



RULES & REGULATIONS

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TABLE OF CONTENTS

PURPOSE	6
DEFINITIONS	6
AUTHORIZED USER	6
CENTRAL TEXAS MLS SYSTEM	6
CENTRAL TEXAS MLS PRIMARY SERVICE AREA	7
CONTRACT (PURCHASE AGREEMENT)	7
BUSINESS DAY	7
CLOSED (SOLD)	7
EXCLUSIVE AGENCY LISTING AGREEMENT	7
EXCLUSIVE RIGHT TO SELL LISTING AGREEMENT	7
EXEMPTED LISTINGS	8
INTERNET DATA EXCHANGE (IDX)	8
INTERNET DATA EXCHANGE PARTICIPANT (IDX PARTICIPANT)	8
INTERNET DATA EXCHANGE SUBSCRIBER (IDX SUBSCRIBER)	8
INTERNET DATA EXCHANGE DATABASE (IDX DATABASE)	9
LISTINGS	9
MLS PARTICIPANT DATABASE	9
NET LISTING CONTRACT	9
OPEN LISTING CONTRACT	9
PARTICIPANT	10
PARTICIPATION DEFINED	10
PROPERTY LISTING CONTENT	11
PURCHASE/LEASE	11
SHORT SALE	11
SUBSCRIBER TYPES AND DEFINITIONS	11
STATUS DEFINITIONS	12
ACTIVE	12
ACTIVE UNDER CONTRACT	12
CANCELLED	12
CLOSED	12
EXPIRED	13
TEMPORARILY OFF MARKET	13
PENDING	13
WITHDRAWN	13
PROPERTY TYPES	14
RESIDENTIAL	14
MULTIFAMILY	14
LAND	14
FARM	14
RESIDENTIAL LEASE/RENTAL	14
COMMERCIAL SALE	14

COMMERCIAL LEASE-----	14
BUSINESS OPPORTUNITY-----	14
LISTING PROCEDURES-----	14
SECTION 1. LISTING PROCEDURES-----	14
SECTION 1.1 LISTINGS SUBJECT TO RULES AND REGULATIONS OF CENTRAL TEXAS MLS-----	16
SECTION 1.2 DETAIL ON LISTINGS FILED WITH CENTRAL TEXAS MLS-----	16
SECTION 1.2.1 LIMITED SERVICE LISTINGS-----	16
SECTION 1.2.2 MLS ENTRY ONLY LISTINGS-----	17
SECTION 1.3 EXEMPTED LISTINGS-----	18
SECTION 1.4 CHANGE OF STATUS OF LISTING-----	18
SECTION 1.5 CANCELLATION OF LISTING PRIOR TO EXPIRATION-----	18
SECTION 1.6 CONTINGENCIES APPLICABLE TO LISTINGS-----	18
SECTION 1.7 LISTING PRICE SPECIFIED-----	19
SECTION 1.8 PHOTO REQUIREMENTS-----	19
SECTION 1.9 LISTING MULTIPLE UNIT PROPERTIES-----	19
SECTION 1.10 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS-----	19
SECTION 1.11 EXPIRATION, EXTENSION, AND RENEWAL OF LISTINGS-----	19
SECTION 1.12 EXPIRATION DATE ON LISTINGS-----	20
SECTION 1.13 RETENTION OF LISTING AGREEMENTS-----	20
SECTION 1.14 SUBMISSION OF LISTINGS WITHIN PRIMARY SERVICE AREA-----	20
SECTION 1.15 LISTINGS OF SUSPENDED PARTICIPANTS-----	20
SECTION 1.16 LISTINGS OF EXPELLED PARTICIPANTS-----	21
SECTION 1.17 LISTINGS OF RESIGNED PARTICIPANTS-----	21
SECTION 1.18 PARTICIPATION NOT TRANSFERABLE-----	21
SECTION 1.19 ASSIGNMENT OF LISTINGS-----	22
SECTION 1.20 EDITING LISTING CONTENT-----	22
SELLING PROCEDURES-----	22
SECTION 2. SHOWINGS AND NEGOTIATIONS-----	22
SECTION 2.1 PRESENTATION OF OFFERS-----	22
SECTION 2.2 SUBMISSION OF WRITTEN OFFERS-----	22
SECTION 2.3 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER-----	23
SECTION 2.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFERS-----	23
SECTION 2.5 REPORTING SALES TO CENTRAL TEXAS MLS-----	23
SECTION 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES-----	23
SECTION 2.7 ADVERTISING OF LISTING FILED WITH CENTRAL TEXAS MLS-----	23
SECTION 2.8 REPORTING CANCELLATION OF PENDING SALE-----	24
SECTION 2.9 OPTIONAL REPORTING OF CLOSED SALES OF PROPERTIES NOT SUBJECT TO LISTING CONTRACTS ACCEPTABLE TO CENTRAL TEXAS MLS-----	24
REFUSAL TO SELL-----	24
SECTION 3. REFUSAL TO SELL-----	24
PROHIBITIONS-----	24
SECTION 4. INFORMATION FOR PARTICIPANTS ONLY-----	24

SECTION 4.1 "FOR SALE" SIGNS	24
SECTION 4.2 "SOLD" SIGNS	24
SECTION 4.3 SOLICITATION OF LISTING FILED WITH CENTRAL TEXAS MLS	25
SECTION 4.4 USE OF PROPERTY LISTING CONTENT	25
SECTION 4.5 LIMITATION ON PASSWORD USE	25
SECTION 4.6 CONFIDENTIAL INFORMATION	25
DIVISION OF COMMISSIONS	26
SECTION 5. COMPENSATION SPECIFIED ON EACH LISTING	26
SECTION 5.1 PARTICIPANT AS PRINCIPAL	28
SECTION 5.2 PARTICIPANT AS PURCHASER	28
SECTION 5.3 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS	28
SERVICE CHARGES	29
SECTION 6. SERVICE FEES AND CHARGES	29
ORIENTATION	29
SECTION 7. ORIENTATION	29
MEETINGS	29
SECTION 8. MEETINGS OF GOVERNORS	29
CHANGES IN RULES AND REGULATIONS	29
SECTION 9. CHANGES IN RULES AND REGULATIONS	30
SECTION 9.1	30
COMPLIANCE WITH RULES	30
SECTION 10. COMPLIANCE WITH RULES/AUTHORITY TO IMPOSE DISCIPLINE	30
SECTION 10.1 COMPLIANCE WITH RULES	31
SECTION 10.2 APPLICABILITY OF RULES TO USERS AND/OR SUBSCRIBERS	31
ENFORCEMENT OF RULES	31
SECTION 11. CONSIDERATION OF ALLEGED VIOLATIONS	31
SECTION 11.1 VIOLATIONS OF RULES AND REGULATIONS	31
PROCEDURES FOR APPEAL OF A SANCTION:	32
SECTION 11.2 COMPLAINTS OF UNETHICAL CONDUCT	32
USE OF COPYRIGHTED MLS COMPILATIONS	32
SECTION 12. DISTRIBUTION	32
SECTION 12.1 DISPLAY	33
SECTION 12.2 REPRODUCTION	33
USE OF MLS INFORMATION	34
SECTION 13. LIMITATIONS ON USE OF MLS INFORMATION	34
SECTION 13.1 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION	34
INTERNET DATA EXCHANGE (IDX)	35

