



RULES & REGULATIONS TEXAS REALTORS® MULTIPLE LISTING SERVICE

Texas REALTORS® (the “Association”) adopts these Rules and Regulations concerning its Multiple Listing Service (MLS). All Participants and subscribers to the MLS must comply with these Rules and Regulations as a condition of accessing and using the MLS. As used in these Rules and Regulations, the following terms have the following meanings.

“MLS” means the multiple listing service operated by the Association, which is:

- * a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and customers and the public;
- * a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law);
- * a means by which cooperation among participants is enhanced;
- * a means by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers;
- * a means by which Participants contribute to common databases; and
- * a cooperative system in which entitlement to compensation is determined by the cooperating broker’s performance as procuring cause of the sale or lease.

“MLS aggregate data” means the information concerning active listings in the MLS that is publicly available to nonsubscribers on-line from the MLS.

“Participant” means an individual who:

- * is a REALTOR®;
- * is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal of a firm participating in the MLS;
- * holds a valid Texas real estate broker’s license issued by the Texas Real Estate Commission or a valid Texas appraiser license or certification issued by the Texas Appraiser Licensing and Certification Board;
- * offers or accepts cooperation and compensation to and from other Participants if the Participant is licensed as a real estate broker;
- * voluntarily participates and subscribes to the MLS by paying the required fees and complying with these Rules and Regulations; and
- * is responsible to the MLS for compliance with these Rules and Regulations and is responsible for compliance by all subscribers associated with the Participant.

Note: *Mere possession of a broker’s license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm ‘offers or accepts cooperation and compensation’ means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and on-going basis during the operation of the Participant’s real estate business. The “actively” requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly*

time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

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

“Principal” means an owner, partner, corporate officer, or branch office manager acting on behalf of a principal.

“Subscriber” means non-principal brokers, salespersons, and licensed or certified real estate appraisers affiliated with a Participant and who offices at the location where the Participant will access the MLS. A Participant may waive the subscriber status of a person affiliated with the Participant who qualifies as a subscriber if:

- (1) the Participant provides a written statement to the Association that:
 - (a) identifies the person whose subscriber’s status will be waived; and
 - (b) represents that the Participant will not permit the named person whose subscriber’s status will be waived to access or use the MLS or information in the MLS for any purpose; and
- (2) the Participant provides information satisfactory to the Association that establishes the person whose subscriber’s status will be waived is a subscriber to a different commercial information exchange (CIE) or multiple listing service that is owned or operated by an association of REALTORS®.

“To take a listing” means to enter into a binding written exclusive right to sell or exclusive agency listing agreement with a seller of real property.

“To file a listing with the MLS” means to input information about a listed property into the MLS database for dissemination to other Participants. A Participant files a listing by:

- * inputting the required information about the listed property via the Internet at the MLS web site in accordance with the instructions at the MLS web site;
- * completing all required data fields that the MLS may require;
- * inputting the gross listing price of each listing the Participant inputs in the MLS; and
- * inputting the listing in the appropriate category or subcategory.

“To file or report information to the MLS” means to amend the information about the listing (whether categorized as an active listing, withdrawn, pending sale, closed sale, etc.) by inputting the information via the Internet at the MLS web site in accordance with the instructions at the MLS web site and placing the listing or sale in the appropriate category or subcategory.

SECTION 1. LISTING PROCEDURES.

A Participant that enters into an exclusive right to sell or exclusive agency listing agreement to sell any of the following types of real property in Texas shall file the listing with the MLS within three (3) days after all necessary signatures of the seller(s) have been obtained:

- (1) single family homes for sale or exchange;
- (2) vacant residential lots and residential acreage for sale or exchange;
- (3) two-family, three-family, and four-family residential buildings for sale or exchange; and
- (4) vacant and improved farm and ranch properties for sale or exchange.

Other types of properties may be, but are not required to be, inputted into the MLS if a category for such properties is available in the MLS. If available on the MLS, properties for lease may be, but are not required to be, inputted into the MLS.

The MLS does not require a Participant to enter into listing agreements on a form other than the form the Participant chooses to utilize provided the listing is an exclusive right to sell or exclusive agency.

The Participant may submit only those listings that:

- (1) include the seller's authorization to file the agreement to the MLS;
- (2) make it possible for the listing broker to offer cooperation and compensation to the other Participants of the MLS acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law; and
- (3) disclose to the owner that information about the listing may be uploaded on the Internet.

The MLS may not accept net listings or open listings. Participants are free to accept net or open listings to be handled outside the MLS subject to state laws.

