

**SOUTH TEXAS MLS, LLC
MULTIPLE LISTING SERVICE
RULES & REGULATIONS**

South Texas MLS, LLC adopts these Rules and Regulations concerning its Multiple Listing Service (MLS). All Participants and Subscribers to the MLS must comply with these Rules and Regulations as a condition of accessing and using the MLS.

DEFINITIONS AND GENERAL INFORMATION

As used in these Rules and Regulations, the following terms have the following meanings.

- a) **“Cooperation”** (and its derivative forms including “cooperate”) means (i) or (ii) or both: (i) sharing information on listed property and making property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of a listing broker’s clients; (ii) attempting to find buyers or tenants for properties listed in the Service.
- b) **“Exclusive agency listing”** means a contractual agreement between the seller(s) and the listing Participant that grants the Participant exclusive authorization to market the property to the public as the seller’s agent, but also reserves to the seller(s) the general right to sell the property on an unlimited or restrictive basis.
- c) **“Exclusive right to sell listing”** means a contractual agreement between the seller(s) and the listing Participant that grants the Participant exclusive authorization to market the property to the public as the seller’s agent.
- d) **“Market to the public”** has the meaning set out in Section 1.01
- e) **“MLS”** means the multiple listing service operated by the Corpus Christi Association of REALTORS® wholly-owned subsidiary, South Texas MLS, LLC, which is:
 - a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and customers and the public;
 - a means of enhancing cooperation among Participants;
 - a means by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers;
 - a means by which Participants contribute to common databases.
- f) **“MLS aggregate data”** means the information concerning active listings in the MLS that is publicly available to non-subscribers on-line from the MLS.
- g) **“Participant”** means an individual who:
 - is a REALTOR® member of Corpus Christi Association of REALTORS® or any other association;
 - is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal of a firm participating in the MLS;
 - holds a valid Texas real estate broker’s license issued by the Texas Real Estate Commission or a valid Texas appraiser license or certification issued by the Texas Appraiser Licensing and Certification Board;
 - Cooperates with other Participants;
 - voluntarily participates and subscribes to the MLS by paying the required fees and complying with these Rules and Regulations; and

- is responsible to the MLS for compliance with these Rules and Regulations and is responsible for compliance by all Subscribers associated with the Participant.

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) or assistants/admins affiliated with an MLS Participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval within 45 days after access has been provided. 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 or hold a current, valid appraiser’s license. Association of REALTORS®, when there is more than one principal in a real estate firm, define the chief principal officer of the firm as the MLS “Participant”. Brokers or salespersons other than principals are not considered “Participants” in the Service, but have access to and use of the Service through the principal(s) with whom they are affiliated. Use of information developed by or published by South 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 or published by South Texas MLS where access to such information is prohibited by law.

Where the term REALTOR® is used in this explanation of policy in connection with the word member or the word Participant, it shall be construed to mean the REALTOR® principal or principals, of this or any other association, or a firm comprised of REALTOR® principals participating in a multiple listing service owned and operated by the board. Participatory rights shall be held by an individual principal broker unless determined by the association or MLS to be held by a firm. It shall not be construed to include individuals other than a principal or principals who are REALTOR® members of this or any other association, or who are legally entitled to participate without association membership. However, under no circumstances is any individual or firm, regardless of membership status, entitled to MLS membership or participation unless they hold a current, valid real estate broker’s license and or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients. 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.

Note: Mere possession of a broker’s license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm cooperates 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, shares information on listed property, and makes property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients, and to cooperate. “Actively” means on a continual and on-going basis during the operation of the Participant’s real estate business. The “actively” requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant if the level of service satisfies state law.

The key is that the Participant or potential Participant cooperates with respect to properties of the type that are listed on the MLS in which participation is sought. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their client(s). 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 cooperate. An MLS may evaluate whether a

Participant or potential Participant actively endeavors during the operation of its real estate business to cooperate only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so. The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants.

- h) **“Principal”** means an owner, partner, corporate officer, or branch office manager acting on behalf of a principal.
- i) **“Subscriber”** means non-principal brokers, salespersons, and licensed or certified real estate appraisers affiliated with a Participant and who offices at the location where the Participant will access the MLS. Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant’s licensed designee.
- j) **“To take a listing”** means to enter into a binding written exclusive right to sell or exclusive agency listing agreement with a seller of real property.
- k) **“To file a listing with the MLS”** means to input information about a listed property into the MLS database for dissemination to other Participants. A Participant files a listing by:
 - inputting the required information about the listed property via the Internet at the MLS web site in accordance with the instructions at the MLS web site;
 - completing all required data fields that the MLS may require;
 - inputting the gross listing price of each listing the Participant inputs in the MLS; and
 - inputting the listing in the appropriate category or subcategory.
- l) **“To file or report information to the MLS”** means to amend the information about the listing (whether categorized as an active listing, withdrawn, pending sale, closed/funded sale, etc.) by inputting the information via the Internet at the MLS web site in accordance with the instructions at the MLS web site and placing the listing or sale in the appropriate category or subcategory.
- m) **“Subscriber Waiver”**
A Participant may waive the Subscriber status of a person affiliated with the Participant who qualifies as a Subscriber if:
 - The Participant provides a written statement to South Texas MLS that:
 - identifies the person whose Subscriber’s status will be waived; and
 - represents that the Participant will not permit the named person whose Subscriber’s status will be waived to access or use the MLS or information in the MLS for any purpose; and
 - The Participant provides information satisfactory to South Texas MLS that establishes the person whose Subscriber’s status will be waived is:
 - engaged in a specialty practice, including commercial real estate sales, commercial real estate leasing, or property management as that person’s primary real estate practice;
 - employed as an administrative assistant in the Participant’s office and does not list properties for sale, procure prospects or properties, and does not broker the sale, lease, or purchase of real estate; or
 - a Subscriber of another multiple listing service that is owned or operated by an association of REALTORS®.

n) “Customer Service and Tech Support

The MLS must display customer service and technical support contact information on the MLS website.

o) “Fair Housing”

Multiple Listing Services are important tools for furthering fair housing because they facilitate the widespread distribution of accurate property information to all consumers. To that end, MLSs must implement a process for identifying potential violations of fair housing laws, advising Participants and Subscribers to remove or correct potential violations.