SECTION 14. IDX DEFINED -----	35
SECTION 14.1 -----	35
SECTION 14.2 -----	35
SECTION 14.3 -----	37
VIRTUAL OFFICE WEBSITE (VOW)-----	40
SECTION 15.1 -----	40
SECTION 15.2 -----	41
SECTION 15.3 -----	42
SECTION 15.4 -----	43
SECTION 15.5 -----	43
SECTION 15.6 -----	44
SECTION 15.7 -----	44
SECTION 15.8 -----	45
SECTION 15.9 -----	45
SECTION 15.10 -----	45
SECTION 15.11 -----	45
SECTION 15.12 -----	46
SECTION 15.13 -----	46
SECTION 15.14 -----	46
SECTION 15.15 -----	46
SECTION 15.16 -----	46
SECTION 15.17 -----	47
SECTION 15.18 -----	47
SECTION 15.19 -----	47
SECTION 15.20 -----	47
LEGAL TERMS -----	47
SECTION 16. CONFIDENTIALITY OF MLS INFORMATION-----	47
SECTION 16.1 AUTHORIZATION FOR USE OF PROPERTY LISTING CONTENT -----	47
SECTION 16.2 LEASE OF MLS COMPILATION -----	48
SECTION 16.3 RETURN OF MLS DATA -----	48
SECTION 16.4 GRANT OF LICENSE -----	48
SECTION 16.5 DIGITAL MILLENNIUM COPYRIGHT ACT (DMCA)-----	48
SECTION 16.6 INDEMNIFICATION OF MLS-----	49
SECTION 16.7 PROPERTY LISTING CONTENT COPYRIGHT AND INDEMNIFICATION -----	49
SECTION 16.8 LIMITATION OF CENTRAL TEXAS MLS’S LIABILITY-----	50
POLICIES-----	50
SECTION 17. POLICIES NOT ADDRESSED IN THESE RULES AND REGULATIONS -----	50
SANCTIONS FOR NON-COMPLIANCE-----	50
SECTION 18. REQUIREMENTS AND SANCTIONS FOR NON-COMPLIANCE -----	51

RULES AND REGULATIONS

CENTRAL TEXAS MLS

PURPOSE

Central Texas MLS provides, for the use of its Participants and Subscribers, a multiple listing service within the territory set forth in definitions below.

The purpose of the Central Texas MLS is to provide a Multiple Listing Service to Participants. An MLS is a means by which:

- a) Authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law);
- b) Cooperation among Participants is enhanced;
- c) 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;
- d) Participants engaging in real estate appraisal contribute to common databases; and
- e) Listing information may be correlated and disseminated in an orderly manner so Participants may better serve their clients and customers.

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

DEFINITIONS

AUTHORIZED USER

An authorized user is any:

- Subscriber affiliated with a Participant, OR
- Unlicensed Assistant employed by the Participant's brokerage firm, the Participant, a Subscriber affiliated with the Participant, or a group which can include the Participant and/or Subscribers, who performs actions on behalf of or with the authority of the Participant.

CENTRAL TEXAS MLS SYSTEM

The Internet based computer application providing interactive access to the automated continuously updated electronic MLS Participant Database and the Central Texas MLS Public Records database.

CENTRAL TEXAS MLS PRIMARY SERVICE AREA

The MLS Primary Service Area includes the following counties in Texas:

Bell	Goliad	Lavaca
Caldwell	Gonzales	Milam
Comal	Guadalupe	Refugio
Coryell	Hays	Victoria
DeWitt	Lampasas	Williamson

CONTRACT (PURCHASE AGREEMENT)

When used in these Rules and Regulations the term contract includes agreement to lease (or rent) except when not italicized.

BUSINESS DAY

Business days are weekdays (Mondays through Fridays) except if a weekday falls on a federal holiday.

CLOSED (SOLD)

When used in these Rules and Regulations the terms closed and sold include "leased" (or "rented") except when not italicized.

EXCLUSIVE AGENCY LISTING AGREEMENT

A contractual agreement under which:

- a single listing broker is granted authority to act as the agent or as the legally recognized non-agency representative of the Seller, to the exclusion of all others during the term of the contract, AND
- the Seller agrees to pay a fee or commission to the listing broker if the property is sold through the efforts of any real estate broker, BUT
- if the property is sold solely through the efforts of the Seller, the Seller is not obligated to pay a commission to the listing broker.

EXCLUSIVE RIGHT TO SELL LISTING AGREEMENT

A contractual agreement under which:

- a single listing broker is granted authority to act as the agent or as the legally recognized non-agency representative of the Seller, to the exclusion of all others during the term of the contract, AND

- the Seller agrees to pay a fee or a commission to the listing broker, regardless of whether the property is sold through the efforts of the listing broker, the Seller or anyone else.

An exclusive right to sell listing agreement may include a provision allowing the Seller to name one or more individuals or entities as exemptions or exclusions to the listing agreement and if the property is sold to any so exempted or excluded Buyer, the Seller is not obligated to pay a fee or commission to the listing broker.

EXEMPTED LISTINGS

Exempted listings are listings of property in which the Participant has been directed by the Seller:

- not to cooperate with any other Participant, OR
- not to offer compensation to any other Participant (whether or not cooperation with other Participants has been authorized by the Seller), OR
- not to disseminate information about the property to other Participants or Authorized Affiliates of Central Texas MLS by means of the MLS Participant Database even though cooperation with and/or compensation to other Participants has been authorized by the Seller.

Certification from the owner to not cooperate, offer cooperative compensation, or to enter the listing into the database shall be kept on file by the Participant and, upon request, will furnish said copies to Central Texas MLS within 48 hours (excluding weekends and federal holidays).

INTERNET DATA EXCHANGE (IDX)

IDX affords MLS Participants the ability to authorize limited electronic display of their listings by other Participants.

INTERNET DATA EXCHANGE PARTICIPANT (IDX PARTICIPANT)

An MLS Participant who authorizes limited electronic display of their listings by other Participants in return for permission to display their listings. An IDX Participant may display listings of property in the Internet Data Exchange Database upon the acceptance by Central Texas MLS of a fully executed licensing agreement (available from Central Texas MLS).

INTERNET DATA EXCHANGE SUBSCRIBER (IDX SUBSCRIBER)

A Subscriber affiliated with an IDX Participant who:

- with the written permission and authority of such Participant, displays listings of property in the Internet Data Exchange Database upon the acceptance by Central Texas MLS of a fully executed licensing agreement (available from Central Texas MLS):
- subject to the Participant's consent and control, and
- in accordance with all applicable laws and regulations, and
- in accordance with Central Texas MLS rules.

INTERNET DATA EXCHANGE DATABASE (IDX DATABASE)

The current aggregate compilation of all listings of all IDX Participants except those listings where the property Seller and/or IDX Participant has opted out of all Internet display by so indicating on the listing contract and entry into Central Texas MLS's MLS database. Central Texas MLS owns the IDX Database.

LISTINGS

References to listings, as used herein, shall be deemed to include, 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.

MLS PARTICIPANT DATABASE

Data relating to real estate for sale/rent, previously sold/rented or listed for sale/rent, including the IDX Database, and data relating to Participants and Subscribers, entered into the Central Texas MLS System by Participants, Subscribers, and Central Texas MLS. Central Texas MLS owns the MLS Participant Database.

NET LISTING CONTRACT

A listing which entitles the real estate broker to receive as compensation any amount over a given net amount to the Seller. Net Listing contracts may not be submitted to Central Texas MLS.

OPEN LISTING CONTRACT

A contractual agreement under which the listing Participant acts as the agent or as the legally recognized non- agency representative of the Seller, and the Seller agrees to pay a commission to the listing Participant only if the property is sold through the efforts of the listing Participant. (Central Texas MLS does not accept properties listed subject to open listing contracts (except where acceptance is required by law and/or a closed property qualifies for inclusion in the MLS

Participant Database under the provisions of acceptable listing agreements.)
Open Listing contracts may not be submitted to Central Texas MLS.