Exclusive-agency listings and exclusive-right-to-sell listings with named prospects exempted should be clearly distinguished by a simple designation, such as a code or symbol, from exclusive-right-to-sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive-right-to-sell listings, with no named prospects exempted. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right to sell listings with prospect reservations.

Section. 1.01 Clear Cooperation.

Within one (1) business day of marketing a property to the public, the listing broker must submit the listing to the MLS for cooperation with other MLS participants. Public marketing includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public. (Adopted 11/19)

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

Section 1.1. Listings subject to Rules and Regulations of the MLS.

Any listing taken by a Participant that is required by these Rules and Regulations to be filed in the MLS is subject to these Rules and Regulations upon signature of the seller(s).

Section 1.2. Detail on Listings Filed with the MLS.

A listing agreement, when filed with the MLS by the Participant, shall be complete in every detail. A Participant must provide a copy of the listing agreement to the MLS upon request.

Section 1.2.0 Accuracy of Listing Data.

Participants and Subscribers are required to submit accurate listing data and required to correct any known errors.

Section 1.3. Listings Required to filed with the MLS.

A Participant must file all listings taken by or on behalf of the Participant except for the listings described in this subsection.

- (1) If the seller refuses to permit the listing to be filed with the MLS, the Participant may take the listing ("office exclusive") and such listing shall be filed with the MLS but not disseminated to the Participants. A Participant must maintain a copy of the seller(s) written instruction and provide a copy to the MLS upon request.

Note: MLS Participants must distribute exempt listings within (1) one business day once the listing is publicly marketed. See Section 1.01, Clear Cooperation.

- (2) The listing is filed with another multiple listing service owned or operated by an association of REALTORS®; provided, however, that if the Participant files such a listing with the MLS, these Rules and Regulations apply.
- (3) Listings for the sale of the types of properties that are not described in the first paragraph of Section 1 above; provided, however, that if the Participant files such a listing with the MLS, these Rules and Regulations apply.
- (4) Listings for the lease of real property; provided, however, that if a Participant files such a listing with the MLS, these Rules and Regulations apply.

If a Participant files a listing with the MLS and that listing is filed in another multiple listing service, the Participant must input, as the listing agent's or contact person's name, the same name identified as the listing agent or contact name in the other multiple listing service.

Section 1.4. Change of Status of Listing.

Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the MLS not later than two (2) business days after the authorized change is received by the listing broker.

Section 1.5. Withdrawal of Listing Prior to Expiration.

Listings may be withdrawn from the MLS by the Participant before the expiration date of the listing agreement provided the Participant maintains a copy of the agreement between the seller and the

Participant which authorizes the withdrawal.

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

Section 1.6. Contingencies Applicable to Listings.

Any contingency or conditions of any term in a listing shall be specified and noticed to all Participants in the MLS.

Section 1.7. Potential Short Sale Disclosure.

Participants may, but are not required to, disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) to other Participants and Subscribers. When disclosed, Participants may, at their discretion, communicate to other Participants whether and how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating Participants. All confidential disclosures and confidential information related to short sales must be communicated through dedicated fields or confidential "remarks" available only to Participants and Subscribers.

Section 1.8. Listing Price Specified.

The full gross listing price stated in the listing agreement will be included in the information published in the MLS compilation of current listings. The gross listing price is the highest price if the listing price is specified as a range in the listing agreement.

Section 1.9. Listing Multiple Unit Properties.

All properties which are to be sold or which may be sold separately must be indicated individually in the listing. When part of a listed property has been sold, proper notification should be given in the MLS.

Section 1.10. No Control of Commissions or Fees Charged by Participants.

The MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non- participants.

Section 1.11. Expiration, Extension, and Renewal of Listings.

Any listing filed with the MLS automatically expires on the dates specified in the agreement unless renewed by the Participant and the Participant amends the listing in the MLS.

A Participant may not amend a listing for the purpose of renewing or extending it after the expiration date of the listing. If a listing is to be extended or renewed after the expiration date, the Participant must input the listing as a new listing. Any extension or renewal of a listing must be signed by the seller(s) and provided to the MLS upon request.

Section 1.12. Termination Dates on Listings.

Listings filed with the MLS shall bear a definite and final termination date as negotiated between the Participant and the seller.

Section 1.13. Service Area.

Only listings of the types of property designated in Section 1 above and that are located within the State of Texas are required to be filed with the MLS. Listings of property located outside of Texas will not be accepted.

Section 1.14. Listings of Suspended Participants.