SECTION 1: LISTING PROCEDURES

A Participant that enters an exclusive right to sell or exclusive agency listing agreement to sell any of the following types of real property in Texas shall file the Residential listing with the MLS within five (5) business days after all necessary signatures have been obtained:

- single family homes for sale
- residential lot/acreage for sale
- multi-family residential buildings for sale
- new construction, under construction and pre-construction

Pre-Construction Listings will be allowed in the MLS and are defined as “a property prior to the slab being poured on the lot”. The Listing must meet the following criteria:

- construction plans must be designed for the Lot and Block of the listing entered.
- an *Estimated Completion Date* for the foundation must be entered.
- may be listed in the MLS for a maximum of 180 days.
- must use one of the following in the first photo slot of the listing:
artist rendition, floor plan, front elevation

Once the foundation/slab has been completed, the listing agent must change the *Age* field to “Under Construction”, and the first photo slot must be updated with a photo of the structure.

A Participant that enters an exclusive right to sell or exclusive agency listing agreement to sell any of the following types of real property in Texas shall file the listing with the MLS within five (5) business days after all necessary signatures have been obtained:

- vacant and improved farm and ranch properties for sale
- rental properties
- commercial properties for sale
- commercial lot/acreage

A listing cannot be entered into the MLS system twice, either within the same property type, or in more than one property type. The one exception to this rule is that a property may be listed both for sale and for rent/lease.

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

- Manufactured housing may only be entered into the MLS when there is real property that conveys with the sale.

Multiple listing services may not require Participants to enter into listing agreements using a form other than the form a Participant individually chooses to use. Multiple listing services may refuse to accept any listing which fails to adequately protect the interests of the public and other Participants and will not accept any listing which establishes a contractual relationship between the MLS and a Participant's client.

The Participant may submit only those listings that:

- include the seller's authorization to file the agreement to the MLS;
- are an exclusive right-to-sell listing, and exclusive agency listing, and other forms of agreement that authorize the listing broker on an exclusive basis to cooperate with other Participants of the MLS acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law; and
- disclose to the owner that information about the listing may be uploaded to the Internet.

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

Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly distinguished by a simple designation, from exclusive right to sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive-right-to-sell listings, with no named prospects exempted.

Section 1.01 Clear Cooperation

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

Note: Exclusive listing information for required property types must be filed and distributed to other MLS Participants for cooperation under the Clear Cooperation Policy. This applies to listings filed under Section 1 and listings exempt from distribution under Section 1.7 of these MLS rules, and any other situation where the listing broker is publicly marketing an exclusive listing that is required to be filed with the service and is not currently available to other MLS Participants.

Section 1.1 Listings subject to Rules and Regulations of the MLS

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

Section 1.2 Detail on Listings Filed with the MLS

A listing agreement, when filed with the MLS by the Participant, shall be complete in every detail; provided, however, that no field, photo, attachment, or supplement file on a listing in the Service may include an offer of compensations from seller or listing broker to cooperating brokers or an offer of a seller concession that is limited to or conditioned upon the retention of or payment to any other brokerage. The listing term dates must match the Listing Date and Expiration Date. A Participant must provide a copy of the listing agreement to the MLS upon request. Participants and Subscribers are required to submit accurate listing data and are required to correct any known errors.

This includes disclosing the owner's name in the MLS. You must either provide the owner's first and last name or have a letter from the seller expressing that they would like to opt out of having their name listed in the MLS (in this case you would enter "exempt" into the *Owner's Name* field).

Section 1.3 Listing Photo Requirements

Participants and Subscribers must immediately upload one photo when submitting a listing into the MLS. If the property contains building structures, an exterior photo of the primary structure must be placed in the first photo slot, with the primary structure making up over half of the photo.

If virtual staging is used in listing photos, the agent must upload a before and after photo of the virtually staged room. The virtually staged photo must appear immediately after the non-virtually staged photo.

Multiple Listing Services may, as a matter of local discretion, require submission of a reasonable number of photographs or other graphic representations that accurately depict the listed property except where sellers expressly direct that photographs of their property not appear in MLS compilations.

Section 1.4 Unauthorized Public Information

Public information shall only contain details related to the property being sold and its amenities. Any data or information input into the South Texas MLS that is made publicly accessible cannot be branded to brokers, agents, builders, or any 3rd party affiliations such as lenders, title companies, photographers, etc. in any way. Branding includes (but is not limited to) names, phone numbers, email addresses, websites or links, real estate related signage and logos.

Section 1.5 Security/Access Codes in Listings

Gate codes, combination codes, access codes and security codes may be added as a separate attachment to a listing. In no event shall such codes be placed in the listing details (remarks/office comments) or disclosed to third parties. A violation of this rule will result in an immediate fine. MLS Staff will remove the code from the listing.