PARTICIPANT

Any principal, partner, corporate officer or branch office manager who holds a current, valid real estate broker's license and offers or accepts offers of compensation to and from other Participants through Central Texas MLS or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.

PARTICIPATION DEFINED

Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service membership or participation unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an association 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 by or published by an association multiple listing service where access to such information is prohibited by law. The REALTOR® principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership, or corporation as the participant shall have all rights, benefits, and privileges of the service, and shall accept all obligations to the service for the participant's firm, partnership, or corporation, and for compliance with the bylaws and rules and regulations of the service by all persons affiliated with the participant who utilize the service.

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

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

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

PROPERTY LISTING CONTENT

Property listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, remarks, document attachments, and narratives related to the listed property.

PURCHASE/LEASE

When used in these Rules and Regulations the term purchase includes lease (or rent).

SHORT SALE

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.

SUBSCRIBER TYPES AND DEFINITIONS

Broker of Record	Licensed by the state real estate licensing authority and is recognized as the principle broker for the firm and has management oversight.
Licensees	Licensed real estate salespersons who are affiliated with a participating Broker of Record.
Broker	Real Estate Brokers who operate as managers or salesperson who are subject to the oversight of the Broker of Record.
Non-licensed Personnel	Administrative and clerical staff, personal assistants, and individuals providing administrative support to the Subscribers.
Appraiser	Licensed or certified by the state licensing authority to provide valuations of real property.
Vendor	Third party entities that provide goods and services to Central Texas MLS.

STATUS DEFINITIONS

ACTIVE

Properties currently subject to a listing contract and reported to Central Texas MLS in which the Participant has been directed by the Seller to:

- set appointments for showings, AND
- seek agreements of sale to present to the Seller; AND
- the listing is on the market and a written offer has not been accepted.

ACTIVE UNDER CONTRACT

Properties in which

- a written offer has been accepted but the Seller agrees to:
 - continue to show the property AND
 - accept backup offers.
- Sub-categories for Active Under Contract include Option Period, Sale of another Property and Application Received.

CANCELLED

Properties in which the listing contract has been terminated prior to the expiration date.

CLOSED

Properties in which

- A successful closing has taken place and title has been transferred from Seller to Buyer or in which possession of a property has been transferred from a lessor to a lessee.
- the agreement of sale has been fulfilled or the lease agreement has been executed.

EXPIRED

Listings of property in which:

- the listing contract has passed its contractually agreed upon expiration date, AND
- the Participant has not secured permission from the Seller on or before that expiration date to extend the term of the listing for an additional period of time.
- the listing contract has expired.

TEMPORARILY OFF MARKET

Listings of property in which the Seller has requested the Participant to:

- Temporarily Off Market suspends the marketing of the property but is expected to return Active.
- Listing may not be shown during Temporarily Off Market status.
- Listing may not be Temporarily Off Market for more than 21 days over the life of the listing, becomes Active.
- Listing may not be Temporarily Off Market within 7 days from the listing expiration date, becomes Active
- Listing transitions automatically from Temporarily Off Market to Expired if the listing end-date is reached.

PENDING

Listings of property in which:

- an agreement of sale is in effect,
- the settlement has not yet taken place, and
- the Participant has been instructed by the Seller to no longer set appointments for showings,
- a written offer has been accepted and the listing is no longer on the market.

WITHDRAWN

The listing has been withdrawn from the market, but a contract still exists between the Seller and the listing broker and there is no intention to bring the listing back on the market.

All status changes must be reported to the service within two (2) business days.

PROPERTY TYPES

RESIDENTIAL

A single-family residence that is for sale. Residential property type will include residential dwellings of one unit.

MULTIFAMILY

Multifamily property type will include 2-4 unit residential properties that are for sale where all units are part of the transactions.

LAND

Vacant Land with no inhabitable improvement that is for sale. Land property type includes lots for sale.

FARM

A property where agricultural and similar activities take place that is for sale.

RESIDENTIAL LEASE/RENTAL

A single-family residence that is for lease. Residential Lease property type will include residential dwellings of one unit that are for lease.

COMMERCIAL SALE

Commercial Sale property type includes residential dwellings of 5+ units and/or buildings that are zoned for commercial use that are for sale

COMMERCIAL LEASE

Commercial Lease property type includes residential dwellings of 5+ units and/or buildings that are zoned for commercial use and are for lease.

BUSINESS OPPORTUNITY

Any business for sale that does NOT include the real property, but does include a leasehold interest in real property, which is transferred in conjunction with the business (i.e. sublet).

LISTING PROCEDURES

SECTION 1. LISTING PROCEDURES

Subscriber is required to input listings into CTXMLS within five days for listings where all necessary signatures of Seller(s) have been obtained and the listing term has begun for all listings that are (a) for real or personal property which are listed subject to a real estate broker's license, and (b) which are located within the respective primary service area of Central Texas MLS, and (c) taken by Participants on listing contracts acceptable to Central Texas MLS.

- a) Central Texas MLS shall not require a Participant to execute listings of property on a contract other than the contract the Participant individually chooses to utilize provided it is of a type accepted by Central Texas MLS. However, Central Texas MLS, through its legal counsel may:
- b) reserve the right to refuse to accept a listing of property on a contract which fails to adequately protect the interests of the public and the Participants.
- c) assure that no contract for a listing of property filed with Central Texas MLS establishes, directly or indirectly, any contractual relationship between Central Texas MLS and the client (Buyer or Seller).
- d) Central Texas MLS shall accept Exclusive Right to Sell Listing Agreements and Exclusive Agency Listing Agreements and may accept other forms of listing contracts which make it possible for the listing Participant to offer compensation to the other Participants of Central Texas MLS acting as subagents, and/or buyer agents, and/or transaction licensees.
- e) Central Texas MLS shall accept listings subject to auction terms provided they are conducted in accordance with all applicable laws and the following conditions are met:
 - f) a valid listing contract between the Participant and the Seller exists, subject to the requirements outlined in Section 1(b)
 - g) a listing price is specified as outlined in Section 1.7
 - h) compensation is offered to cooperating Participants as outlined in Section 5
 - i) an agency relationship between the Seller and the Participant exists for the duration of the auction process
 - j) the Participant clearly discloses in the MLS that the listing is subject to auction terms.
 - k) Participants must disclose potential short sales when reasonably known to the listing Participants, unless precluded by law.
 - l) Exclusive agency listings and exclusive right to sell listings with named prospects exempted shall be clearly distinguished from exclusive right to sell listings with no named prospects exempted when reported to Central Texas MLS, 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 the correct designations are made in the Listing Type and Prospects Excluded fields to clearly identify exclusive agency and exclusive right to sell listings with prospect reservations. Participants and Subscribers should contact the listing Participant or Subscriber to verify the identity of exempted prospects.
- m) The listing contract must include the Seller's authorization to submit the agreement to Central Texas MLS.
 - n) Central Texas MLS shall not regulate the type of listings its Participants may take. This does not mean that Central Texas MLS must accept every type of listing. Central Texas MLS shall decline to accept open listings and net listings and it may limit its service to listings of certain kinds of property. But if it chooses to limit the kind of listings it will accept, it shall leave its Participants free to accept such listings to be handled outside Central Texas MLS.

SECTION 1.1 LISTINGS SUBJECT TO RULES AND REGULATIONS OF CENTRAL TEXAS MLS

All listings of property taken by Participants on contracts acceptable to Central Texas MLS are subject to the Rules and Regulations and all other applicable published policies of Central Texas MLS upon the signature of the Seller.