When a Participant of the MLS is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended Participant shall 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 or the MLS (or both) for failure to pay appropriate dues, fees or charges, the 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 will be advised in writing of the intended removal so that the suspended Participant may advise the Participant's clients.

Section 1.15. Listings of Expelled Participants.

When a Participant is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended Participant shall be retained in the MLS until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective.

If a Participant has been expelled from the Association or MLS (or both) for failure to pay appropriate dues, fees or charges, the 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 will be advised in writing of the intended removal so that the expelled Participant may advise the Participant's clients.

Section 1.16. Listings of Resigned Participants.

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

SECTION 2. SHOWINGS.

Appointments for showings with the seller or lessor for the purchase or lease of listed property filed with the MLS shall be conducted through the Participant that listed the Property (listing broker), except under the following circumstances:

- (1) the listing broker gives the cooperating broker specific authority to contact the seller or lessor directly for showings; however, the cooperating broker is precluded from negotiating, directly or indirectly, with the seller or lessor; or
- (2) after reasonable effort, the cooperating broker cannot contact the listing broker or the listing broker's representative; however, the cooperating broker is precluded from negotiating, directly or indirectly, with the seller or lessor.

Section 2.1. Presentation of Offers.

The listing broker must make arrangements to present any offer to purchase or lease a listed property 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 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 before accepting the subsequent offer.

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

Section 2.3. Right of Cooperating Broker in Presentation of Offer.

The cooperating broker (subagent or buyer agent) or the cooperating broker's representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. The cooperating broker does not have the right to be present at any discussion or evaluation of that offer by the seller 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.

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

Section 2.4. Right of Listing Broker in Presentation of Counter-Offers.

The listing broker or the listing broker's representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. The listing broker does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessees (except where 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.

Status changes, including final closing of sales and sales prices, shall be reported to the MLS by the Participant within two (2) business days after they have occurred. A Participant reports a pending or closed sale to the MLS by moving the listing to the appropriate category directly via the Internet at the MLS web site and making all necessary amendments to the data fields.

MLS Listing Status Definitions:

"Pending": The Participant must report the sale as pending in the appropriate category at the time the buyer and seller enter into a binding written contract to sell the property. A binding contract in which a party retains the unilateral right to terminate the contract within a specified period of time (option) is a pending sale.

"Sold": The Participant must report the sale as sold in the appropriate category at the time the sale closes and must accurately report the sales price.

The listing agreement of a property filed with the MLS by the listing broker must 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.

Submission of accurate sales information is vital. If a pattern of submission of inaccurate information is determined, then the MLS shall have the option to expel the offending Participant after following the procedures under Section 9.1.

Failure to report sale prices can result in disciplinary action only if the MLS:

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

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

Section 2.6. Reporting Resolutions of Contingencies.

The Participant shall report to the MLS within twenty-four (24) hours that a contingency on file with the MLS has been fulfilled or renewed, or the agreement cancelled.

Section 2.7. Advertising of Listings Filed with the MLS.

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 recategorize a pending sale as an active listing within two (2) business days after the cancellation of the pending sale.

SECTION 3. RESERVED.

SECTION 4. INFORMATION FOR PARTICIPANTS ONLY.

Any listing filed with the MLS shall not be made available to any broker or firm that is not a Participant or subscriber of the MLS without the prior consent of the listing broker.

Section 4.1. "For Sale" Signs.

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

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 MLS.

Participants shall not solicit a listing on property filed with the MLS unless such solicitation is consistent with Article 16 of the National Association REALTORS® Code of Ethics, its Standards of Practice and its Case Interpretations. This section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to Article 16 of the Code of Ethics.

Section 4.4 Use of the Terms MLS and Multiple Listing Service.

No MLS Participant, Subscriber, or licensee affiliated with any Participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants, Subscribers and licensees affiliated with Participants shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to Participants and Subscribers. This does not prohibit Participants and Subscribers from representing that any information they are authorized under these Rules and Regulations to provide to clients or customers is available on their websites or otherwise.

SECTION 5. COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING.

The Participant shall specify, on each listing filed with the MLS, the compensation offered to other MLS Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale or lease. 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 the cooperating broker that the commission established in the listing agreement might not be paid.

In filing a property with the MLS, the Participant is making blanket unilateral offers of cooperation to the other MLS Participants, and shall therefore specify on each listing filed with the MLS, the compensation being offered to the other MLS Participants. The cooperating broker has the right to know what the cooperating broker's compensation shall be prior to the cooperating broker's endeavor to sell the listed property.

The listing broker retains the right to determine the amount of compensation offered 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 section 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 their submitting an offer to purchase and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount.