Section 1.6 Documentation in the MLS

The following fields, if selected in the MLS, are required to have documentation which certifies the authenticity of the field(s). Documentation must be uploaded immediately upon submission of the listing:

- *Energy Star, Green Built, HERS, and Sqft Source* (if marked as "Appraisal" or "Builder's Plans")

Where there is a continuing and apparent willful violation relative to a property listing or the collective listings of a Participant, a fine of up to \$2,500 may be imposed.

Section 1.7 Listings Required to be filed with the MLS

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

- If the seller refuses to permit the listing to be filed with the MLS, the Participant may take the listing ("office exclusive") and not input the listing into the MLS. A Participant must maintain a copy of the seller(s) written instruction and provide a copy to the MLS upon request. Seller further acknowledges and understands that

if the Property is publicly marketed by anyone, including Seller, MLS rules require that the Participant file this Residential Listing with the MLS within one business day.

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

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

Section 1.8 Change of Status of Listing

Any change in listing price or status shall be made only when authorized in writing by the seller and shall be filed with the MLS not later than two (2) business days after the authorized change is received by the listing broker. All closed/funded sales must be filed within four (4) business days.

Section 1.9 Withdrawal of Listing Prior to Expiration

Listings may be withdrawn from the MLS by the Participant before the *Expiration Date* of the listing agreement provided the Participant maintains a copy of the agreement between the seller and the Participant which authorizes the withdrawal.

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

Section 1.10 Contingencies Applicable to Listings

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

Section 1.11 Potential Short Sale Disclosure

Participants are required to disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) to other Participants and Subscribers.

Section 1.12 Listing Price Specified

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

Section 1.13 Listing Multiple Unit Properties

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

Section 1.14 No Control of Commissions or Fees Charged by Participants

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

Section 1.15 Expiration, Extension, and Renewal of Listings

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

If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and filed with the MLS.

Section 1.16 Termination Dates on Listings

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

Section 1.17 Service Area

Only listings of the designated types of property located within the service area of the MLS are required to be submitted to the service. Listings of property located outside the MLS's service area will be accepted if submitted voluntarily by a Participant but cannot be required by the service.

Listings of property located outside of Texas will not be accepted.

The South Texas MLS service area includes the counties of Nueces, Jim Wells, Live Oak, Kleberg, Brooks, Kenedy, and San Patricio.

Section 1.18 Listings of Suspended Participants

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

If a Participant has been suspended from the MLS for failure to pay appropriate dues, fees or charges, the MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant will be advised in writing of the intended removal so that the suspended Participant may advise the Participant's clients.

Section 1.19 Listings of Expelled Participants

When a Participant is expelled from the MLS for failing to abide by a membership duty (e.g. maintaining REALTOR® membership, MLS Bylaws, MLS Rules and Regulations, or other

membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended Participant shall be retained in the MLS until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective.

If a Participant has been expelled from the MLS for failure to pay appropriate dues, fees or charges, the MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant will be advised in writing of the intended removal so that the expelled Participant may advise the Participant's clients.

Section 1.20 Listings of Resigned Participants

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

Section 1.21 Uncorrected Violations

A secondary immediate fine will be issued 30 days from 1st fine issued date if the violation is NOT corrected.

Section 1.22 Property Addresses

At the time of filing a listing, participants and subscribers must include a property address available to other participants and subscribers, and if an address doesn't exist, a parcel identification number can be used. Where an address or parcel identification number are unavailable, the information filed with the MLS must include a legal description of the property sufficient to describe its location.

SECTION 2: SHOWINGS/SELLING PROCEDURES

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

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

Section 2.1 Written Buyer Agreements Required

All MLS Participants working with a buyer must enter into a written agreement with the buyer prior to showing a residential property not listed by the Participant. The written agreement must include:

- a. a specific and conspicuous disclosure of the amount or rate of compensation the Participant will receive or how this amount will be determined, to the extent that the Participant will receive compensation from any source.

- b. the amount of compensation in a manner that is objectively ascertainable and not open-ended.
- c. a term that prohibits the Participant from receiving compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer; and
- d. a conspicuous statement that broker fees and commissions are not set by law and are fully negotiable.

A Participant must provide a copy of the written buyer agreement to the MLS upon request.

Section 2.2 Presentation of Offers

The Participant must make arrangements to present any offer to purchase or lease a listed property as soon as possible or give the cooperating broker a satisfactory reason for not doing so.

Section 2.3 Submission of Written Offers

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

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

Section 2.4 Right of Cooperating Broker in Presentation of Offer

Cooperating Participants or their representatives have the right to participate in the presentation of any offer they secure to purchase or lease to the seller or lessor. They do not have the right to be present at any discussion or evaluation of the offer by the seller or lessor and the listing broker. However, if a seller or lessor gives written instructions to a listing broker that cooperating brokers may not be present when offers they procure are presented, cooperating brokers have the right to a copy of those instructions. This policy is not intended to affect listing brokers' right to control the establishment of appointments for presentation of offers. Where the cooperating broker is not present during the presentation of the offer, the cooperating broker can request in writing, and the listing broker must provide, written affirmation stating that the offer has been submitted to the seller, or written notification that the seller has waived the obligation to have the offer presented.

Section 2.5 Right of Listing Broker in Presentation of Counteroffers

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

Section 2.6 Reporting Sales to the Service

The listing agreement of a property filed with the MLS by the listing broker must include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to

provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property.