- a) A Participant or their Authorized Affiliate shall not enter a listing for a property in the same property type in the MLS Participant Database at any time when the same property is currently listed. Prior to adding a listing to the system, the listing agent shall check to verify that the property is not already entered in the system.
- b) If a property is co-listed with two or more Participants, only one Participant shall be allowed to enter the listing into the system. Identification of the other Participant must be entered in the Agent Remarks. This shall not prevent one Participant from entering an exclusive sale listing and another Participant from entering an exclusive rental agreement.

SECTION 1.2 DETAIL ON LISTINGS FILED WITH CENTRAL TEXAS MLS

Property information, when filed with Central Texas MLS by the listing Participant, shall be complete in every detail which is ascertainable as specified on the applicable Central Texas MLS add/edit input screen. Requirements and penalties for non-compliance are included in the Schedule of Fines.

SECTION 1.2.1 LIMITED SERVICE LISTINGS

Listings of property filed with Central Texas MLS under which the listing Participant will not provide one or more of the following services:

- arrange appointments for cooperating Participants to show the listed property to potential buyers (but instead gives cooperating Participants authority to make such appointments directly with the Seller),
- accept and present to the Seller agreements of sale for the property procured by cooperating Participants (but instead gives cooperating Participants authority to present agreements of sale directly to the Seller),
- advise the Seller as to the merits of agreements of sale,
- assist the Seller in developing, communicating or presenting counter-offers,
- participate on the Seller's behalf in negotiations leading to the sale of the listed property,
- must disclose that the listing Participant's services to the Seller are "limited" in the designated MLS field and such information shall be disseminated to all Central Texas MLS Participants and their Authorized Affiliates so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initiating effort to show or sell the property.

SECTION 1.2.2 MLS ENTRY ONLY LISTINGS

Listings of property filed with Central Texas MLS under which the listing Participant will not provide any of the following services:

- arrange appointments for cooperating Participants to show the listed property to potential buyers (but instead gives cooperating Participants authority to make such appointments directly with the Seller),
- accept and present to the Seller agreements of sale for the property procured by cooperating Participants (but instead gives cooperating Participants authority to present agreements of sale directly to the Seller),
- advise the Seller as to the merits of agreements of sale,
- assist the Seller in developing, communicating or presenting counter-offers,
- participate on the Seller's behalf in negotiations leading to the sale of the listed property,
- must disclose that the listing Participant's services to the Seller are "MLS Entry Only" in the designated MLS field and such information shall be disseminated to all Central Texas MLS Participants and their Authorized Affiliates so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initiating effort to show or sell the property.

SECTION 1.3 EXEMPTED LISTINGS

Exempted Listings are listings of property, taken on listing contracts acceptable to Central Texas MLS, in which the Participant has been directed by the Seller either:

- not to cooperate with any other Participant, OR
- not to offer compensation to any other Participant (whether or not cooperation with other Participants has been authorized by the Seller), OR
- not to disseminate information about the property to other Participants or Authorized Affiliates of Central Texas MLS by means of the MLS Participant Database even though cooperation with and/or compensation to other Participants has been authorized by the seller.

For exempted listings, the Participant and/or Subscriber must obtain:

- a "Waiver of Broker Submission to Central Texas Multiple Listing" form (provided by Central Texas MLS) signed by the Seller, OR
- other certification acceptable to Central Texas MLS, signed by the Seller, that he does not desire the listing to be disseminated by Central Texas MLS.

In response to an address specific inquiry from a Central Texas MLS Participant or Subscriber, Central Texas MLS will disclose whether or not a listing for a property with that address has been filed as an Exempted Listing with Central Texas MLS but will not disclose any information about the listed property or the listing Participant.

SECTION 1.4 CHANGE OF STATUS OF LISTING

Any change in listed price or other change in the original listing contract shall be made only when authorized in writing by the Seller and shall be filed with Central Texas MLS within two (2) business days (excluding weekends and holidays) after the authorized change is received by the listing Participant.

SECTION 1.5 CANCELLATION OF LISTING PRIOR TO EXPIRATION

Listings of property may be cancelled from Central Texas MLS by the listing Participant before the expiration date of the listing contract provided notice is filed with Central Texas MLS.

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

SECTION 1.6 CONTINGENCIES APPLICABLE TO LISTINGS

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

SECTION 1.7 LISTING PRICE SPECIFIED

The full gross listing price, stated in the listing contract, will be included in the information published in the MLS compilation of current listings.

SECTION 1.8 PHOTO REQUIREMENTS

At least one photo must be submitted to Central Texas MLS at time of entry, regardless of property type and/or status except where the seller expressly directs that the images of the property are not to be submitted to Central Texas MLS. One photo must be a "curbside" view of the property that shows the property upon arrival. Participants and Subscribers may select one photo that will be displayed as the primary photo. For new construction, the exterior elevation or the floor plan is acceptable. For unimproved non-residential properties, a plat or survey of the property is acceptable.

Digital images and photo description text should not contain information such as watermarks, nor other MLS copyright branding, nor information that brands the listing to a specific agent or office. This includes contact information such as names, phone numbers, email addresses or website addresses, including the use of embedded, overlaid or digitally stamped information. All real estate, builder, developer or property management signs are prohibited from appearing in the photo.

Images previously submitted by a Participant may not be used by other Participants on subsequent listings without written permission.

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 and on the Property Profile sheet. When part of a listed property has been sold, proper notification should be given to Central Texas MLS.

SECTION 1.10 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS

Central Texas MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, Central Texas 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 Central Texas MLS automatically expires on the date specified in the listing contract unless renewed by the listing Participant and notice of renewal or extension is filed with Central Texas MLS prior to expiration. If notice of renewal or extension is dated after the expiration date of the original listing, then a new listing must be secured for the listing to be filed with Central Texas MLS. It will then be published as a new listing. Any extension or renewal of a listing must be signed by the Seller(s) and be filed with Central Texas MLS.

SECTION 1.12 EXPIRATION DATE ON LISTINGS

Listings filed with Central Texas MLS shall bear a definite and final expiration date as negotiated between the listing Participant and the Seller.

SECTION 1.13 RETENTION OF LISTING AGREEMENTS

Participants shall retain, in the Participant's office, copies of listing contracts, extensions of listing contracts, price changes, and other material changes of listing contracts authorized by seller and, upon request, will furnish said copies to Central Texas MLS within two (2) business days.

SECTION 1.14 SUBMISSION OF LISTINGS WITHIN PRIMARY SERVICE AREA

Listings of all properties located within the Central Texas MLS Primary Service Area are required to be submitted to Central Texas MLS. Listings of property located outside Central Texas MLS's Primary Service Area will be accepted if submitted voluntarily by a Participant but cannot be required by Central Texas MLS.

SECTION 1.15 LISTINGS OF SUSPENDED PARTICIPANTS

When a Participant of Central Texas MLS is suspended from the MLS for failing to abide by a membership duty (i.e., violation of MLS Bylaws, MLS Rules and Regulations, the Code of Ethics when applicable, Association Bylaws when applicable, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with Central Texas MLS by the suspended Participant shall, at the Participant's option, be retained in Central Texas MLS until Closed, Withdrawn, or Expired, and shall not be renewed or extended by Central Texas MLS beyond the termination date of the listing contract in effect when the suspension became effective.

When a Participant of Central Texas MLS is suspended from the MLS and/or an Association of REALTORS® when applicable (except where MLS participation without Association membership is permitted by law) for failure to pay appropriate dues, fees, or charges, Central Texas 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 his clients.

SECTION 1.16 LISTINGS OF EXPELLED PARTICIPANTS

When a Participant of Central Texas MLS is expelled from the MLS for failing to abide by a membership duty (i.e. violation of MLS Bylaws, MLS Rules and Regulations, the Code of Ethics when applicable, Association Bylaws when applicable, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with Central Texas MLS shall, at the expelled Participant's option, be retained in Central Texas MLS until Closed, Withdrawn, or Expired, and shall not be renewed or extended by Central Texas MLS beyond the termination date of the listing contract in effect when the expulsion became effective.

