



## MULTIPLE LISTING SERVICE **RULES & REGULATIONS**

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The information within this document is updated frequently, and subject to change.

Updated copies can be found by visiting: <https://www.hlaor.realtor/member-resources>

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## **PURPOSE**

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A multiple listing service is a means by which cooperation among Participants is enhanced; 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; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public.

## **DEFINITIONS**

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### **Appraiser**

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

### **Association**

The Highland Lakes Association of REALTORS®. May also be displayed as HLAoR.

### **Authorized Assistant**

A person who does not hold an active real estate license, AND

1. who is designated by a REALTOR® Participant in writing as authorized to access the MLS solely in order to provide services to the REALTOR® Participant, and
2. who has agreed in writing to maintain the confidentiality of the MLS, and
3. who has registered with the Association.

*May also be displayed as Non-Licensed Assistant.*

### **Business Day**

Weekdays (Monday through Friday), with the exception of federal holidays. All references herein referring to Business Days will be specifically stated.

### **Calendar Days**

Concurrent days, including weekdays and weekends, with the exception of federal holidays.

## **Client**

For purposes of these rules, does not include a County Assessment District ("CAD") established under Section 6.01 of the Texas Tax Code or any of its officers, employees, or contractors acting in their capacity of appraising the values of properties for purposes of taxation, but it does include any consumer appealing a property tax assessment by any such County Assessment District. For the avoidance of doubt, a CAD is not a Client of any Participant or Subscriber working as an employee or independent contractor of the CAD while the Participant or Subscriber is working in the capacity described in the previous sentence.

## **Customer**

For purposes of these rules, is subject to the same limitations as "Client," above.

## **Designated Property Type**

With respect to the MLS:

1. Residential – Single-family homes, condominiums, town homes, manufactured homes, and tiny homes. Manufactured homes and tiny homes must include the sale of land.
2. Commercial
3. Residential Lots – Vacant sites without an existing dwelling, with a size of 9.99 acres or less.
4. Multi-Family – Duplexes, tri-plexes and fourplexes.
5. Farm/Ranch Acreage – Sites with a size of 10 acres or more. May include a dwelling(s).
6. Residential Lease

## **DOM / CDOM**

DOM (Days on Market) is the total days a listing is in an Active/On Market status. Days are calculated from List Date to the date the listing enters an Off Market status.

CDOM (Cumulative Days on Market) is tied to the Tax ID. This counts when a listing is in an Active/On Market status. The CDOM count will carry over from a previous listing if the property has been off the market for 90 days or less. If the property is off the market for more than 90 days, or the listing is marked Sold, the CDOM will reset with a new listing.

## **Exclusive Agency Listing**

A form of listing where the seller authorizes the listing broker, as exclusive agent, to cooperate with other brokers in the sale of property, but also reserves the right to the seller the general right to sell the property on an unlimited or restrictive basis.

## **Exclusive Right to Sell**

A form of listing where the seller authorizes exclusive authorization to the listing broker to cooperate with other brokers in the sale of property.

## **Internet Data Exchange (IDX)**

IDX affords MLS Participants the ability to enable and integrate electronic display of MLS listing information to outside sources.

## **IDX Database**

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

## **IDX Participant**

An MLS Participant who authorizes limited electronic display of their listings by other Participants in return for permission to display their listings. An IDX Participant may display listings of property in the IDX Database upon the acceptance by HLMLS of a fully executed licensing agreement.

## **IDX Vendor**

A Vendor affiliated with an IDX Participant who:

1. with written permission and authority of such Participant, displays listings of property in the IDX Database upon the acceptance by HLMLS of a fully executed licensing agreement;
2. subject to the Participant's consent and control, and
3. in accordance with all applicable laws and regulations, and
4. in accordance with HLMLS rules.

## **Listing Content**

Details or information related to listed property, including, but not be limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, PDF documents, text files, artist renderings, and other details or information related to listed property.

## **MLS (Multiple Listing Service)**

A multiple listing service is:

1. a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and customers and the public

2. a means of enhancing cooperation among Participants
3. 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
4. a means by which Participants engaging in real estate appraisal contribute to common databases

References to Highland Lakes Multiple Listing Service may be displayed herein as HLMLS.

## **MLS Database**

The proprietary compilation of content and Listing Content regarding listings for the sale of real estate that is developed, compiled, and organized by the Association. The MLS Database may include Listing Content relating to the Designated Property Types. The term "MLS Database" as used in the foregoing sentence shall be construed to include the full MLS Database and any part thereof, in any format in which Listing Content is collected, retrieved, displayed, and/or disseminated, including, but not limited to, bound books, loose leaf binder, computer database or compilation, card file, any computer readable medium, any printed format, or any format whatever to the greatest extent permitted by law.