Final closing of sales and sales prices shall be reported to the MLS by the Participant within four (4) business days after they have occurred. A Participant reports a pending or closed/funded sale to the MLS by moving the listing to the appropriate status directly via the Internet at the MLS web site and making all necessary amendments to the data fields.

MLS Listing Status Definitions:

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

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

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

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

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

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

Section 2.7 Reporting Resolutions of Contingencies

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

Section 2.8 Advertising of Listings Filed with the MLS

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

Section 2.9 Reporting Cancellation of Pending Sale

The listing broker shall re-categorize a pending sale as an active listing within two (2) business days after the cancellation of the pending sale.

SECTION 3: RESERVED

SECTION 4: PROHIBITIONS

Section 4.0 Information for Participants Only

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

Section 4.1 “For Sale” Signs

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

Section 4.2 “Sold” Signs

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

Section 4.3 Solicitation of Listing Filed with the MLS

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

Note: This section is intended to encourage sellers to permit their properties to be filed with the service by protecting them from being solicited, prior to expiration of the listing, by brokers and salespersons seeking the listing upon its expiration. Without such protection, a seller could receive hundreds of calls, communications, and visits from brokers and salespersons who have been made aware through MLS filing of the date the listing will expire and desire to substitute themselves for the present broker.

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

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

Section 4.4 Use of the Terms MLS and Multiple Listing Service

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

Section 4.5 Prohibition on Filtering out Listings

MLS Participants and Subscribers must not, and MLSs must not enable the ability to, filter out or restrict MLS listings that are searchable by and displayed to consumers based on the level of compensation offered to the cooperating broker or the name of a brokerage or agent.

Section 4.6 Services Advertised as “FREE”

MLS Participants and Subscribers must not represent that their brokerage services to a client or customer are free or available at no cost to their clients, unless the Participant or Subscriber will receive no financial compensation from any source for those services.

SECTION 5: NO COMPENSATION OFFERS IN MLS

Section 5.1 No Compensation Offers in MLS

The MLS must not accept listings containing an offer of compensation in the MLS to other MLS Participants and Subscribers. Further, the MLS may not create, facilitate, or support any non-MLS mechanism (including by providing listing information to an internet aggregator's website for such purpose) for Participants, Subscribers, or sellers to make offers of compensation to buyer brokers or other buyer representatives.

Use of MLS data or data feeds to directly or indirectly establish or maintain a platform of offers of compensation from multiple brokers to buyer brokers or other buyer representatives is prohibited and must result in the MLS terminating that Participant's access to any MLS data and data feeds.

The multiple listing service must not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the multiple listing service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a participant. The multiple listing service must prohibit disclosing in any way the total commission negotiated between the seller and the listing broker, or total broker compensation (i.e. combined compensation to both listing brokers and buyer brokers).

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

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

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

A violation of this rule will result in an immediate fine. Staff will remove compensation language from the listing. Anyone found attempting to circumvent this rule via the use of code words, symbols, or other language will face disciplinary action up to and including expulsion from the MLS.

Section 5.2 Participant as Principal

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

Section 5.3 Participant as Purchaser

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

Section 5.4 Required Consumer Disclosure of Compensation

MLS Participants and Subscribers Must:

1. Disclose to prospective sellers and buyers that broker compensation is not set by law and is fully negotiable. This must be included in conspicuous language as part of any listing agreement, buyer written agreement, and pre-closing disclosure documents (if any).
2. Conspicuously disclose in writing to sellers, and obtain the seller's authority, for any payments or offer of payment that the listing Participant or seller will make to another broker, agent, or other representative (e.g. real estate attorney) acting for buyers. This disclosure must include the amount or rate of any such payment and be made in writing in advance of any payment or agreement to pay.

SECTION 6: SERVICE FEES AND CHARGES

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

(1) Initial Participation Fee.

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

(2) Recurring Participation Fee.

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

*However, MLSs must provide Participants the option of a no-cost waiver of MLS fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS where the principal broker participates. MLSs may, at their discretion, require that Participants sign a certification for nonuse of its MLS services by their licenses, which can include penalties and termination of the waiver if violated. * (Amended 8/2018)*

SECTION 7: COMPLIANCE WITH RULES – Authority to Impose Discipline

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

discipline for violations of these Rules and Regulations and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- letter of warning
- letter of reprimand
- 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
- appropriate, reasonable fine not to exceed \$15,000
- suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years

Note 1: A Participant (or user/Subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a Participant (or user/Subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period not longer than one (1) year. Any subsequent finding of a violation of the MLS rules during the probationary period may, at the discretion of the Board of 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.

Note 2: MLS Participants and Subscribers can receive no more than three (3) administrative sanctions in a calendar year before they are required to attend a hearing for their actions and potential violations of MLS rules, except that the MLS may allow more administrative sanctions for violations of listing information provided by Participants and Subscribers before requiring a hearing. The MLS must send a copy of all administrative sanctions against a Subscriber to the Subscriber's Participant and the Participant is required to attend the hearing of a Subscriber who has received more than three (3) administrative sanctions within a calendar year. (Adopted 11/20)

Section 7.1 Applicability of Rules for Participants and/or Subscribers

Participants and Subscribers with authorized access to information published by the MLS are subject to these Rules and Regulations and may be disciplined for violations of these Rules and Regulations provided that the Participant or Subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the Rules and Regulations. Further, failure of any Participant or Subscriber to abide by these Rules and Regulations and/or any sanction imposed for violations of these Rules and Regulations can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all Participants, Subscribers, or users affiliated with the Participant.