When a Participant of Central Texas MLS is expelled from the MLS and/or an Association of REALTORS® when applicable (except where MLS participation without Association membership is permitted by law) for failure to pay appropriate dues, fees, or charges, Central Texas 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 his clients.

SECTION 1.17 LISTINGS OF RESIGNED PARTICIPANTS

When a Participant resigns from Central Texas MLS, Central Texas 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 Central Texas MLS, the resigned Participant will be advised in writing of the intended removal so that the resigned Participant may advise his clients.

SECTION 1.18 PARTICIPATION NOT TRANSFERABLE

Participation in Central Texas MLS is on an individual basis and may not be transferred or sold to any corporation, firm or other individual. Any reimbursement due to a prepaid participation fee is a matter of negotiations between those transferring the business or determined by internal contract arrangement within the firm. However, providing the first Participant consents,

Central Texas MLS shall allow a firm to designate a different person as a Participant within the firm without additional initial participation fees. Central Texas MLS may charge an administrative fee for this service of reassigning Participants within a firm.

SECTION 1.19 ASSIGNMENT OF LISTINGS

In the event listings are to be assigned from one Participant to another Participant, Central Texas MLS will require written notification, signed by both Participants, stating that written permission to effectuate the assignment has been secured from all Seller(s).

SECTION 1.20 EDITING LISTING CONTENT

Central Texas MLS reserves the right to edit listing content.

SELLING PROCEDURES

SECTION 2. SHOWINGS AND NEGOTIATIONS

Appointments for showings and negotiations with the Seller for the purchase of listed property filed with Central Texas MLS shall be conducted through the listing Participant except under the following circumstances:

- The listing Participant gives the cooperating Participant specific authority to show and/or negotiate directly, or
- After reasonable effort, the cooperating Participant cannot contact the listing Participant or his representative. However, the listing Participant, at his option, may preclude such direct negotiations by cooperating Participants.

SECTION 2.1 PRESENTATION OF OFFERS

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

SECTION 2.2 SUBMISSION OF WRITTEN OFFERS

The listing Participant 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 Participant. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing Participant shall recommend that the Seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

Participants representing buyers shall submit to the buyer all offers and counter-offers until acceptance and shall recommend that buyers 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 Participant (subagent, buyer agent or transaction licensee) 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 Participant. However, if the Seller or lessor gives written instructions to the listing Participant that the cooperating Participant not be present when an offer the cooperating Participant secured is presented, the cooperating Participant has the right to a copy of the Seller's written instructions. None of the foregoing diminishes the listing Participant's right to control the establishment of appointments for such presentations.

SECTION 2.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFERS

The listing Participant 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 where the cooperating Participant is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating Participant that the listing Participant not be present when a counter-offer is presented to the purchaser or lessee, the listing Participant has the right to a copy of the purchaser's or lessee's written instructions.

SECTION 2.5 REPORTING SALES TO CENTRAL TEXAS MLS

Status changes, including final closing of sales and sale prices, shall be reported to CENTRAL TEXAS MLS by the listing Participant within two (2) business days after they have occurred. If negotiations were carried on under Section 2(a) or (b) of these Rules and Regulations, the cooperating Participant shall report accepted offers and prices to the listing Participant within two (2) business days after occurrence and the listing Participant shall report them to CENTRAL TEXAS MLS within 24 hours after receiving notice from the cooperating Participant.

SECTION 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES

The listing broker shall report to the service that a contingency on file with the service has been fulfilled or renewed, or the agreement cancelled.

SECTION 2.7 ADVERTISING OF LISTING FILED WITH CENTRAL TEXAS MLS

A listing shall not be advertised by any Participant other than the listing Participant without the prior consent of the listing Participant except as provided in Section 16 relating to Advertising of Active Listing Information on the Internet.

SECTION 2.8 REPORTING CANCELLATION OF PENDING SALE

The listing Participant shall report immediately the cancellation of any agreement of sale between Seller and Buyer to Central Texas MLS. The listing shall be changed by the Participant to the applicable status (Active, Temporarily Off-Market, Withdrawn or Expired).

SECTION 2.9 OPTIONAL REPORTING OF CLOSED SALES OF PROPERTIES NOT SUBJECT TO LISTING CONTRACTS ACCEPTABLE TO CENTRAL TEXAS MLS

A Participant who has participated in the sale of an unlisted property, a property listed subject to an open listing agreement, or a property listed by a real estate brokerage not participating in Central Texas MLS may after the closing report information about the property and the sale to Central Texas MLS for inclusion in its database. In order to report such information to Central Texas MLS, a Participant must obtain written permission, from the Buyer or Seller to do so. Upon request, a Participant must promptly furnish a copy of the Buyer's or Seller's written permission to Central Texas MLS.

REFUSAL TO SELL

SECTION 3. REFUSAL TO SELL

If the seller of any listed property filed with the 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.

PROHIBITIONS

SECTION 4. INFORMATION FOR PARTICIPANTS ONLY

Any listing filed with Central Texas MLS shall not be made available to any broker, real estate licensee, appraiser or firm who is not a Participant or Subscriber of Central Texas MLS without the prior consent of the listing Participant.

SECTION 4.1 "FOR SALE" SIGNS

Only the "For Sale" sign of the listing Participant may be placed on a property, subject to applicable laws.

SECTION 4.2 "SOLD" SIGNS

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

SECTION 4.3 SOLICITATION OF LISTING FILED WITH CENTRAL TEXAS MLS

Participants shall not solicit a listing on property filed with Central Texas MLS unless such solicitation is consistent with Article 16 of the 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 PROPERTY LISTING CONTENT

Participants and/or Subscribers shall not use property listing content from a prior listing of a property for a current listing of the property without the express consent of the owner of the proprietary rights in the listing content. Property listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, remarks, document attachments, and narratives related to the listed property.

SECTION 4.5 LIMITATION ON PASSWORD USE

Participants, Subscribers, and Authorized Affiliates of Participants that utilize the MLS system shall not furnish, disclose or permit the use of their MLS passwords and/or MLS access codes to any person, firm, company or other entity.

In the event the password of a Participant or Subscriber is used in violation of Section 4.5, such Participant or Subscriber shall be liable to Central Texas MLS for all loss or damage caused by such use and shall be subject to a fine as described in Central Texas MLS's Schedule of Fees, as may be updated from time to time, for each such entry and other sanctions as provided in these Rules and Regulations. The fact that the Participant or Subscriber did not grant consent to the use of the password shall not be a defense.

SECTION 4.6 CONFIDENTIAL INFORMATION

Gate codes, combination codes, access codes, and security codes are deemed confidential and may only be added as a separate attachment to a listing and/or in designated security fields. In no event shall such codes be placed in the listing details Public Remarks, nor are any MLS Participants permitted to disclosed such codes to any 3rd parties.

DIVISION OF COMMISSIONS

SECTION 5. COMPENSATION SPECIFIED ON EACH LISTING

The listing Participant shall specify, on each listing filed with Central Texas MLS, the compensation offered to other Central Texas MLS Participants for their services in the sale/lease of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating Participant's performance as the procuring cause of the sale (or lease). For purposes of Section 5 of these Rules & Regulations, offers of compensation made through Central Texas MLS shall be applicable to brokers who are Participants of an MLS receiving listing data from Central Texas MLS.