A Participant is not required to disclose the amount of total negotiated commission in the Participant's listing agreement.

The compensation specified on listings filed with the MLS shall appear in one of two forms. The information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions unless advised otherwise by the listing broker in writing in advance of their submitting an offer to purchase. The compensation specified on listings published by the MLS shall be shown in one of the following forms: (1) by showing a percentage of the gross selling price; or (2) by showing a definite dollar amount.

The Participant may, from time to time, adjust the compensation offered to other Participants for their services with respect to any listing by advance published notice to the MLS so that all Participants will be advised.

The MLS shall make no rule on the division of commissions between Participants and non participants. This remains solely the responsibility of the listing broker.

Nothing in these MLS Rules and Regulations 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 interest in property, the listing of which is to be disseminated through the MLS, that person shall disclose that interest when the listing is filed with the MLS and such information shall be disseminated to all Participants.

Section 5.2. Participant as Purchaser.

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

Section 5.3. Short Sales.

Pursuant to Section 1.7. If a listing broker has disclosed the potential of a short sale, the listing broker may, at the listing broker's discretion, advise other Participants whether and how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating Participants.

Section 5.4. Dual or Variable Rate Commission Agreements.

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.

SECTION 6. SERVICE FEES AND CHARGES.

The Association shall charge the following service charges for operation of the MLS. The service charges are subject to change from time to time. All fees are payable in advance.

(1) Initial Participation Fee.

An applicant for participation in the MLS shall pay a one time, initial participation fee in an amount determined by the Executive Board of the Association plus that same amount times the number of subscribers at the offices at which the Participant will access the MLS. The initial participation fee is payable at the time the Participant makes application to subscribe to the MLS.

(2) Recurring Participation Fee.

The quarterly recurring participation fee of each Participant shall be an amount determined by the Executive Board of the Association plus that same amount times the number of subscribers at the office at which the Participant will access the MLS. Payment of such fees shall be made on or before the first day of each quarter as determined by the MLS. Except for the first recurring participation fee, no fees are prorated or refundable once paid. The first recurring participation shall be prorated on a monthly basis.

However, Participants have the option of a no-cost waiver of MLS fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different CIE or MLS where the principal broker participates. The MLS requires that Participants sign a

certification for nonuse of its MLS services by their licensees, which can include penalties and termination of the waiver if violated.

SECTION 7. COMPLIANCE WITH RULES – Authority to Impose Discipline.

By becoming and remaining a Participant or Subscriber in this MLS, each Participant and Subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these Rules and Regulations, impose discipline for violations of these Rules and Regulations and other MLS governance provisions.

Discipline that may be imposed may only consist of one or more of the following:

- (a) letter of warning;
- (b) letter of reprimand;
- (c) attendance at MLS orientation or other appropriate course or seminar which the Participant or Subscriber can reasonably attend taking into consideration cost, location, and duration;
- (c) appropriate, reasonable fine not to exceed \$15,000*;
- (d) suspension of MLS rights, privileges and services for not less than thirty (30) days nor more than one (1) year; or
- (e) termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.

*Fines imposed are subject to the guidelines attached in the MLS Schedule of Fines for Administrative Sanctions.

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

Note 2: MLS Participants and Subscribers can receive no more than three (3) administrative sanctions in a calendar year before they are required to attend a hearing before the Texas REALTORS® Professional Standards Committee for their actions and potential violations of MLS rules, except that the MLS may allow more administrative sanctions for violations of listing information provided by participants and subscribers before requiring a hearing. The MLS must send a copy of all administrative sanctions against a subscriber to the subscriber's participant and the participant is required to attend the hearing of a subscriber who has received more than three (3) administrative sanctions within a calendar year.

Section 7.1. Compliance with Rules.

The following action may be taken for noncompliance with these Rules and Regulations:

- (1) for failure to pay a service charge or fee within one (1) month of the date due, or to make good a returned check or charge, and provided that at least ten (10) days' notice has been given, the Participant's access and use of the MLS shall be suspended until service charges or fees are paid in full.
- (2) for failure to comply with any other rule, the provisions of Section 9 and 9.1 shall apply.

Section 7.2. Applicability of Rules to Users and/or Subscribers.

Non-principal brokers, salespersons, appraisers, and others authorized to have access to information published by the MLS are subject to these Rules and Regulations and may be disciplined for violations of these Rules and Regulations 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 these Rules and Regulations and/or any sanction imposed for violations of these Rules and Regulations can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

SECTION 8. RESERVED.

SECTION 9. CONSIDERATION OF ALLEGED VIOLATIONS.