## **Net Listing**

A listing agreement based on the net price the seller will receive if the property is sold. Under a net listing a broker can offer the property for sale at the highest price obtainable to increase the commission. This type of listing is illegal in many states.

## **Non-Licensed Assistant**

See Authorized Assistant definition.

## **Open House**

A public and informal event hosted by a Participant or Subscriber allowing the general public to access and view a listed property on a date specified in the MLS and during the stated timeframe.

## **Open Listing**

A listing agreement under which a Participant's commission is contingent on the Participant producing a ready, willing and able buyer before the property is sold by the seller or another broker.

## Participant

A licensed real estate broker that offers or accepts cooperation to and from other Participants or Appraisers:

1. who has applied for designated broker status and whose Applicant Agreement has been accepted by HLMLS , and
2. who has an office or is employed by or is a contractor to an office that is open to the public for the conduct of the real estate business.

## Reconnect Fee

Meaning given in Section 1.3.

## REALTOR®

A Subscriber or a Participant who is a REALTOR® member of the Board or any other board affiliated with the National Association of REALTORS®.

## Rules

These Rules and Regulations of Highland Lakes Association of REALTORS®.

## Sanction

In regards to the MLS, a formal notice from HLMLS of a correction needed on a listing, or fine imposed for violation of MLS rules. Sanctions include, but are not limited to:

1. Written warning (e-mail),
2. Monetary fine
3. Suspension

*May also be displayed as Administrative Sanction.*

## Short Sale

A transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies.

## Subscriber

A Subscriber is:

1. A person who is licensed by the State of Texas to sell or lease real property and who is employed by or under contract with a Participant;
2. A Participant with a valid license from the State of Texas to sell real estate that is on file with another Participant, or
3. An Appraiser who is working for another Appraiser that is a Participant or for an entity affiliated with another Appraiser that is a Participant.

## STATUS DEFINITIONS

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Listing statuses fall under one of two categories: On Market and Off Market.

### Active

On Market listings of properties currently subject to a listing contract, and reported to HLMLS in which the Participant has been directed by the Seller to:

1. Set appointments for showings, AND
2. Seek agreements of sale to present to Seller, AND
3. The listing is on the market and a written offer has not been accepted.

### Coming Soon

Listings of properties in which:

1. The Participant has a listing agreement
2. All mandatory MLS fields have been entered, including at least one (1) photo
3. The Property is being prepared to become Active within 14 days
4. The Property may be advertised to clients
5. Property listings are not syndicated to national sites
6. Showings may take place when a listing's status is Coming Soon
7. Open Houses may take place when a listing's status is Coming Soon
8. Fulfills the Clear Cooperation policy.

Note: Coming Soon listings are an On Market category. DOM accumulated during Coming Soon status will revert to zero (0) upon its status change to Active. CDOM will continue to accumulate.

### Pending

Listings of properties in which:

1. A written offer has been accepted, and
2. The settlement has not taken place yet.

Note: Pending listings are an On Market category. DOM will not accrue until status is updated to Sold, Expired, or Withdrawn.

### Pending-Taking Backups

Listings of properties in which:

1. A written offer has been accepted, and
2. The settlement has not taken place yet, and
3. The Seller agrees to continue to market the property, and

4. The Seller agrees to accept backup offers.

Note: Pending-Taking Backups listings are an On Market category.

### **Pending-Other Sale**

Listings of properties in which:

1. A written offer has been accepted, and
2. The settlement has not taken place yet, and
3. The fulfillment is contingent on the successful settlement of another property,
4. The Seller agrees to continue to market the property, and
5. The Seller agrees to accept backup offers.

Note: Pending-Other Sale listings are an On Market category.

### **Temporarily Off Market (TOM)**

Listings of properties in which the marketing of the property has been temporarily suspended, with the expectation to return its status to Active within sixty 60 days.

Note: Listings may not be shown while in TOM status. Any yard signs must be removed. TOM listings are an On Market category. DOM will not accrue until status is updated to Active, Sold, Expired, or Withdrawn.

### **Sold / Rented**

Properties in which:

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

### **Expired**

Listings of properties in which:

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

### **Withdrawn**

The listing has been withdrawn from the market.

## **SECTION 1: ELIGIBILITY AND FEES**

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### **1.1 ELIGIBILITY**

Eligibility to use the MLS is only applicable to Participants, Subscribers, Appraisers and Authorized Assistants who are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others.