SECTION 8: RESERVED

SECTION 9: CONSIDERATION OF ALLEGED VIOLATIONS

South Texas MLS, through its chief executive officer (CEO) or the CEO's designee, shall consider all complaints having to do with violations of the Rules and Regulations. By becoming and remaining a Participant, each Participant agrees to be subject to these rules and regulations, the enforcement of which are at the sole discretion of South Texas MLS. When requested by a complainant, the MLS will process a complaint without revealing the complainant's identity. If a complaint is subsequently forwarded to a

hearing, and the original complainant does not consent to participating in the process, the MLS will appoint a representative to serve as the complainant. (Amended 11/20)

Section 9.1 Violations of Rules and Regulations

If the alleged offense is a violation of these Rules and Regulations and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the CEO, or the CEO's designee.

MLS will provide the Participant/Subscriber the opportunity to request a hearing from the MLS Board of Governors.

For failure to pay any service charge or fee on or before the date due, the MLS service shall be suspended until service charges or fees are paid in full. More information on violations can be found in section 20 and section 20.1.

Section 9.2 Complaints of Unethical Conduct

All other complaints of unethical conduct shall be referred by the Board of Governors of the MLS to the association of REALTORS® for appropriate action in accordance with the professional standards procedures established in the association's bylaws.

Section 9.3 Complaints of Unauthorized Use of Listing Content

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

Upon receiving a notice, the South Texas MLS Board of Governors will send the notice to the Participant who is accused of unauthorized use. Within ten (10) days from receipt, the Participant must either: 1) remove the allegedly unauthorized content, or 2) provide proof to the South Texas MLS Board of Governors that the use is authorized. Any proof submitted will be considered by the South Texas MLS Board of Governors, and a decision of whether it establishes authority to use the listing content will be made within thirty (30) days.

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

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

Section 9.4 MLS Rules Violations

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

Section 9.5 Appropriate Procedures for Rules Enforcement

Filing Complaints:

When requested by a complainant, MLSs must provide a process for processing complaints without revealing the complainant's identity. If the complaint is forwarded to hearing, then the MLS Compliance Committee, MLS staff or other representative must serve as the complainant when the original complainant does not consent to participating in the process or the disclosure of their name.

Administrative Sanctions:

In any instance where a Participant in an association multiple listing service is charged with a violation of the MLS bylaws or rules and regulations of the service, and such charge does not include alleged violations of the Code of Ethics or the Standards of Conduct for MLS Participants, or a request for arbitration, the MLS may impose administrative sanctions. Recipients of an administrative sanction may request a hearing before the MLS Compliance committee of the MLS.

MLS Participants and Subscribers can receive no more than three (3) administrative sanctions in a calendar year before they are required to attend a hearing for their actions and potential violations of MLS rules, except that the MLS may allow more administrative sanctions for violations of listing information provided by Participants and Subscribers before requiring a hearing. The MLS must send a copy of all administrative sanctions against a Subscriber to the Subscriber's Participant and the Participant is required to attend the hearing of a Subscriber who has received more than three (3) administrative sanctions within a calendar year.

Appeals and Hearing Options:

If the Participant refuses to accept any sanction or discipline proposed, the circumstances and the discipline proposed shall be appealed to the board of directors of the association of REALTORS® which shall, if it deems the finding of violation proper and the sanction appropriate to the offense, delay the effective date of sanction until final entry by a court of competent jurisdiction in a suit filed by the association for declaratory relief, except in those states where declaratory relief is not available, declaring that the disciplinary action and proposed sanction violates no rights of the multiple listing service Participant. If the MLS committee has a procedure established to conduct hearings, the decision of the MLS committee may be appealed to the board of directors of the association of REALTORS®. If a separately incorporated MLS has an established procedure for the conduct of hearings, the decisions of the hearing tribunal shall be appealable to the board of directors of the MLS.

Alleged violations of the Code of Ethics or the Standards of Conduct for MLS Participants shall be referred to the association's grievance committee for processing in accordance with the professional standards procedures of the association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the board of directors of the association of REALTORS® (Amended 11/20)

SECTION 10: CONFIDENTIALITY OF MLS INFORMATION

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

Section 10.1 MLS Not Responsible for Accuracy of Information

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

SECTION 11: MLS COMPILATIONS AND COPYRIGHTS

By the act of submitting any property listing content to the MLS, the Participant represents and warrants that he or she is fully authorized to license the property listing content as contemplated by and in compliance with this section and these rules and regulations, and also thereby does grant to the MLS license to include the property listing content in its copyrighted MLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property. Any listing submitted without a valid listing agreement is subject to a fine.

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

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

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

To qualify for this safe harbor, the OSP must:

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

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

Section 11.1 Ownership of Data

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

Section 11.2 Uploading of MLS Data by the MLS

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

The MLS must provide for a Participant or seller to withhold consent for internet display.

Section 11.3 Participants' Entitlement to MLS Compilations

MLSs must offer a Participant a single data feed in accordance with a Participant's licensed authorized uses.

At the request of a Participant, MLS must provide the single data feed for that Participant's licensed uses to that Participant's designee. The designee may use the single data feed only to facilitate that Participant's licensed uses on behalf of that Participant.

The Participant shall pay for each copy the rental fee set by South Texas MLS.

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

Section 11.4 Brokerage Back Office Feed

Participants are entitled to use, and MLSs must provide to Participants, the BBO Data, for BBO Use subject to the Terms below:

"BBO Data" means all real property listing and roster information in the MLS database, including all listings of all Participants, but excludes (i) MLS only fields (those fields only visible to MLS staff and the listing Participant), and (ii) fields and content to which MLS does not have a sufficient license for use in the Brokerage Back Office Feed.