The Association, through its chief executive officer (CEO) or the CEO's designee, shall give consideration to all signed, written complaints from Participants having to do with violations of the Rules and Regulations. By becoming and remaining a participant, each participant agrees to be subject to these rules and regulations, the enforcement of which are at the sole discretion of the CEO or the CEO's designee.

When requested by a complainant, the MLS will process a complaint without revealing the complainant's identity. If a complaint is subsequently forwarded to a hearing, and the original complainant does not consent to participate in the process, the MLS will appoint a representative to serve as the complainant.

Section 9.1. Violations of Rules and Regulations.

If the alleged offense is a violation of these Rules and Regulations and does not involve a charge of alleged unethical conduct or request for arbitration it may be administratively considered and determined by the CEO, or the CEO's designee, and if a violation is determined, the CEO or the CEO's designee may direct the imposition of sanction(s) described in Section 7, provided the recipient of such sanction may request a hearing before the Texas REALTORS® Professional Standards Committee in accordance with the Bylaws and Rules and Regulations of the Association within twenty (20) days following receipt of the decision.

Section 9.2. Complaints of Unethical Conduct.

All other complaints of unethical conduct shall be referred to the Texas REALTORS® Professional Standards Committee for appropriate action in accordance with the procedures established by the Texas REALTORS'® Bylaws and Rules and Regulations.

Section 9.3 Complaints of Unauthorized Use of Listing Content.

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

Upon receiving a notice, the Association will send the notice to the Participant who is accused of

unauthorized use. Within (10) days from receipt, the Participant must either: 1) remove the allegedly unauthorized content, or 2) provide proof to the Association that the use is authorized. Any proof submitted will be considered by the CEO or the CEO's designee, and a decision of whether it establishes authority to use the listing content will be made within thirty (30) days.

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

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

Section 9.4 MLS Rules Violations.

MLS Participants may not take legal action against another Participant for alleged rules violation(s) unless the complaining participant has first exhausted the remedies provided in these rules.

SECTION 10. CONFIDENTIALITY OF MLS INFORMATION.

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

Section 10.1. MLS Not Responsible for Accuracy of Information.

THE INFORMATION PUBLISHED AND DISSEMINATED BY THE MLS IS COMMUNICATED VERBATIM, WITHOUT CHANGE BY THE MLS, AS FILED WITH THE MLS BY THE PARTICIPANT. THE MLS DOES NOT VERIFY SUCH INFORMATION PROVIDED AND DISCLAIMS ANY RESPONSIBILITY FOR ITS ACCURACY. EACH PARTICIPANT AGREES TO HOLD THE MLS HARMLESS AGAINST ANY LIABILITY ARISING FROM ANY INACCURACY OR INADEQUACY OF THE INFORMATION SUCH PARTICIPANT PROVIDES.

SECTION 11. OWNERSHIP OF MLS COMPILATION AND COPYRIGHT.

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

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

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

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

To qualify for this safe harbor, the OSP must:

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

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

Section 11.1. Ownership of Data.

All right, title, and interest in each copy of every MLS compilation created and copyrighted by the Association and in the copyrights therein, shall at all times remain vested in the Association.

Section 11.2. Uploading of MLS Data by the MLS.

The MLS may upload all information in the MLS to other listing services on the Internet (for example, realtor.com) unless a Participant withholds consent. All or part of the information may then be accessed by the public. Any listing agreement that Participant uses must contain a provision disclosing that the MLS may upload information about the listing to other listing services on the Internet.

Section 11.3. Participants’ Entitlement to MLS Compilations

Each Participant shall be entitled to lease from the Association a number of copies of each MLS compilation sufficient to provide the Participant and each person affiliated as a real estate licensee (including licensed or certified appraisers) with such Participant with one copy of such compilation. The Participant shall pay for each copy the rental fee set by the Executive Vice President of the Association.

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

This section should not be construed to require the participant to lease a copy of the MLS compilation for any licensee (or licensed or certified appraiser) affiliated with the participant who is engaged exclusively in a specialty of the real estate business other than listing, selling, or appraising the types of properties which are required to be filed with the MLS and who does not, at any time, have access to or use of the MLS information or MLS facility of the association.

Section 11.4. Right of Participant to MLS Data Feed of Listing Content

The MLS must, upon request, promptly provide a Participant (or the Participant's designee) a data feed containing, at minimum, all active MLS listing content input into the MLS by or on behalf of the Participant and all of the Participant's off-market listing content available in the MLS system. The delivery charges for the Participant's listing content shall be reasonably related to the actual costs incurred by the MLS. The data feed must be in compliance with the RESO Standards as provided for in MLS Policy Statement 7.90.