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

The compensation specified on listings filed with Central Texas MLS shall appear in one of four forms. The essential and appropriate requirement by a Multiple Listing Service is that the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker in writing, in advance of submitting an offer to purchase. The compensation specified on listings published by Central Texas MLS shall be expressed in one of the following forms:

1. As a percentage of the gross selling/leasing price.
2. As a percentage of the "base sales price" for new construction, with the base sales price defined as the sales price before buyer upgrades. (New construction is defined as properties to be built or properties that have not previously been occupied.) The listing Participant must clearly disclose this cooperative compensation arrangement in the agent remarks section of the Central Texas MLS database.
3. As a definite dollar amount.
4. As a combination of one (1) and three (3), OR two (2) and three (3) above.

The listing Participant's obligation to compensate any cooperating Participant 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 Participant and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing Participant to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through Central Texas 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 Participant to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing Participant 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 Participant communicated to cooperating Participants that the commission established in the listing agreement might not be paid.

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

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

- c) Central Texas MLS shall make no rule requiring the listing Participant to disclose the amount of total negotiated commission in his listing contract, and publication of the total negotiated commission on a listing which has been submitted to Central Texas MLS by a Participant is prohibited.
- d) Central Texas MLS shall not disclose in any way the total commission negotiated between the Seller and the listing Participant.
- e) Central Texas MLS shall make no rule requiring disclosure of the division or split of the total negotiated commission (i.e. the amounts or ratio of the total negotiated commission to be retained by the listing Participant and offered to other Central Texas MLS Participants). Publication of the

division or split of the total negotiated commission on a listing which has been submitted to Central Texas MLS is prohibited.

- f) Central Texas MLS shall not disclose in any way the division or split of the total negotiated commission between the listing Participant and other Central Texas MLS Participants.
- g) Listing Participants may communicate to potential cooperating Participants that gross commissions established in listing contracts are subject to court approval; and that compensation payable to cooperating Participants may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperating Participants or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating Participants prior to the time they submit an offer that ultimately results in a successful transaction.
- h) Central Texas MLS shall make no rule on the division of commissions between Participants and real estate brokers not participating in Central Texas MLS. This should remain solely the responsibility of the listing Participant.

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 a property, the listing of which is to be disseminated through Central Texas MLS, that person shall disclose that interest when the listing is filed with Central Texas MLS and such information shall be disseminated to all Central Texas MLS Participants.

SECTION 5.2 PARTICIPANT AS PURCHASER

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

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 agrees to pay a specified commission if the property is sold by the listing Participant without assistance and a different commission if the sale results through the efforts of a cooperating Participant; or one in which the Seller

agrees to pay a specified commission if the property is sold by the listing Participant either with or without the assistance of a cooperating Participant and a different commission if the sale results through the efforts of a Seller) shall be disclosed by the listing Participant by a key, code or symbol as required by Central Texas MLS. The listing Participant shall, in response to inquiries from potential cooperating Participants, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale that results through the efforts of the Seller.

If the cooperating Participant 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 Board of Directors from each shareholder organization shall have authority to establish dues, fees and charges for participation in Central Texas MLS and to modify same from time to time.

Participant shall register with Central Texas MLS through one of the shareholder organizations. Subscribers shall join Central Texas MLS through one of the Shareholder organizations.

ORIENTATION

SECTION 7. ORIENTATION

Any applicant for Central Texas MLS participation and any Subscriber affiliated with a Central Texas MLS Participant who has access to and use of MLS-generated information will be encouraged to complete an orientation program of no more than eight (8) classroom hours devoted to Central Texas MLS's Rules & Regulations, Bylaws, computer training related to MLS information entry and retrieval and the operation of Central Texas MLS within sixty (60) days after access has been provided.

MEETINGS

SECTION 8. MEETINGS OF GOVERNORS

The meetings of the Central Texas MLS Board of Governors shall be held in accordance with the provisions of Central Texas MLS's Bylaws.

CHANGES IN RULES AND REGULATIONS

SECTION 9. CHANGES IN RULES AND REGULATIONS

Amendments to the Rules and Regulations of Central Texas MLS shall be by consideration and approval of the Board of Governors of Central Texas MLS, in accordance with the provisions of the Bylaws of Central Texas MLS.

- a) Notice of changes in these Rules and Regulations shall be deemed given when transmitted either by facsimile, electronic communication, U.S. Mail or overnight courier to the Participant.

SECTION 9.1

Should any portion of these Rules and Regulations be deemed invalid, such determination should not and will not render the entire document invalid.

COMPLIANCE WITH RULES

SECTION 10. COMPLIANCE WITH RULES/AUTHORITY TO IMPOSE DISCIPLINE

By becoming and remaining a Participant or Subscriber in Central Texas MLS, each Participant and Subscriber agrees to be subject to the Rules and Regulations and any other Central Texas MLS governance provision. Central Texas MLS may, through administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other Central Texas MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

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

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 Central Texas MLS's rules during the probationary period may, at the discretion of the Board of Governors, 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.

SECTION 10.1 COMPLIANCE WITH RULES

For failure to pay any service charge, fee or fine by the date due, and provided that at least ten (10) days' notice has been given, Central Texas MLS reserves the right to suspend services to either a Subscriber or Participant until service charges, fees, fines, reinstatement fees, late fees, and any other applicable fees, are paid in full.

- a) For failure to comply with any other rule, the provisions of Sections 10 and 10.1 shall apply.
- b) Central Texas MLS may, from time to time, adopt policies consistent with these Rules and Regulations and such policies shall have the same effect, when adopted, as the Rules and Regulations.

SECTION 10.2 APPLICABILITY OF RULES TO USERS AND/OR SUBSCRIBERS

Non-principal brokers, sales licensees, appraisers and others authorized to have access to information published by Central Texas MLS are subject to these Rules and Regulations and may be disciplined for violations thereof provided the user or Subscriber has signed an agreement acknowledging that access to and use of Central Texas MLS's 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.

ENFORCEMENT OF RULES

SECTION 11. CONSIDERATION OF ALLEGED VIOLATIONS

Central Texas MLS shall give consideration to all written complaints, or violations determined by Central Texas MLS's own investigation, having to do with an alleged violation of these Rules and Regulations.

SECTION 11.1 VIOLATIONS OF RULES AND REGULATIONS

If the alleged offense is a violation of the Rules & Regulations of Central Texas MLS and does not involve a charge of alleged violation of one or more of the provisions of Section 11 of the Rules & Regulations, or the Code of Ethics when applicable, or a request for arbitration, it shall be administratively considered and determined by a review panel established by the Board of Governors of Central Texas MLS.

PROCEDURES FOR APPEAL OF A SANCTION:

- a) Upon notification of the Central Texas MLS's decision to impose a sanction, the Subscriber may request an appeal hearing within twenty (20) calendar days after the sanction has been issued, before the Advisory Council. Requests for appeals to the Advisory Council must be in writing and signed by Participant. The decision of the Advisory Council will be provided to the Subscriber within 10 calendar days.
- b) The Board of Governors will only review a sanction appeal if there is a claimed procedural violation or if there is a claim that any of the Central Texas MLS Rules and Regulations giving rise to the sanction has been misapplied to the facts.

Except as provided herein, the procedures shall be consistent with the procedures set forth in the ethics sections of the Code of Ethics and Arbitration Manual of the National Association of REALTORS®.

SECTION 11.2 COMPLAINTS OF UNETHICAL CONDUCT

Notwithstanding the foregoing, all complaints of unethical conduct or alleged violations of Section 13 of these Rules and Regulations shall be referred by the Board of Governors of Central Texas MLS to the respondent's Association of primary membership or the Association of REALTORS® in which the respondent's principal place of business is in its territorial jurisdiction for appropriate action in accordance with the professional standards procedures established in that Association's Bylaws. (Note: For arbitration of disputes see Section 11.)

