileges is deemed warranted by the Central Texas MLS Board of Directors a warning notice in writing will be sent indicating MLS privileges may be suspended no earlier than two (2) days following disbursement of notice. A third violation of any rule within a 12 month

rolling period is considered Continual Infringement. Violators are subject to suspension and/or fines up to the maximum allowable amount at the discretion of the Central Texas MLS Board.

Section 7.5.3 Suspension of Individual Listing

For violations pertaining to an individual listing, the Staff of the Central Texas MLS Board of Directors may suspend by deletion the individual listing until the violation is corrected. A warning letter will be sent to the individual prior to suspension of listing and listing may be suspended no earlier than two (2) days following disbursement of notice.

Section 7.6 Failure to Timely Pay Fines

For failure to pay the fine amount on or before the date due specified on the invoice, and provided that at least fifteen (15) days notice was given, the Service shall be suspended until fines are paid in full. In all cases, the fined Participant may submit, in writing, a request to appeal a fine to the Central Texas MLS Appellate Sub-Committee as outline in section 8.2.

Section 7.7 For failure to comply with any other rule the provisions of Section 8 - Section 8.4 apply.

Enforcement of Rules/Disputes and Appellate Process

Section 8 Consideration of Alleged Violations:

The Central Texas MLS Board shall give consideration to all written complaints having to do with violations of the Rules and Regulations.

Section 8.1 Central Texas MLS Appellate Sub-Committee:

The Central Texas MLS Appellate Sub-Committee will be comprised of the current Central Texas MLS President and one current member from each of the associations and/or boards. This committee will meet monthly.

Section 8.2 Violations of Rules and Regulations:

If the alleged offense is a violation of the rules and regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the Appellate Sub-Committee. If a violation is determined, the Central Texas MLS Board may direct the imposition of sanction, provided the recipient of such sanction may request a hearing in writing before the Central Texas MLS Appellate Sub-Committee within fifteen (15) days following receipt of the infraction notice. No additional fines will be incurred if request for Appeal is made in a timely manner.

Section 8.3 Appeal of Central Texas MLS Appellate Sub-Committee decision:

After the Central Texas MLS Appellate Sub-Committee makes its recommendation, the Participant has the ability to appeal the decision of that hearing in accordance with the NAR due process requirements, before fulfilling any sanctions. The tribunal that would hear this appeal will be comprised of the current Board President from each of the three (3) service areas with the current Central Texas MLS President to be present in case of a now show or tie. THE DECISION OF THIS APPEAL WILL BE FINAL.

Section 8.4 Complaints of Unethical Conduct:

All complaints of unethical conduct shall be referred by the Central Texas MLS Board to the Association Executive of the individual Board of Realtors® (through which the individual Participant or Subscriber acquires access to the MLS) for appropriate action in accordance with the professional standards procedures established in the individual Board's bylaws.

Meetings

Section 9 Meetings of the Board of Directors:

The Board of Directors of the Central Texas Multiple Listing Service shall meet for the transaction of its business at a time and place to be determined by the Board or at the call of the Chairperson.

Section 9.1 Meetings of MLS Participants:

The Board of Directors of each individual Board/Association, Presidents of each individual Board/Association, or the Board of Directors of the Central Texas MLS may call meetings of the Participants in the Service to be known as meetings of the Multiple Listing Service.

Section 9.2 Conduct of the Meetings:

The Chairperson or Chair-elect shall preside at all meetings or, in their absence, a temporary Chairperson from the membership of the Board of Directors of the Central Texas MLS shall be named by the Chairperson or, upon his failure to do so, by the Board of Directors of the Central Texas MLS.

Confidentiality of MLS Information

Section 10 Confidentiality of MLS Information:

Any information provided by the Multiple Listing Service to the Participants shall be considered official information of the Service. Such information shall be considered confidential and exclusively for the use of Participants and real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants. This Central Texas MLS Board may establish policy defining the rights of Participants to display electronically Central Texas MLS information regarding listings of other Participants in accordance with guidelines established or recommended by the National Association of REALTORS® or the National Association of REALTORS® internet data display policy.

Section 10.1 MLS Not Responsible for Accuracy of Information:

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

Section 10.2 Access to Comparable and Statistical Information:

Board members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the Central Texas MLS, are nonetheless entitled to receive by purchase or lease all information other than current listing information that is generated wholly or in part by the MLS, including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Board members and individuals affiliated with Board members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm, except as otherwise provided in these rules and regulations. Each individual Board/Association may provide Central Texas MLS "sold" information to governmental agencies such as tax appraisal districts for bona fide public purposes provided the governmental agency agrees to protect the confidentiality of such information and not disclose such information to any person, business, entity, electronic outlet, or other governmental agency in wholesale amounts without the express approval of the Board of Directors.