Note: The MLS will not limit the use of the Participant's listing content by the Participant or the Participant's designee.

SECTION 12. USE & DISTRIBUTION OF COPYRIGHTED MLS COMPILATIONS.

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

Section 12.1. Display.

Participants and subscribers shall be permitted to display the MLS compilation to prospective purchasers only in connection with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation.

Section 12.2. Reproduction.

Participants and subscribers shall not reproduce any MLS compilation or any portion thereof except as provided by this section.

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

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

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

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

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

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

SECTION 13. LIMITATIONS ON USE OF MLS INFORMATION.

Information from MLS compilations of current listing information, from statistical reports, and from any sold or comparable report of the MLS may be used by 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 information about the 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 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 Multiple Listing Service of the Association for the period (date) through (date). Not all brokers subscribe to the MLS."

SECTION 14. INTERNET DATA EXCHANGE (IDX).

IDX Defined. IDX affords MLS Participants the ability to authorize limited electronic display and delivery of their listings by other Participants via the following authorized mediums under the Participant's control: websites, mobile apps, and audio devices. As used throughout these rules, "display" includes "delivery" of such listing.

Section 14.1. Authorization. Participants' consent for display of their listings by other Participants pursuant to these rules is presumed unless the Participant provides written notice to the MLS that the Participant refuses to permit display. A Participant may refuse permission under this paragraph either on a listing-by-listing basis or on a blanket basis. If a Participant refuses permission on a blanket basis under this paragraph, then the refusing Participant and any associated Subscribers may not download, frame or display the MLS aggregate data of other Participants. Even where Participants have given blanket authority for other Participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display or other electronic forms of display or distribution.

Section 14.1.1.

A Participant may display the MLS aggregate data on a consumer-accessible web site, known as an IDX site, of the Participant or a Subscriber associated with the Participant by:

- (a) downloading and placing the data on the IDX site(s); or
- (b) by framing such information on a TAR web site (if such web site is available) in compliance with any state law or regulation.

Section 14.1.2.

Participants may not download any other data from the MLS except as authorized by this Section and may download only the information contained in the definition of "MLS aggregate data".

Section 14.2. Participation.

Participation in IDX is available to all MLS Participants who are REALTORS® who are engaged in real estate brokerage and who consent to display of their listings by other Participants.

Section 14.2.1.

Participants must notify the MLS of their intention to display IDX information and must give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies.

Section 14.2.2.

Participants may not use IDX-provided listings for any purpose other than display as provided for in these rules. This does not require Participants to prevent indexing of IDX listings by recognized search engines.

Section 14.2.2.1.

A Participant or a Subscriber may not:

- (a) combine the MLS aggregate data with any other data except as provided in Sections 14.2.10 and 14.2.11;
- (b) edit factual information from the MLS aggregate data;
- (c) forward all or part of the MLS aggregate data to another person's web site;
- (d) authorize other persons to use the Participant's or Subscriber's password or access code; or
- (e) permit other persons to download the MLS aggregate data without TAR's written permission.

Section 14.2.3.

Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing brokers to withhold their listing or the listing's property address from all display on the Internet (including, but not limited to, publicly-accessible websites or VOWs) or other electronic forms of display or distribution.

Section 14.2.4.

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 or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed through IDX must be independently made by each Participant.

Section 14.2.5.

Participants must refresh all MLS downloads and IDX displays automatically fed by those downloads at least once every twelve (12) hours.

Section 14.2.6.

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

Section 14.2.7.

Any IDX display controlled by a Participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the IDX policy and these rules, "control" means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules.

Section 14.2.8.

Any IDX display controlled by a Participant or Subscriber that

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

either or both of those features shall be disabled or discontinued for the seller's listings at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all displays controlled by Participants. Except for the foregoing and subject to Section 14.2.9, a Participant's IDX display may communicate the Participant's professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying its customers that a particular feature has been disabled at the request of the seller.

Section 14.2.9.

Participants shall maintain a means (e.g. e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property. Participants shall correct or remove

any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, Participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 14.2.10.

An MLS Participant (or where permitted locally, an MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display.

Section 14.2.11.

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

Section 14.3. Display.

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

Section 14.3.1.

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.

Section 14.3.2.

All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the device’s application.

Section 14.3.3.

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

Section 14.3.4.

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 14.3.5.