USE OF COPYRIGHTED MLS COMPILATIONS

SECTION 12. DISTRIBUTION

Participants shall at all times maintain control over and responsibility for each copy of any MLS Compilation leased to them under Section 16.2, and shall not distribute any such copies to persons other than Subscribers who are affiliated with such Participants 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 Central Texas MLS. Use of information developed by or published by Central Texas 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 Central Texas MLS where access to such information is prohibited by law.

SECTION 12.1 DISPLAY

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

SECTION 12.2 REPRODUCTION

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

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

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

Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the Participant and those licensees affiliated with the Participant who are authorized to have access to such information. Such information may

not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm.

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparable 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, Central Texas MLS must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. Central Texas MLS may require execution of a third-party license agreement where deemed appropriate by the MLS. Central Texas MLS may require Participants who will use such data feeds to pay the reasonably estimated cost 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.

USE OF MLS INFORMATION

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 association or MLS may be used by MLS Participants as the bases 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 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 association or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice: Based on information from Central Texas MLS for the period <date> through <date>.

SECTION 13.1 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION

The information published and disseminated by Central Texas MLS is communicated verbatim, without change by Central Texas MLS, as filed with

Central Texas MLS by the Participant. Central Texas MLS does not verify the information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold Central Texas MLS harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

INTERNET DATA EXCHANGE (IDX)

SECTION 14. IDX DEFINED

IDX affords MLS Participants the ability to authorize limited electronic display of their listings by other Participants.

SECTION 14.1

The Participant's consent for display of their listings by other Participants pursuant to these Rule & Regulations is presumed unless precluded by law or unless a listing Participant affirmatively notifies Central Texas MLS that the listing Participant refuses to permit the display on either a blanket or a listing-by-listing basis. Listing Participants that refuse to permit other Participants to display their listing information on a blanket basis may not download, frame or display the aggregated listing data of other Participants. Even where Participants have given blanket authority for other Participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis where the Seller has prohibited all Internet display.

SECTION 14.2

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

- a) Participants must notify the MLS of their intention to display IDX information, via a licensing agreement with Central Texas MLS, and must give the MLS direct access for purposes of monitoring and ensuring compliance with applicable rules and policies.
- b) Sharing of the IDX Database (or any portion thereof) with any third party not authorized by the Central Texas MLS is prohibited. Central Texas MLS requires a licensing agreement (provided by Central Texas MLS) between Central Texas MLS, the IDX Participant, the IDX Subscriber (when applicable), and any third-party vendor who hosts or maintains a IDX website or who hosts, maintains or downloads the Central Texas MLS IDX Database (or any portion thereof). The IDX Database is copyrighted by Central Texas MLS.

- c) Participants may not use IDX-provided listings for any purpose other than display as provided in these Rules & Regulations. This does not require Participants to prevent indexing of IDX listings by recognized search engines.
- d) Listings, including property addresses, can be included in IDX displays except where a Seller has directed their listing Participant 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).
- e) Participants may select the IDX listings they choose to display based only on objective criteria. Selection of listings displayed on any IDX website must be independently made by each Participant.
- f) IDX Participants must refresh all MLS downloads and IDX displays automatically fed by those download at least once every twelve (12) hours.
- g) Except as provided in the IDX policy and these rules, an IDX site or a Participant or Subscriber 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.
- h) Any IDX display controlled by a Participant or Subscriber 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.
- i) Any IDX display controlled by a Participant or Subscriber that
 - i. 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
 - ii. displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing,
- j) shall disable or discontinue either or both of those features for the Seller's listings at the request of the Seller. The listing Participant or Subscriber shall communicate to Central Texas MLS that the Seller has elected to have one or both of these features disabled or discontinued on all displays controlled by Participant. Except for the foregoing, and subject to Section 14.2(i), a Participant's IDX display may communicate the Participant's professional judgment concerning any listing. Nothing shall

prevent an IDX display from notifying customers that a particular feature has been disabled at the request of the Seller.

- k) 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 Participant or listing Subscriber 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 14.3

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

- a) Listings displayed pursuant to IDX shall contain only those fields of data designated by Central Texas MLS. Display of all other fields (as determined by Central Texas MLS) is prohibited. Confidential fields intended only for other MLS Participants and Subscribers (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed on IDX sites.
- b) Any search result identifying another IDX Participant's listing which only displays seven (7) data fields or fewer and which does not provide for the display of photos (when available) must display either the listing company's or firm's name or the Central Texas MLS-approved IDX icon. All other search results displaying another IDX Participant's listing must bear the listing company's or firm's name and may (but is not required to) display the Central Texas MLS- approved IDX icon.
- c) Subscribers affiliated with an IDX Participant may display information available through IDX subject to:
 - i. their Participant's consent and control, AND
 - ii. the requirements of all applicable state law and/or regulation, AND Central Texas MLS rules.

Such a Subscriber, upon acceptance by Central Texas MLS of a fully executed licensing agreement (available from Central Texas MLS) to display content obtained from Central Texas MLS's IDX Database shall be considered an IDX Subscriber.

d) If the name(s) of any affiliated licensee(s) is/are co-branded with the name of the brokerage firm or company, the display of such co-branding must conform with the regulatory requirements of all states for which the Participant chooses to display Central Texas MLS IDX Database properties.

Exception: In the event of a mutually exclusive conflict between the regulatory requirements of states for which Participant chooses to display properties, IDX Participant's must display Central Texas MLS IDX Database properties located in such states on separate pages or windows of the web site branded to conform with such states regulatory requirements.

e) On websites, print outs, or e-mails which display Central Texas MLS content obtained under an IDX licensing agreement with Central Texas MLS, the following notifications, explanations and/or disclosures must appear legibly, either on 1) the website home page, or 2) every website page used to search for Central Texas MLS IDX content, or 3) if not on pages of the website as described in 1 or 2 above, then on all website pages which display Central Texas MLS IDX content:

- i. An explanation of the nature of the IDX program
- ii. A disclosure that Central Texas MLS is the source (or a source) of the IDX content on the website
- iii. A notification that the property information being provided on or through the website is for the personal, non-commercial use of consumers and such information may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing
- iv. A notification that some properties which appear for sale on the website may no longer be available because they are for instance, under contract, sold or are no longer being offered for sale.
- v. A Central Texas MLS copyright notification using the following wording: "©<current year> Central Texas MLS, All Rights Reserved" or "Copyright <current year> Central Texas MLS, All Rights Reserved"
- vi. A disclosure that the property information displayed is deemed reliable but is not guaranteed.

f) Websites displaying listing content obtained through the Central Texas MLS IDX program may not use the term "MLS" or the words "Multiple" (or "Multi") "Listing" (or "List") "Service" (or "System") together or in any combination in a website address (URL) or website name in a manner that

would lead a reasonable consumer to believe the website is a multiple listing service or provides access for consumers to a multiple listing service. In addition, nowhere on a website that displays listings obtained through the Central Texas MLS IDX program may there be any assertion, reference, indication or suggestion that "the MLS", "the Multiple Listing Service", "the Multiple Listing System", "Central Texas MLS", "Central Texas MLS", "the Central Texas MLS Multiple Listing Service" or "the Central Texas MLS Multiple Listing System" can or is being searched or viewed.

g) IDX Participants are permitted to display listings obtained from sources other than Central Texas MLS IDX as follows:

I. Other MLS' IDX Listings.

IDX Participants may co-mingle the listings of other Participants received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with Central Texas MLS's IDX rules and the IDX Participant holds participatory rights in those MLSs. As used here, "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 results page; and that IDX Participants may display listings from each IDX feed on a single webpage or display.