### **1.2 APPLICATION FEE**

A one-time Participant and Subscriber "Application" fee shall be an amount established by the HLAoR Board of Directors and shall be payable prior to the provision of any services by the Association. Such fee and fee amount will be related to a Participant without regard for the number of offices or Subscribers. Fee information is available through <https://www.hlaor.realtor/join> . Application fees shall be required of any previous member requesting service after thirty (30) days from withdrawal or deactivation of service.

### **1.3 PARTICIPATION FEE**

HLAoR Board of Directors shall set the bi-annual Participation Fee of each Participant and Subscriber. Participants and Subscribers shall pay such fees on or before the final day of the month preceding the MLS bi-annual period for which service is desired. HLAoR shall email billing statements to currently active Participants and Subscribers; however, failure to receive such notice does not relieve the Participant or Subscriber from timely payment if service for the succeeding bi-annual period is desired. Payments received after the due date must be accompanied by a Reconnect Fee per service; otherwise, such payments will not be accepted, and service will be suspended at the end of the current bi-annual period and not reinstated until both the Reconnect Fee and bi-annual Participation Fees are received. All remaining unpaid accounts after 30 days from the date in which the Reconnect Fee was assessed will be terminated. All joining fees will apply should MLS access be reestablished after this date.

Each licensee, Appraiser, and Authorized Assistant employed or engaged by, or associated with, or using the offices of a Participant or a Participant's associated firm must be identified as a Participant or a Subscriber. 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 waiver recipients and their Participants to sign a certification for nonuse of its MLS services by their licensees, which can include penalties and termination of the waiver if violated. Waived licensees are not entitled to any MLS services.

## **1.4 MLS ACCESS CREDENTIALS**

Every Participant, Subscriber, Authorized Assistant and Appraiser who has access to and use of the MLS shall be required to obtain their own MLS credentials. Each individual MLS password shall not be loaned, shared, disclosed, or allowed to come into the possession of any other person. The MLS password shall only be used for purposes permitted by the Rules.

## **1.5 SPONSORSHIP REQUIREMENTS**

Subscribers under the sponsorship of a Designated Broker who holds a primary board status with HLAoR must join a Board of Choice within two (2) weeks from the TREC-stated Broker Sponsorship date. Participants shall notify HLAoR in writing within two (2) days of a Subscriber's license expiration, termination of sponsorship, and termination of a Non-Licensed Assistant. Notifying HLAoR of changes or corrections to a Participant or Subscriber's contact information (phone number, email, address) shall be the responsibility of Participants and Subscribers.

## **1.6 DATA FEED FEES**

HLAoR Board of Directors shall establish the service fees and charges for access to data feeds available via the MLS, including but not limited to IDX, VOW, and BBO feeds.

## **1.7 FAILURE TO PAY FEES**

Failure to pay any charge created under this Section 1 or other fees or fines established under these Rules, by the applicable due date, and provided that at least ten (10) days notice has been given, shall result in the suspension of services until such charges have been paid in full. HLAoR shall email billing invoices to Participants and Subscribers; however, failure to receive such notice does not relieve the Participant or Subscriber from timely payment. The Association is not responsible for incorrect email addresses or email accounts that are not monitored.

# **SECTION 2: LISTING PROCEDURES**

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## **2.1 PROPERTY TYPES**

Listings of the designated property type located within the service area of the MLS are required to be submitted to the HLMLS. Listings of the designated types of property located outside the MLS's service area will be accepted if submitted voluntarily by a Participant but are not required. New construction or "to be-built" listings must be

labeled as such in the Public Remarks, including building plan on the property and include an established selling price before it may be listed as Residential.

## **2.2 LISTING TYPES**

Subject to compliance with the other terms hereof, HLMLS will accept the following listing types:

1. Exclusive Right to Sell.
2. Exclusive Agency. Property data forms submitted on properties listed under Exclusive Agency must so indicate in order that such information can be provided to other Participants and Subscribers of HLMLS.

HLMLS does not require a Participant to submit listings on a form other than the form the Participant individually chooses to utilize provided the listing is of a type accepted by HLMLS. However, HLMLS, through its legal counsel:

1. may reserve the right to refuse to accept a listing form which fails to adequately protect the interests of the public and the Participants;
2. assure that no listing form filed with the MLS establishes directly or indirectly, any contractual relationship between HLMLS and the client (buyer or seller).

Note: This policy shall not be construed as requiring Participants to accept exclusive agency listings if they determine acceptance is not in their best interest or the best interest of clients or customers. However, this policy does preclude collective agreements between Participants affiliated with different firms or others to refuse to accept exclusive agency listings.