Ownership of MLS Compilation* and Copyright

Section 11 Authorization to Include Listing Information in Compilations.

By the act of submitting any property listing content to the Central Texas MLS, the Participant represents that he has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted Central Texas 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.

*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 database, card file, or any other format whatever.

Section 11.1 Ownership of MLS Compilations and Copyright.

All rights, title, and interests in each copy of every Multiple Listing compilation created and copyrighted by the each of the participating Boards or Associations and in the copyrights therein, shall at all times remain vested in the individual participating Boards or Associations.

Section 11.2 Publication of Compilations.

Provided the Central Texas MLS or Boards or REALTORS® choose to publish a compilation of MLS data, each Participant shall be entitled to lease from the Board or 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 Board or MLS.*

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

Use of Copyrighted MLS Compilation

Section 12 Distribution:

Participants shall, at all times, maintain control over and responsibility for each copy of any Central Texas MLS compilation leased to them, 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 the Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification, and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation" or "Membership" or any right of access to information developed or published by the Multiple Listing Service 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 Central Texas 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 Central Texas MLS compilation.

Section 12.2 Reproduction:

Participants or their affiliated licensees shall not reproduce any Central Texas MLS compilation or any portion thereof, except in the following limited circumstances.

Participants or their affiliated licensees may reproduce from the Central Texas MLS compilation and distribute to prospective purchasers a reasonable* number of single copies of property listing data, or "spreadsheet" lists or "shopping lists" of selected properties, contained in the Central Texas MLS compilation which relate to any properties in which the prospective purchasers are or may, in the judgment of the Participants or their affiliated licensees, be interested.

*The term reasonable, as used herein, should be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent and thus reasonable in number, shall include, but are not limited to, the total number of listings in the MLS compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

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

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparables, or statistical information from utilizing such information to support an estimate of value on a particular property for a particular client. However, only such information that a Board or Board-owned Multiple Listing Service has deemed to be non-confidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations.

It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest.

Section 12.3 Electronic Displays:

The Central Texas Multiple Listing Service may arrange for transmission and presentation of properties listed in the MLS on such electronic media which shall, in its judgment, represent advantageous advertising opportunities. These include, but are not limited to, realtor.com and other electronic sites.

Use of MLS Information

Section 13 Limitations on Use of Aggregated MLS Information:

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

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by a Board or the 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 Central Texas MLS for the period (date) through (date) for the (applicable area) area.

Changes in Rules and Regulations

Section 14 Changes in Rules and Regulations:

These Rules and Regulations shall be amended, modified, or changed in accordance with the procedure set forth in the Bylaws of the Central Texas Multiple Listing Service, Inc.

Orientation

Section 15 Orientation:

Any applicant for Central Texas MLS participation and any licensee affiliated with an MLS Participant who has access to or use of MLS-generated information shall complete an orientation program as provided by their individual Board or Association and devoted to the MLS rules and regulations and computer training related to Central Texas MLS information entry and retrieval and the operation of the MLS within thirty (30) days after access has been provided.

Internet Data Exchange ("IDX")

Section 16: IDX Defined:

IDX affords MLS Participants the option of authorizing display of their active listings on other Participants' Internet websites.

Section 16.1 Authorization:

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

Section 16.2 Participation:

Participation in IDX is available to all Central Texas MLS Participants who are REALTORS® who are engaged in real estate brokerage and who consent to display of their listings by other Participants. This requirement can be met by maintaining an office or Internet presence from which Participants are available to represent real estate sellers or buyers (or both).

Section 16.2.1

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

Section 16.2.2

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

Section 16.2.3

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

Section 16.2.4

Participants may select the listings they choose to 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, exclusive agency, or open listing), 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 16.2.5

Participants must refresh all IDX downloads and refresh all IDX data at least once every seven (7) days.

Section 16.2.6

Except as provided in these rules, an IDX site or a Participant or user operating an IDX site may not distribute, provide, or make any portion of the MLS database available to any person or entity.

Section 16.2.7

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

Section 16.3 - Display:

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

Section 16.3.1

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

Section 16.3.1.1

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

Section 16.3.2

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

Section 16.3.3

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

Section 16.3.5

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 16.3.6

Deleted, November, 2006.