II. IDX Participant's Non-Central Texas MLS Listings.

IDX Participants are permitted to display properties their company or firm currently has listed with another MLS that are not contained in the Central Texas MLS Participant Database (IDX Participant's non-Central Texas MLS Listings) with listings obtained from Central Texas MLS's IDX Database provided that on any page or window which displays both Central Texas MLS IDX Database listings and IDX Participant's non-Central Texas MLS Listings all such listings are displayed in accordance with the requirements of Central Texas MLS. If such IDX Participant's non-Central Texas MLS Listings cannot be displayed in accordance with Central Texas MLS requirements, then such IDX Participant's non-Central Texas MLS Listings must not be displayed on any page or window that displays the listings of other Participants obtained from Central Texas MLS's IDX Database but may be displayed on a separate page or window. 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.

III. Non-MLS Listings.

IDX Participants are not permitted to display or frame non-MLS listed properties (Non-MLS Listings) on any page or window of their web site that displays the listings of other Participants obtained from Central Texas MLS's IDX Database. Such Non-MLS Listings may be displayed on a separate page or window of the IDX Participant's web site.

IV. Other Brokers' Non-IDX Listings.

IDX Participants are not permitted to display or frame properties listed by other brokers obtained from sources other than Central Texas MLS's IDX Database or the Internet Data Exchange or Broker Reciprocity program of another MLS (Other Brokers Non-IDX Provided Listings) on any page or window of their web site that displays the listings of other Participants obtained from Central Texas MLS's IDX Database. Such Other Brokers Non-IDX Provided Listings may be displayed on a separate page or window of the IDX Participant's web site.

V. Augmentation of IDX Listings.

IDX Participants (and IDX Subscribers) shall not modify or manipulate information relating to other Participants' listings. IDX 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 Central Texas 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 data fields.

VIRTUAL OFFICE WEBSITE (VOW)

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 17 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 Central Texas 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 Central Texas 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 Central Texas 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 Central Texas 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 Central Texas MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with Central Texas 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:

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 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 Central Texas 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 17.8, 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 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 twelve (12) hours.

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 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 Central Texas MLS of its intention to establish a VOW and must make the VOW readily accessible to the Central Texas 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 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 15.16

A Participant shall cause to be placed on his or her VOW a notice indicating that the MLS Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by Central Texas MLS. A Participant's VOW may include

other appropriate disclaimers necessary to protect the Participant and/or Central Texas MLS from liability.

SECTION 15.17

A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 200 current listings and not more than 200 sold listings in response to any inquiry.

SECTION 15.18

A Participant shall cause every 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 15.19

A Participant shall cause every 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 and displayed separately from listings in the MLS.

SECTION 15.20

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

LEGAL TERMS

SECTION 16. CONFIDENTIALITY OF MLS INFORMATION

Any information provided by Central Texas MLS to the Participants shall be considered official information of Central Texas 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 16.1 AUTHORIZATION FOR USE OF PROPERTY LISTING CONTENT

By the act of submission of any property listing content to Central Texas MLS the Participant represents that he has been authorized to grant and thereby does grant authority for Central Texas MLS to include the property listing content in

its copyrighted MLS compilation and also in any statistical report or “comparable” report. In the event that a Central Texas MLS copyright legend appears on any report or document issued by Central Texas MLS, Participant shall not alter or remove such copyright legend.

SECTION 16.2 LEASE OF MLS COMPILATION

Each Participant shall be entitled to lease from Central Texas 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 as set by Central Texas MLS.

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

SECTION 16.3 RETURN OF MLS DATA

Central Texas MLS reserves the right, upon withdrawal, suspension or termination of Participation, to require each Participant and Subscriber to immediately return to Central Texas MLS all copies of listing data (including images), compilations.

SECTION 16.4 GRANT OF LICENSE

Participant represents and warrants that he owns the copyright for such property listing content or has secured the necessary rights and licenses to such property listing content and grants to Central Texas MLS a non-exclusive license to use, copy, reproduce, modify, transform, distribute, create derivative works from, place a Central Texas MLS copyright legend upon, and to integrate and combine such property listing content into the Central Texas MLS database, distribute to syndication websites, and include the property listing content in its MLS compilation copyright submissions and also in any statistical report or “comparable” report.

SECTION 16.5 DIGITAL MILLENNIUM COPYRIGHT ACT (DMCA)

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

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:

- a) Designate on its website and register with the Copyright Office an agent to receive takedown request. The agent could be the MLS Participant, Subscriber, or other individual or entity.
- b) Develop and post a DMCA-compliant website policy that addresses repeat offenders
- c) 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.
- d) Have no actual knowledge of any complained-of infringing activity.
- e) Not be aware of facts or circumstances from which complained-of infringing activity is apparent.

SECTION 16.6 INDEMNIFICATION OF MLS

Participants in Central Texas MLS shall have no claim or cause of action against Central Texas MLS by reason of any error or act of Central Texas MLS or its officers, directors or employees relating to the refusal to accept or the acceptance of any listing information supplied to Central Texas MLS by the Participant and the Participant shall defend, indemnify and hold Central Texas MLS harmless against all claims based upon listings or listing information supplied to Central Texas MLS by the Participant.

SECTION 16.7 PROPERTY LISTING CONTENT COPYRIGHT AND INDEMNIFICATION

All right, title, copyright and ownership interest in each copy of every Multiple Listing compilation and image created and copyrighted by Central Texas MLS shall at all times remain vested in Central Texas MLS. Copyright and ownership

interests in property listing content submitted by Participants, shall remain with the Participant; however, Participant licenses Central Texas MLS to reproduce, distribute and transform the property listing content and place a Central Texas MLS copyright legend on the property listing content. Participant shall not alter or remove Central Texas MLS's copyright legend from any image except that Participant may remove said legend from Participant's own images for use in print media in which the Participant has control. Except for images taken by Central Texas MLS photographers, Participants and/or Subscribers shall not use images from a prior listing of a property for a current listing of a property without the express consent of the owner of proprietary rights in the images. Participant agrees to defend, indemnify, and hold harmless Central Texas MLS and its other Participants and Subscribers from any and all damages or losses, including attorney's fees and litigation costs or expenses arising from claims made against Central Texas MLS and/or its other Participants and Subscribers by any third party based upon Central Texas MLS's and/or its other Participants and Subscribers dissemination or display of any property listing content submitted by the Participant.

SECTION 16.8 LIMITATION OF CENTRAL TEXAS MLS'S LIABILITY

Except for gross negligence and willful misconduct, Participants for themselves, their agents and employees, release Central Texas MLS, its officers, directors, employees, agents, vendors, contractors, and subcontractors from all claims whatsoever for loss or damage including claims for lost profits and indirect or consequential damage, arising from or in any way pertaining to any form of multiple listing service, product or feature, offered to Participants by Central Texas MLS or by its agents, vendors, contractors and subcontractors. Participant agrees to defend, indemnify and hold Central Texas MLS harmless from any such claims derived by, through or under them.

POLICIES

SECTION 17. POLICIES NOT ADDRESSED IN THESE RULES AND REGULATIONS

Any matter or issue not specifically addressed in these Rules and Regulations shall be governed by the existing policies of the National Association of REALTORS®; Federal, State and Local regulations; and Central Texas MLS, as from time to time amended.

SANCTIONS FOR NON-COMPLIANCE

SECTION 18. REQUIREMENTS AND SANCTIONS FOR NON-COMPLIANCE

Listings filed with Central Texas MLS are subject to certain requirements, rules and regulations. This insures that the data integrity of the Central Texas MLS database facilitates cooperation and compensation and meets the expectations of Subscribers. Sanctions may be imposed and appealed pursuant to the procedures set forth in sections 10 and 11 of these Rules and Regulations.