HLMLS may, as a matter of local option, accept exclusively listed property that is subject to auction.

## **2.3 MULTIPLE LISTING OPTIONS FOR SELLERS**

Office Exclusive: Where the seller has directed the listing broker to not publicly market their property and to not disseminate it through the MLS to other MLS Participants and Subscribers, the Participant may then take the listing as an office exclusive exempt listing and such listing shall be filed with the MLS, subject to its local filing rules, but not disseminated to other MLS Participants and Subscribers.

Delayed Marketing: Where the seller has directed the listing broker to delay the public marketing of their property through IDX and syndication until the listing's expiration date or a date agreed upon in the listing agreement. A delayed marketing exempt listing shall be filed with the MLS, subject to its local filing rules, and disseminated to other MLS Participants and Subscribers. The listing broker shall not be precluded from marketing the delayed marketing exempt listing in a manner consistent with the seller's choice.

Exempt Listing Disclosure: The filing of an exempt listing (office exclusive or delayed marketing) with the MLS must be pursuant to a certification, signed by the seller, obtained by the listing broker which includes:

1. disclosure about the professional relationship between the Participant and the seller;
2. acknowledgement that the seller understands the MLS benefits they are waiving or delaying with the exempt listing, such as broad and immediate exposure of their listing through the MLS; and
3. confirmation of the seller's decision that their listing not be publicly marketed and disseminated by the MLS to other MLS Participants and Subscribers as an office exclusive listing or that their listing will not have immediate public marketing through IDX and Syndication as a delayed marketing listing.

Multiple Listing Options for Sellers requirements only apply to listing types that are subject to mandatory submission pursuant to the MLS local rules.

Note: MLS Participants must distribute Office Exclusive Exempt listings through the MLS to other MLS Participants and Subscribers within (1) one business day after the listing has been publicly marketed. See Section 2.6, Clear Cooperation.

## **2.4 SUBMISSION**

Participants and Subscribers must enter all listings for Designated Property Types within the Service Area into the MLS in accordance to the listing agreement after all necessary signatures have been obtained.

If marketing has been initiated, the Clear Cooperation Policy takes precedence.

## **2.5 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 blast), multi-brokerage listing sharing networks, and applications available to the general public.

Exclusive listing information for designated 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 2 and listings exempt from distribution under Section 2.4, 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.

## **2.6 RIGHT TO REJECT LISTING**

HLMLS does not regulate the type of listings its members may take but is not required to accept every type of listing. HLMLS shall decline to accept open listings and net listings, and it may limit its service to listings of certain kinds of property. But, if HLMLS chooses to limit the kind of listings it will accept, it shall leave its members free to accept such listings to be handled outside the multiple listing service.

Open listings are accepted where required by law. 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 interest of their clients.

Submission of listings of non-HLMLS members is prohibited. All listings and co-listings submitted to the MLS must be supported with a listing agreement signed by the HLMLS member. Upon request from HLMLS, a copy of the listing agreement must be provided within one (1) business day.

## **2.7 LISTING IN MULTIPLE SECTIONS**

If a property is suitable for listing in more than one section of the MLS Database, such as a single-family residence with 10 or more acres of land, such listing may be entered in more than one section of the MLS Database. Upon closing of the property, only one (1) listing may be marked "Sold". The additional listing must be marked as "Withdrawn".

Note: When listing in multiple sections, the CDOM of both listings will be the same.

## **2.8 DUPLICATE LISTINGS**

Duplicate listings under the same "Classification" are prohibited. The "Type" selection should clearly define the subject property type.

Note: The exception to this policy would be if the property is listed both For Sale and For Rent.

## **2.9 SUBMISSION OF CHANGES IN LISTINGS**

Participants shall submit to HLMLS or enter into the MLS any change in listed price or other change in the original listing agreement within one (1) business day after the authorized change is received by the listing Participant or Subscriber. Each change in price must be authorized in writing by the seller and specify the date of the change and the new list price.

Other applicable changes may include, without limitation,

1. any change in status such as final closing of sales, that a contingency on file with HLMLS has been fulfilled, renewed or cancelled, or
2. that any pending sale has been cancelled. By way of example, when a listing is "under contract" and the contract fails, the listing should be restored to Active status if the listing under which the property was entered has not expired. Similarly, if the listing under which the property was entered into the MLS has expired at the time the contract fails, the status may be changed to Active status; in that circumstance, the listing will automatically expire at midnight on the day of the status change.