Section 16.3.7

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

Section 16.3.8

Participants (and their affiliated licensees, if applicable) shall indicate on their Web sites that IDX information is provided exclusively for consumers' personal, non-commercial use, that 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/pr the MLS from liability.

Section 16.3.10

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

Section 16.3.11

Listings obtained through IDX must be displayed separately from listings obtained from other sources, including information provided by other MLSs. 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.

Section 16.3.12

Display of expired, withdrawn, and pending listings is prohibited.

Section 16.3.13

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

Section 16.3.14

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

Section 16.3.15

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

Section 16.4

Service Fees and Charges: Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

Virtual Office Website ("VOW")

Section 19.1

(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 VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner ("AVP") on behalf of a Participant.

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

(d) As used in Section 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 19.2 (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 19.3

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

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

i. That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;

ii. That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;

iii. That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;

iv. That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;

v. That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.

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

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

Section 19.4: 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 19.5: A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of MLS Listing Information. A Participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

Section 19.6

(a) A Participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.

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

Seller Opt-Out Form

1. Please check either Option a or Option b

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

OR

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

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

initials of seller

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

Section 19.7:

(a) Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii)

display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing

(b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 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 19.8: 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 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 19.9: A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

Section 19.10: Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW Policy, *or any* other applicable MLS rules *or* policies, *no* Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.

Section 19.11: 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 19.12: 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 19.13: 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 19.14: 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.

Section 19.15: A Participant's VOW may not make available for search by, or display to, Registrants any of the following information:

- a. Expired or withdrawn listings.
- b. Sold listings or under contract listings.
- c. The compensation offered to other MLS Participants.
- d. The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- e. The seller's and occupant's name(s), phone number(s), or e-mail address(es).

- f. Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.

Section 19.16: A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS Listing Information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields

Section 19.17: 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 19.18: A Participant shall cause any listing that is displayed on his or her VOW to identify the name of the listing firm in a readily visible color, in a reasonably prominent location, and in the typeface not smaller than the median typeface used in the display of listing data.

Section 19.19: A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 75 current listings.

Section 19.20: A Participant shall require that Registrants' passwords be reconfirmed or changed every 30 days. Login credentials are valid for a 90 day period only.

Section 19.21: 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 19.22: A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

Section 19.23: 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 19.24: Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

Approved:

Central Texas MLS Board of Directors

BY: _____

DATE: _____

Certified by Association Executive:

New Braunfels/Canyon Lake Area
Association of REALTORS®
DATE: _____

San Marcos Area Board of REALTORS®
DATE: _____

Seguin Board of REALTORS®
DATE: _____

ADDENDUM

DEFINITIONS:

“Appraiser” shall mean an appraiser certified or licensed by the Texas Appraiser Licensing and Certification Board; including an Authorized Assistant who is a Provisional Licensed Real Estate Appraiser or an Approved Appraiser Trainee (each, as defined by the Texas Appraiser Licensing and Certification Board) that has an office (or is employed by or is a contractor to an office) that is open to the public for the conduct of the appraisal business).

“Authorized Assistant” shall mean a person who does not hold an active real estate license, who is designated by a REALTOR® Participant in writing as authorized to access the MLS solely in order to provide services to the REALTOR® Participant, and who has agreed in writing to maintain the confidentiality of the MLS.

“Board” shall mean the Board of REALTORS® through which the subscriber obtains MLS access.

“Day” – the term day is used to describe a period of time as used in the rules and regulations. The term day means a traditional calendar day, including holidays and weekends. In many cases, a day will be longer than 24 hours due to the fact that it runs from 12:00 AM until 11:59 PM. All changes or requests will be made using this definition of a day.

“MLS Compilation” shall have the meaning given in Section 11.

“Participant” means a licensed real estate Participant, or Appraiser who is affiliated with the Board of REALTORS® through which the individual obtains MLS access and who’s Applicant Agreement has been accepted by the Board. The Participant does not have to be associated with the Board of REALTORS® to obtain participation in the MLS. Membership at another valid association may be accepted in place of direct membership with the Board offering MLS service.

“REALTOR®” means a Subscriber or Participant who is affiliated with the National Association of REALTORS®.

“Subscriber” (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliate 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.

The MLS is intended solely for use by Participants, Subscribers and Authorized Assistants in connection with the sale, lease, and valuation of real property. Use of the MLS is conditioned or in agreement and

compliance with these Rules and Regulations and the Terms and Conditions included on the Internet where the MLS may be accessed.