"BBO Use" means use of BBO Data by Participant and Subscribers affiliated with the Participant for the following purposes:

- Brokerage management systems that only expose BBO Data to Participant and Subscribers affiliated with Participant.
- Customer relationship management (CRM) and transaction management tools that only expose the BBO Data to Participant, Subscribers affiliated with Participant, and their bona fide clients as established under state law.
- Agent and brokerage productivity and ranking tools and reports that only exposes BBO Data to Participant and Subscribers affiliated with Participant.
- Marketplace statistical analysis and reports in conformance with NAR MLS Policy Statement 7.80, which allows for certain public distribution.

BBO Use may only be made by Participant and Subscriber affiliated with Participant, except that at the request of a Participant, MLS must provide BBO Data to that Participant's designee. The designee may use the BBO Data only to facilitate the BBO Use on behalf of that Participant and its affiliated Subscribers.

There is no option for Participants to opt-out their listings from the Brokerage Back Office Feed Use as defined.

"Terms" mean the following:

- MLSs may impose reasonable licensing provisions and fees related to Participant's license to use Brokerage Back Office Feed Data. MLSs may require the Participant's designee to sign the same or a separate and different license agreement from what is signed by the Participant. Such provisions in a license agreement may include those typical to the MLS's data licensing practices, such as security requirements, rights to equitable relief, and dispute resolution terms. (The foregoing examples are not a limitation on the types of provisions an MLS may have in a license agreement.)
- Use of roster information may be limited by the MLS participation agreement and license agreements.
- Brokerage Back Office Feed Use is subject to other NAR MLS policies and local rules.
- MLSs in their reasonable discretion may expand the definition of Brokerage Back Office Feed Use in conformance with other NAR MLS policies, such as Policy Statement 7.85, which provides that "Use of listings and listing information by MLSs for purposes other than the defined purposes of MLS requires Participants' consent.

SECTION 12: USE & DISTRIBUTION OF COPYRIGHTED MLS COMPILATIONS

Participants shall at all times maintain control over and responsibility for each copy of any MLS compilation leased to them by South Texas MLS, and shall not distribute any such copies to persons other than Subscribers who are affiliated with such Participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and any other Subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by the MLS is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Furthermore, none of the foregoing is intended to convey "Participation" or "Membership" or any right of access to information developed by or published by the MLS where access to such information is prohibited by law.

Section 12.1 Display

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

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

purchasers are or may, in the judgment of the Participant or their affiliated licensees, be interested.

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

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

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

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

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

SECTION 13: LIMITATIONS ON USE OF MLS INFORMATION

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

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

“Based on information from South Texas MLS, LLC for the period (date) through (date). Not all brokers subscribe to the MLS.”

Real Estate Transaction Standards (RETS) and RESO Standards

The integrity of data is a foundation to the orderly real estate market. The Real Estate Transaction Standards (RETS) provide a vendor neutral, secure approach to exchanging listing information between the broker and the MLS. In order to ensure that the goal of maintaining an orderly marketplace is maintained, and to further establish REALTOR® information as the trusted data source, MLS organizations owned and operated by associations of REALTORS® will implement the Real Estate Standards Organization (RESO) standards including: the RESO Data Dictionary by January 1, 2016; the RESO Web API by June 30, 2016 and will keep current by implementing new releases of RESO Standards within one (1) year from ratification. Compliance with this requirement can be demonstrated using the RESO compliance Certification Process. Web API data access provided to Participants and Subscribers must have no less than the same data available via data access methods such as RETS or FTP systems, and MLS fields that exist in the RESO Data Dictionary must be delivered in conformance with the standard.

SECTION 14: INTERNET DATA EXCHANGE (IDX) RULES

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

Section 14.1 Authorization

Participants' consent for display of their listings by other Participants pursuant to these rules and regulations is presumed unless a Participant affirmatively notifies the MLS that the Participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a Participant refuses on a blanket basis to permit the display of that Participant's listings, that Participant may not download, frame, or display the aggregated MLS data of other Participants.

Even when Participants have given blanket authority for other Participants to display their listings through IDX, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display or other electronic forms of display or distribution.

Section 14.1.1

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

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

Section 14.1.2

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

Section 14.2 Participation

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

Section 14.2.1

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

Section 14.2.2

All listings displayed pursuant to IDX shall identify the listing firm and the email or phone number provided by the listing Participant in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data.

Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the device’s application. (Amended 5/17)

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

Participants may select the listings they choose to display through IDX based only on objective criteria including, but not limited to, factors such as geography or location (“uptown,” “downtown,” etc.), list price, type of property (e.g., condominiums, cooperatives, single-family detached, multi-family), type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings through IDX must be independently made by each Participant. (Moved from Section 14.2.4)

Section 14.2.3

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

Section 14.2.4

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

Section 14.2.5

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

Section 14.2.6

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

Section 14.2.7

Any IDX display controlled by a Participant or Subscriber that:

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

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

Section 14.2.8

Participants shall maintain a means (e.g. e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property. Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, Participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 14.2.9

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

Section 14.2.10

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

Section 14.3 Display

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

Section 14.3.1

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

Section 14.3.2

All listings displayed pursuant to IDX shall identify the listing firm and the email or phone number provided by the listing Participant in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