If negotiations were carried on under Section 4.1 hereof, the cooperating broker shall report accepted offers and prices to the listing broker within one (1) business day after occurrence and the listing broker shall report them to the MLS within one (1) business day after receiving notice from the cooperating broker.

## **2.10 AVAILABILITY OF LISTED PROPERTY**

Appointments for showings or inspections of listed property filed with the MLS shall be conducted through the listing Participant unless the listing Participant provides the cooperating Participant specific authority to show directly through the seller. Listing Participants shall not misrepresent the availability of access to show or inspect listed property.

If, after reasonable effort, the cooperating Participant or Subscriber cannot contact the listing Participant or Subscriber, the cooperating Participant or Subscriber may contact the seller(s) directly. Certain exceptions may exist, such as, for example, if the listing Participant or Subscriber had previously precluded such direct contact by the cooperating Participant or Subscriber by direct notice or e-mail.

## **2.11 WITHDRAWAL AND EXPIRATION OF LISTINGS**

Listings may be withdrawn from the MLS by the Participant before the expiration date of the listing agreement. A copy of the agreement between the seller and the listing Participant or Subscriber which authorizes the withdrawal shall be submitted to HLMLS within one (1) day of request. Sellers do not have the unilateral right to require MLS to withdraw a listing without the listing Participant or Subscriber's concurrence. However, when a seller(s) can document that their exclusive relationship with the listing Participant or Subscriber has been terminated, HLMLS may remove the listing at the request of the seller. Listings may not be withdrawn for purposes such as the avoidance of reporting sales price or other closing information. All sales prices must be reported to the multiple listing service.

Any listing which has been withdrawn from the MLS may not be reentered as a new listing by the same Participant within thirty (30) days. After thirty (30) days and before

ninety (90) days the original listing may be reactivated by the Board office by providing an addendum signed by the seller with new activation date. After ninety (90) days, a withdrawn listing with signed documentation may be cloned and re-entered as Active.

If not earlier withdrawn, any listing in Active status will automatically expire on the date specified in the listing agreement, as indicated in the system. Extensions of listings are acceptable if filed with the MLS prior to expiration. If permitted to expire, a new listing agreement signed by the seller must be secured for the listing to be filed with the MLS. Such listing will then be published as a new listing. Participants may not allow listings to expire in order to avoid reporting sales price or other closing information. All sales prices must be reported to the multiple listing service. A copy of the listing agreement between the seller and the listing Participant or Subscriber shall be submitted to HLMLS within one (1) day of request.

## **2.12 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 change shall be posted to the MLS.

## **2.13 LISTINGS OF SUSPENDED, EXPELLED AND RESIGNED PARTICIPANTS**

When a Participant is suspended or has been expelled from HLAoR for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Board Bylaws, HLMLS Bylaws, HLMLS Rules, HLMLS Participant Agreement, HLMLS Subscriber Agreement, or other membership obligation except failure to pay appropriate dues, fees, or charges), HLMLS shall, at Participant's option, include any listings then currently filed with the MLS in the MLS until such listing is sold, withdrawn or expired. Such listings shall not be renewed or extended by HLMLS beyond the termination date of the listing agreement in effect when suspension or expulsion became effective.

When a Participant has been suspended or expelled from the Board or HLMLS (or both) for failing to pay appropriate dues, fees or charges, HLMLS is not obligated to provide services, including continued inclusion of that Participant's and its associated Subscriber's listings in the MLS Database of current listing information. Prior to any removal of a suspended or expelled Participant's and its associated Subscriber's listings from the MLS, the suspended Participant should be advised in writing (including email) of the intended removal so that the Participant may reasonably advise their clients.

When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's and its associated Subscriber's listings in the MLS compilation of current listing information.

Any Authorized Assistants shall be suspended, terminated or expelled upon any suspension, resignation or expulsion of the designated Participant. This Section 2.14 applies to Subscribers with respect to HLAoR Bylaws and HLMLS Rules.

## **2.14 TERMINATION OF SPONSORSHIP**

When a Subscriber's sponsorship is terminated by a Participant, notification shall be provided to HLMLS from the Participant within two (2) days.

## **2.15 TRANSFERRING LISTINGS**

When a Subscriber's sponsorship is terminated by a Participant, and they become sponsored by another Participant, the Subscriber's listing(s) may be transferred upon completion of the "Listing Transfer" form. Upon receipt of the "Listing Transfer" form, HLMLS will process the transfer. Transfer of sponsorship must be finalized by the Texas Real Estate Commission and HLMLS before any listing may be transferred. Listings with a status of "Sold", "Withdrawn", or "Expired" will not be transferred.