All listings displayed pursuant to IDX shall show the MLS as the source of the information and must include the following notice: "Based on information from the Multiple Listing Service of the Association for the period (date) through (date)." and "All information provided is deemed reliable but is not guaranteed and should be independently verified. The Association provides the MLS and all content therein "AS IS" and without any warranty, express or implied." Displays of minimal information (e.g. "thumbnails", text messages, "tweets", etc., of two hundred [200] characters or less are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the device's application.

Section 14.3.6.

All listings displayed pursuant to IDX shall notify readers of the MLS aggregate data that the MLS aggregate data is a copyright of Texas REALTORS® and that the reader may not reproduce or distribute the MLS aggregate data. Displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the device's application.

Section 14.3.7.

Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information is provided exclusively for consumers' personal, noncommercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that the data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect Participants and/or the MLS from liability. Displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the device's application.

Section 14.3.8.

Listings obtained through IDX feeds from REALTOR® Association MLSs where the MLS Participant holds participatory rights must be displayed separately from listings obtained from other sources. Listings obtained from other sources (e.g., from other MLSs, from non-participating brokers, etc.) must display the source from which each such listing was obtained. Displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the device's application.

Note: An MLS Participant (or where permitted locally, an MLS subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS subscriber) holds participatory rights in those MLSs. As used in this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display.

Section 14.3.9.

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

Section 14.3.10.

Display of seller’s(s’) and/or occupant’s(s’) name(s), phone number(s), and e-mail address(es) is prohibited.

Section 14.3.11.

Deceptive or misleading advertising (including co-branding) on pages displaying IDX-provided listings is prohibited. For purposes of these rules, co-branding will be presumed not to be deceptive or misleading if the Participant’s logo and contact information is larger than that of any third party.

SECTION 15. VIRTUAL OFFICE WEBSITES (VOWs)

Section 15.1.

- (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 15 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 15 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 15.2.

- (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 15.3

- (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 15.4.

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 15.5.

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 15.6.

- (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:

<p>Seller Opt-Out Form</p> <p>1. Please check either Option a or Option b</p> <p>a. <input type="checkbox"/> I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.</p> <p style="text-align: center;">OR</p> <p>b. <input type="checkbox"/> 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.</p> <p>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.</p> <p>_____ Initials of seller</p>

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

Section 15.7.

- (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 15.8, 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 15.8.

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

Section 15.9.

A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

Section 15.10.

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 15.11.

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 15.12.

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 15.13.

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 15.14.

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 15.15.

A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than five hundred (500) of the current listings and not more than five hundred (500) of the sold listings in response to any inquiry.

Section 15.16.

A Participant shall require that Registrant's passwords be reconfirmed or changed every ninety (90) days.

SECTION 16. CHANGES IN RULES AND REGULATIONS.

Amendments to these Rules and Regulations are effective upon approval by the Executive Board of the Board of Directors of the Association.

SECTION 17. STANDARDS OF CONDUCT FOR MLS PARTICIPANTS.

All Participants and Subscribers who are REALTORS® must comply with the Code of Ethics of the National Association of REALTORS®.



MLS Schedule of Fines for Administrative Sanctions

MLS Rules		Fine
Listing Procedures		
Failure to submit a required listing to the MLS	Section 1 - Listing Procedures, Section 1.01 - Clear Cooperation, Section 1.3 - Exempted Listings, Section 1.12 - Service Area	\$100
Failure to submit accurate and complete listing information	Section 1.2 - Detail on Listings Filed with the Service, Section 1.11 - Expiration, Extension, and Renewal of Listings, Section 1.12 - Termination Dates on Listings	\$100
Failure to report and update listing information	Section 1.4 - Change of Status of Listing, Section 1.5 - Withdrawal of Listing Prior to, Section 1.6 - Contingencies Applicable to Listings, Section 1.7 - Potential Short Sale Disclosure, Section 1.8 - Listing Price Specified, Section 2.5 - Reporting Sales to the Service, Section 2.6 - Reporting Resolutions of Contingencies, Section 2.8 - Reporting Cancellation of Pending Sale	\$250
Failure to list properties separately	Section 1.9 - Listing Multiple Unit Properties	\$100
Selling Procedures		
Failure to follow showing instructions	Section 2 - Showings	\$100
Failure to present an offer or provide written confirmation of an offer being submitted	Section 2.1 - Presentation of Offers, Section 2.2 - Submission of Written Offers Section 2.3 - Right of Cooperating Broker in Presentation of Offer, Section 2.4 - Right of Listing Broker in Presentation of Counter-offer,	\$100
Advertising a listing without authority	Section 2.7 - Advertising of Listings Filed with the Service	\$100
Failure to disclose existence of an offer	Section 2.9 - Disclosing the Existence of Offers	\$100
To misrepresent access to, and the ability to show, a property	Section 2.10 - Availability of Listed Property	\$100
Failure to inform participants of a rejected offer satisfying the terms of the listing contract	Section 3 - Refusal to Sell	\$100
Providing MLS information to brokers or firms that do not participate in MLS	Section 4 - Information for Participants Only	\$100