Section 14.3.3

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

Section 14.3.4

All listings displayed pursuant to IDX shall show the MLS as the source of the information and must include the following notice: “Based on information from South Texas MLS, LLC for the period (date) through (date).” and “All information provided is deemed reliable but is not guaranteed and should be independently verified. South Texas MLS, LLC provides the MLS and all content therein “AS IS” and without any warranty, express or implied.” Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

Section 14.3.5

All listings displayed pursuant to IDX shall notify readers of the MLS aggregate data that the MLS aggregate data is a copyright of Texas Association of REALTORS® (TAR) and that the reader may not reproduce or distribute the MLS aggregate data. Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

Section 14.3.6

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

Section 14.3.7

Listings obtained through IDX feeds from REALTOR® Association MLSs where the MLS Participant holds participatory rights must be displayed separately from listings obtained from other sources. Listings obtained from other sources (e.g., from other MLSs, from non-participating brokers, etc.) must display the source from which each such listing was obtained. Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

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

Section 14.3.8

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

Section 14.3.9

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

Section 14.3.10

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

SECTION 15: VIRTUAL OFFICE WEBSITES (VOWs)

Section 15.1

- (a) A Virtual Office Website (“VOW”) is a Participant’s Internet website, or a feature of a Participant’s website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker- consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant’s oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant may, with his or her Participant’s consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant’s oversight, supervision, and accountability.
- (b) As used in Section 15 of these Rules, the term “Participant” includes a Participant’s affiliated non-principal brokers and sales licensees – except when the term is used in the phrases “Participant’s consent” and “Participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner (“AVP”) on behalf of a Participant.

- (c) “Affiliated VOW Partner” (“AVP”) refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to the Participant’s supervision, accountability and compliance with the VOW Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to MLS Listing Information is derivative of the rights of the Participant on whose behalf the AVP operates a VOW.
- (d) As used in Section 15 of these Rules, the term “MLS Listing Information” refers to active listing information and sold data provided by Participants to the MLS and aggregated and distributed by the MLS to Participants.

Section 15.2

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

Section 15.3

- (a) Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:
 - (i) The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter “Registrants”). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
 - (ii) The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.
 - (iii) The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.

- (b) The Participant must assure that each Registrant's password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, username, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant's password.
- (c) If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.
- (d) The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a "Terms of Use" provision that provides at least the following:
 - (i) That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
 - (ii) That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;
 - (iii) That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;
 - (iv) That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;
 - (v) That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.
- (e) The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- (f) The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the VOW. The Agreement may also include such other provisions as may be agreed to between the Participant and the Registrant.

Section 15.4

Any listing displayed on a VOW shall identify the listing firm and the email or phone number provided by the listing Participant in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data.

Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures

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 (1) year from the date the listing goes off the market, whichever is greater.

Section 15.7

(a) Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.

(b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 15.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

Section 15.8

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

Section 15.9

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

Section 15.10

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

Section 15.11

A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

Section 15.12

A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, and whether the listing broker is a REALTOR®.

Section 15.13

A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

Section 15.14

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

Section 15.15

A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than twenty (20%) of the current listings and not more than ten (10%) of the sold listings in response to any inquiry.

Section 15.16

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

SECTION 16: CHANGES IN RULES AND REGULATIONS

Amendments to the rules and regulations of the service shall be by a vote of the South Texas MLS Board of Governors.

SECTION 17: STANDARDS OF CONDUCT FOR MLS PARTICIPANTS

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

SECTION 18: ORIENTATION

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) or assistants/admins affiliated with an MLS Participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within forty-five (45) days after access has been provided.

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

SECTION 19: 30 DAY CUMULATIVE DAYS ON MARKET (CDOM)

The CDOM will reset if:

- (a) A new listing is input and the previous listing at that address is set to sold/rented/leased or
- (b) The timeframe between the old off market status and the new listing is more than 30 days.

CDOM will not reset if the agent changes brokerage.

SECTION 20: VIOLATION AND APPEAL AND FINE WAIVER CLASS PROCESS

Notice-Required Violations:

- (a) A violation notice will be emailed to emails on file for listing agent and broker stating MLS#, property address, violation type and how to correct.
- (b) The violation will be reviewed by MLS Director after the 2 business days warning period to see if violation has been corrected.
- (c) If the violation has been corrected, no further action needed.
- (d) If the violation has **not** been corrected, Fine notice will be emailed to emails on file for listing agent and broker stating MLS#, property address, violation type and fine amount.
- (e) Personal invoice for violation which will include violation type, MLS#, and due date of this invoice will be emailed to email on file for listing agent from MLS Director.

No-Notice-Required Violations (Immediate Fines):

- (a) A fine violation notice will be emailed to emails on file for listing agent and broker stating MLS#, property address, violation type and fine amount.
- (b) A personal invoice for violation which will include violation type, MLS#, and due date of this invoice will be emailed to email on file for listing agent from MLS Director.

Fine Invoice Issued:

- (a) Fines are due 14 days from the date an invoice is issued OR an appeal form OR a fine waiver class form (each member allowed 1 fine waiver class to be used Once per calendar year per violation number on all violation types except Unauthorized MLS Access) may be requested from MLS director, and returned completed prior to invoice due date.
- (b) If the invoice is not paid or appealed or fine waiver class prior to invoice due date, the listing agent's MLS access will be suspended.