## **2.16 FOR SALE SIGNS**

Only the "FOR SALE" sign of the listing Participant may be placed on a property.

## **2.17 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 3: LISTING DETAIL**

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## **3.1 ACCURACY OF LISTING DATA**

Any listing filed with HLMLS, must contain correct and complete information for all required fields, including seller's name. Participants and subscribers are required to submit accurate listing data and required to correct any known errors. To the extent that information pertaining to optional data fields (i.e., those not specified as being required) is provided, such information shall also be complete and accurate. Listings found to have incomplete required items or incomplete, incorrect or misleading information will be subject to HLMLS's MLS Compliance Procedures.

HLMLS reserves the right to edit listing content.

### **3.2 LISTING PRICE**

The full gross listing price stated in the listing contract shall be included in the information published in the MLS Database, unless the property is subject to auction.

### **3.3 TERMINATION DATE**

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

### **3.4 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.

### **3.5 SELLER'S NAME AND CONTACT INFORMATION**

The seller's full name is a required field and shall match public records. In the event the seller's name does not match public records, the name entered into the MLS shall match the information on the Participant's listing agreement.

Note: The field containing the seller's name is not syndicated to third-party sites and is only available to Participants and Subscribers.

### **3.6 POPULATION OF TAX IDS**

All properties listed for sale or for lease, which have a tax ID in the MLS, must be populated or auto-populated at the time a listing is entered into the MLS. If filled from existing listing or blank listing, tax record information must match information tied to tax ID (Parcel ID).

### **3.7 PROPERTY SQUARE FOOTAGE**

In alignment with ANSI standards, the square footage entered into the MLS shall only contain information relating to the primary dwelling or structure. Square footage of additional dwellings, structures and improvements may be added to the Public Remarks and/or Confidential Agent Remarks.

### **3.8 DIRECTIONS**

The Directions field is intended for property directions only. Directions must contain driving directions that any reasonable, prudent person can use to locate the listed property. Additional information, such as showing instructions, Participant contact information, or access or gate code is prohibited.

### **3.9 PUBLIC REMARKS**

The Public Remarks field may include remarks to describe the attributes of the listed property, location attributes such as HOA information, remarks related to the transaction such as available financing, cash back at closing, bonuses, upgrade incentives and the like.

Disclosure of interest shall be added to the Public Remarks.

Properties under construction, or "To Be Built" must include the term "To Be Built" as the first words within the Public Remarks.

Confidential information such as showing instructions or security codes and contact information such as names, phone numbers, email addresses, service provider information shall not be entered in the Public Remarks field. Any verbiage in Public Remarks suggesting or implying to call listing agent is also prohibited.

### **3.10 CONFIDENTIAL AGENT REMARKS**

The Confidential Agent Remarks field shall only be displayed to other MLS Subscribers and shall not be displayed to customers, clients, or consumers. It shall be used to convey additional information related to the listed property such as showing instructions, access codes, or information related to the transaction of the listed property such as available financing, cash back at closing, bonuses, upgrade incentives, upgrade allowances, repair allowances, builder options, etc.

Comments related to commission or compensation shall not be entered.

### **3.11 NON-MEMBER INCLUSION**

Non-HLMLS member names, phone numbers, e-mail addresses, or any other contact information shall not be included anywhere in the MLS. This includes team members, co-listing agents and colleagues.

### **3.12 DIGITAL IMAGES / PHOTO REQUIREMENTS**

The listing Participant or Subscriber shall load at least one (1) digital image for any Residential Lot listing or Coming Soon listing, and at least five (5) digital images for any other listing. Digital images submitted to the MLS shall only contain photos pertinent to the listed property and must show an accurate representation of the property in its current state, and may include floor plans of the listed property, and renderings of the listed property, plat maps, or aerial view.

If the listed property has a dwelling, at least one image must be of the front of the dwelling, or show a representation of arriving to the property. This does not apply to “To Be Built” or “Under Construction” dwellings, where the renderings may be replaced with an actual image of the property.

For “To Be Built” homes, photos of prior properties with the same floor plan may be attached as Associated Documents.

Digital images should not contain contact information such as names, phone numbers, email addresses or web site addresses, including use of embedded, overlaid, or digitally stamped information, or yard signs.

Images previously submitted by a Participant may not be used by other Participants on subsequent listings without written permission by the owner of the photo. HLMLS reserves the right to reject or remove any digital image submitted that includes any embedded, overlaid, or digitally stamped text, personal advertising or promotion, as well as people or persons.