Violation of for sale and sold sign rules	Section 4.1 - For Sale Signs, Section 4.2 - Sold Signs	\$100
Unauthorized solicitation of seller	Section 4.3 - Solicitation of Listing Filed with the Service	\$100
Misuse of terms MLS and multiple listing service	Section 4.4 - Use of Terms MLS and Multiple Listing Service	\$100
Failure to include cooperative compensation	Section 5 - Compensation Specified on Each Listing	\$250
Failure to disclose Potential short sales	Section 5.3 - Short Sales	\$100
Failure to disclose status as a principal or purchaser	Section 5.1 - Participant as Principal, Section 5.2 - Participant as Purchaser	\$100
Service Charges		
Failure to pay MLS Dues, Fees and Charges	Section 6 - Service Fees and Charges	\$100
Confidentiality of MLS Information		
Misuse or unauthorized distribution of MLS content	Section 10 - Confidentiality of MLS Information, Section 12 - Distribution, Section 12.1 - Display, Section 12.2 - Reproduction, Section 13 - Limitations on Use of MLS Information	\$500
Internet Data Exchange (IDX)		
Failure to notify and provide access to an IDX display	Section 14.2.1	\$100
Misuse of IDX content	Sections 14.2.2 and 14.2.2.1	\$100
Failure to withhold listing or property address per seller's instructions	Section 14.2.3	\$100
Failure to refresh download within 12 hours	Section 14.2.5	\$100
Unauthorized distribution of MLS database	Section 14.2.6	\$100
Failure to disclose the name of the brokerage firm	Section 14.2.7	\$100
Failure to disable third-party comments and AVMs	Section 14.2.8	\$100
Failure to include email address or telephone number for displaying broker, or to correct false data	Section 14.2.9	\$100
Modifying or manipulating other participants listings	Section 14.2.11	\$100
Failure to identify the listing firm	Section 14.3.2	\$100
Display of prohibited fields	Section 14.3.1	\$100
Failure to identify the listing agent	Section 14.3.3	\$100
Subscriber s display of IDX content without participant's consent	Section 14.3.4	\$100

Failure to include the MLS as the source of the information	Section 14.3.5	\$100
Failure to include required disclaimers	Sections 14.3.6 and 14.3.7	\$100
Failure to separate displays from other sources	Section 14.3.8	\$100
Displaying prohibited statuses and sellers/occupant information	Section 14.3.9, Section 14.10	\$100
Failure to comply with the MLS s advertising rule on pages with IDX listings	Section 14.3.11	\$100
Virtual Office Websites (VOWs)		
Failure to establish a broker-consumer relationship, or to receive participant consent for non-principal display	Section 15.1	\$100
Failure to obtain a name, email address, user name, and password for registrants	Section 15.3 a. ii. and iii.	\$100
Failure to expire passwords for registrants or to keep records for not less than 180 days after expiration	Section 15.3 b.	\$100
Failure to provide the name, email address, user name and current password for alleged breach of MLS listing information or violation of MLS rules	Section 15.3 c.	\$100
Failure to require registrant to agreement to required terms of use	Section 15.3 d.	\$100
Failure to display broker's contact information or the respond to registrant inquiries.	Section 15.4	\$100
Failure to monitor or prevent misappropriation, scraping, or other unauthorized uses of MLS information	Section 15.5	\$100
Displaying seller address when unauthorized	Section 15.6 a.	\$100
Failure to execute a seller opt-out form when required, or retain the form for 1 year	Section 15.6 b. and c.	\$100
Failure to disable third-party comments and AVMs	Section 15.7 a. and b.	\$100
Failure to include email address or telephone number for displaying broker, or to correct false data within 48 hours	Section 15.8	\$100
Failure to refresh VOW data feed within 3 days	Section 15.9	\$100
Unauthorized access to VOW content	Section 15.10	\$100

Failure to display participant's privacy policy	Section 15.11	\$100
Failure to notify and provide access to an IDX display	Section 15.13	\$100
Exceeding the number of listings to consumer inquiries	Section 15.15	\$100
Failure to require registrant's passwords be changed	Section 15.16	\$100