Section 20.1 APPEAL PROCESS

- (a) MLS Director receives completed appeal form within the allowed time period prior to due date.
- (b) Appeal will be submitted anonymously to MLS Compliance Committee for review at next scheduled meeting.
- (c) MLS Director will notify listing agent via email as to what MLS Compliance Committees' decision was regarding the violation. If the fine is upheld, a new due date will be provided via email.
- (d) Fine is due 14 days from the new invoice issue date OR it may be -presented as a hearing to the Board of Managers within 20 days of issue.
- (e) Hearing will be presented for listing agent or listing agent my appeal in person at next scheduled Board of Managers meeting.
- (f) If the fine is upheld by the Board of Managers and the invoice is not paid by the due date, MLS access would be suspended until payment had been received.

Section 20.2 FINE WAIVER CLASS PROCESS

- (a) MLS Director receives completed MLS fine waiver class request form within allowed time period prior to invoice due date, with listing agent and broker signature.
- (b) Once MLS Director receives the completed request form a scheduled date and time of required training class will be emailed to listing agent, which will require attendance. Listing agent will have option of attending fine waiver class in person or remotely. Fine waiver class must be attended within 30 days of the fine issued date.
- (c) After fine waiver class has been completed, MLS Director will provide a certificate of completion that will need to be signed and dated by attending listing agent. This certificate MUST be returned to MLS Director within 72 hours to waive fine. If all steps are not completed or followed, MLS access will be suspended. Fine amount would not be waived, and invoice would be due.

Section 20.3 SPECIAL PROVISIONS FOR VIOLATIONS OF SECTION 5.1 - NO COMPENSATION OFFERS IN MLS

- (a) The fine escalation procedure for violations of Section 5.1 will be as follows:
 - i. First Offense: \$500 fine
 - a. Individuals that complete the fine waiver course will have the fine for their first violation of Section 5.1 reduced by 50% to \$250.
 - ii. Second Offense: \$1,000 fine and mandatory attendance at a fine waiver course within 30 days of receiving violation.
 - iii. Third Offense: \$2,500 fine and a confidential compliance hearing by the MLS Board of Governors in executive session (with Participant, DR, or broker of record in attendance either virtually or in-person). The MLS Board

of Governors will determine if a 30-day suspension is appropriate for intentional and willful repeated violations of this rule.

- (b) Anyone found attempting to circumvent Section 5.1 via the use of code words, symbols, or other language will face disciplinary action up to and including expulsion from the MLS.
- (c) If an individual receives two (2) or more Section 5.1 violations within a 30-day period, the MLS Compliance Committee will review the circumstances to determine if the violations may be treated as a single incidental offense.
- (d) Notice of violations of the Section 5.1 rule will be provided to the violator, Participant, and broker of record.
- (e) Upon issue of a fifth Section 5.1 violation to Participants or Subscribers within a firm, the Participant, and broker of record will be sent a certified notice of repeat offenses within the firm.

APPENDIX SPECIFIC RULES OVERVIEW / FINES TABLE

2 Business Days Notice Required		
Listing Agreement in MLS	\$200	All Listings in the MLS must have a valid listing agreement. The listing term dates must match the Listing Date and Expiration Dates respectively. (Section 1.2)
Listing Photo Requirements	\$200	The listing agent must immediately upload one photo when submitting a listing, regardless of status , into the MLS. If the listings are of an improved property one exterior photo of the main primary structure must be placed in the first photo slot. (Section 1.3)
Inaccurate Map Pin	\$200	The listing agent is responsible for correctly mapping his/her listing upon entry into the MLS. (Section 1)
Unauthorized Public Information	\$200	Any data or information entered in the South Texas MLS and made publicly accessible (information entered in the Property Description or Listing Photos) cannot be branded in any way. Branding includes but not limited to; agent name, phone numbers, email address, website, sign, and virtual tours. (Section 1.4)
Incorrect/Incomplete Listing Info	\$200	All listings must contain correct and complete information in the required fields. (Section 1)
Duplicate Listings	\$200	A listing cannot be entered twice in the same property type or in more than one property type. (Section 1)
Proof of Square Footage	\$200	If Sqft source is marked as anything other than County/Appraisal District the corresponding documentation must be uploaded. (Section 1.6)
Immediate Fines		
Photo Copying/Unauthorized Copyrighted Material	\$200	Anyone submitting copyrighted material for a listing must have permission to do so (i.e. images, graphics, virtual tours, etc.) (Section 11)
Late Reporting of Status	\$200	Listing Agent must report a change of status within 2 business days of the change on a listing. (Section 1.8)
Late Reporting of Sold Status	\$200	Listing Agent must report a change of status within 4 business days for closed/funded listings. (Section 1.8)
Late Submission of Listing	\$200	Listings must be inputted into the system within 5 business days of signing the listing agreement. (Section 1)
Late Submission of Residential Listing	\$200	Any residential listing must be entered into MLS within 1 business day of advertisement (Section 1)
Incorrect Sold Information	\$200	All listings must contain correct and complete sold information in the required fields. (Section 1)
Security/Access Code in Listing	\$200	For safety and liability issues, gate, combination lockbox, security codes, etc. are not to be included, except for in your supplements. (Section 1.5)
Unauthorized MLS Access	Up to \$5000	Anyone caught giving access to the MLS to users other than themselves. (Section 12)
Compensation Listed in MLS	\$500-\$2,500	Anyone using the MLS to communicate compensation of any kind to Participants or Subscribers. (Section 5.1 & 20.3)

Immediate Fines Cont.		
Showing without Written Buyer Agreement	\$200	MLS Participants working with a buyer must enter into a written agreement with the buyer prior to showing a residential property not listed by the Participant. (Section 2.1)
Secondary immediate fine will be issued 30 days from 1 st fine issued date if violation NOT corrected		