### **3.13 NON-BRANDED VIRTUAL TOUR AND VIDEO HYPERLINKS (URL)**

Virtual tours, video links, and hyperlinks (URL) submitted to HLMLS shall only link to web pages that are pertinent to the listed property. All submissions shall comply with the following guidelines:

1. The primary focus of the tour shall be of the subject property.
2. The tour must be hosted on an Internet accessible server from which a Participant can retrieve the tour by selecting that tour's hyperlink.
3. The tour or any accompanied audio or written descriptions shall not include any contact information such as names, phone numbers, email addresses, web site addresses, agent photographs, agent information, logos or promotion for a closing service provider or any other peripheral service.
4. By submitting the tour, Participants are representing to HLMLS that the Participant has permission to allow the display of the tour in MLS and that HLMLS in turn has permission to redistribute the tour hyperlink as a part of the MLS Database.
5. Participants may also provide hyperlinks to websites owned and operated by the homeowner's association (HOA) applicable to such listed property. The URL submitted shall not include any contact information such as names, phone numbers, email addresses, web site addresses, agent photographs, logos, or promotion for the listing Participant.

### **3.14 DISCLOSURE OF COMBINATIONS**

Gate codes, combination codes, access codes and security codes may be added in the Confidential Remarks or as a separate attachment to a listing as an Associated Document. In no event shall such codes be placed in the listing details, Public Remarks, or disclosed to third parties.

### **3.15 SUBMISSION OF OPEN HOUSES**

Open houses submitted to HLMLS must designate a specific date and time the property will be available for viewing and must allow Participants and Subscribers to preview the inside of the property and allow public access. Properties that do not allow access to the inside of the property shall not be submitted to HLMLS as an open house. Open houses shall not include in the comments section any remarks related to the transaction such as available financing, cash back at closing, bonuses, upgrade incentives, upgrade allowances, repair and decorating allowances, contact information such as names, phone numbers, email addresses, web site addresses, or promotion for a closing service provider or any other peripheral service.

### **3.16 SHORT SALES**

Participants must disclose potential short sales when reasonably known to the listing Participants. Such disclosure should be made in the MLS by selecting "Yes" or "No" under the Short Sale field. All confidential disclosures and confidential information related to short sales shall be communicated through the Confidential Remarks field or added as an Associated Document.

### **3.17 CONTINGENCIES APPLICABLE TO LISTINGS**

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

### **3.18 FAIR HOUSING**

HLMLS is committed to compliance with federal, state, and local fair housing laws and opposes discrimination in housing based on race, color, religion, sex, handicap, familial status sexual orientation, gender identity, and national origin. From time to time, HLMLS may modify or request that a Participant or Subscriber modify their Listing Content that may violate any fair housing law or Article 10 of the NAR Code of Ethics. Participants and Subscribers may report of potential violations of fair housing laws to support@hlaor.realtor, or by using the Correction feature within the MLS.

## **SECTION 4: SELLING PROCEDURES**

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### **4.1 WRITTEN BUYER AGREEMENTS REQUIRED**

All MLS Participants working with a buyer must enter into a written agreement with the buyer prior to touring a home. The written agreement must include:

1. 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, AND
2. The amount of compensation in a manner that is objectively ascertainable and not open-ended, AND
3. 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
4. A conspicuous statement that broker fees and commissions are not set by law and are fully negotiable.

### **4.2 NEGOTIATIONS**

Negotiations with the seller(s) for the purchase of listed property filed with the MLS shall be conducted through the listing Participant or Subscriber, except under the following circumstances:

1. the listing Participant or Subscriber gives the cooperating Participant or Subscriber specific authority to deliver the offer and negotiate directly, or
2. after reasonable effort, the cooperating Participant or Subscriber cannot contact the listing Participant or Subscriber; however, the listing Participant or Subscriber may preclude such direct negotiations by cooperating brokers.

### **4.3 DISCLOSURE BY PARTICIPANT OR SUBSCRIBER OF INTEREST**

If a Participant, Subscriber affiliated with the Participant, or Appraiser has any ownership interest in a 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 MLS Participants within the Public Remarks. If a Participant, Subscriber affiliated with the Participant, or Appraiser wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the listing Participant or Subscriber no later than the time an offer to purchase is submitted to the listing Participant or Subscriber.

#### **4.4 REPORTING SALES PRICES**

The final closing date and sales price shall be entered into the HLMLS within three (3) days after the property has closed. Any listing entered into the MLS as “Withdrawn” or “Expired” and subsequently sells within ninety (90) days, must be reported in the MLS. Any compensation received from listing a property shall be considered “Sold” and must be reported to the MLS. Upon request from HLMLS, a copy of the closing statement must be provided within one (1) business day.

#### **4.5 DISCLOSING THE EXISTENCE OF OFFERS**

Disclosure of the existence of offers of a specified property is covered under Standard of Practice 1-15 of the Code of Ethics and Standards of Practice of the National Association of REALTORS®, as may be amended from time to time.

#### **4.6 REFUSAL TO SELL**

If the seller of any listed property filed with the Multiple Listing Service refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to HLMLS and to all Participants and Subscribers.

#### **4.7 SOLD SIGNS**

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

## **SECTION 5: KEYS AND LOCKBOXES**

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### **5.1 MLS-APPROVED LOCKBOXES**

All properties listed in the MLS must have an MLS-approved lockbox if any device giving access to real estate professionals and/or service providers is authorized by the seller and occupant and is placed on the property. “MLS-approved” devices are not limited to lockboxes leased or sold by an association or MLS; any lockbox or access device that provides cooperating Participants and Subscribers with reasonable, timely access to listed property will satisfy this requirement.

## **5.2 SOURCE OF KEYS**

Keys must be obtained from the original manufacturer, from a recognized vendor of lockbox systems, or from any other legitimate source. Prior to utilizing previously used keys, lids, or boxes, information shall be obtained from the original manufacturer to determine whether the key's pattern, code, or configuration is already in use by other boards, multiple listing services, or other users in the vicinity. Surrounding boards and multiple listing services shall also be contacted to determine whether the key's pattern, code, or configuration is currently in use.

## **5.3 NON-DUPLICATIVE KEYS**

Any key, programmer, or other device by which a lockbox can be opened shall be non-duplicative. By "non-duplicative", it is meant that the key cannot be readily copied in the manner that other types of keys are ordinarily capable of being copied.

## **5.4 RIGHT TO A KEY**

Each Participant or Subscriber who is a member of HLMLS with an active status is eligible to hold a key subject to their execution of an agreement with HLMLS's current vendor.

## **5.5 SHARING OF KEYS**

Use of an MLS lockbox key by anyone other than the assigned key holder is prohibited.

# **SECTION 6: COOPERATIVE COMPENSATION**

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## **6.1 NO COMPENSATION OFFERS IN THE MLS**

The MLS does not accept listings containing an offer of compensation in the MLS to other MLS Participants or Subscribers. Further, the MLS does 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.

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

## **6.2 COMPILATION DISPLAY OF COMPENSATION**

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 will result in termination of the Participant's access to any MLS data and data feeds.

### **6.3 DISCLOSURE OF TOTAL COMPENSATION**

Participants and Subscribers are prohibited from disclosing in any way the total commission negotiated between the seller and the listing broker.

### **6.4 DISCLOSURE OF COMPENSATION TO CONSUMERS**

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.

### **6.5 NON-FILTERING OF LISTINGS**

Participants and subscribers must not filter out or restrict MLS listings that are communicated to customers or clients based on the existence or level of compensation offered to the cooperating broker or the name of a brokerage or agent.

## **SECTION 7: COMPLIANCE WITH RULES**

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### **7.1 AUTHORITY TO IMPOSE DISCIPLINE**

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

1. letter of warning
2. letter or reprimand
3. 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

4. appropriate, reasonable fine
5. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
6. termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.

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

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 the 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.

## **7.2 APPLICABILITY OF RULES**

Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these rules and regulations and may be disciplined for violations thereof. Further, failure of any user or Subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or Subscribers affiliated with the Participant.

## **7.3 CONSIDERATION OF ALLEGED VIOLATIONS AND WRITTEN COMPLAINTS**

HLMLS considers all complaints alleging a violation of the Rules and Regulations by Participants and Subscribers, including but not limited to written complaints, complaints initiated by MLS staff or staff of REALTOR® Associations, complaints initiated by Participants and Subscribers, or potential violations identified via tools used by MLS (e.g.,

compliance software). HLMLS reserves the right to request complaints be submitted in writing. The complainant may send via mail or email complaints to HLMLS. Participants may be held responsible for all actions of affiliated Subscribers. When requested by a complainant, HLMLS 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, HLMLS will appoint a representative to serve as the complainant.

#### **7.4 COMPLAINTS OF UNETHICAL CONDUCT**

HLMLS shall refer all complaints of unethical conduct by a REALTOR® to the Texas REALTORS® Professional Standards Committee for appropriate action in accordance with the professional standards procedures and the Code of Ethics.

#### **7.5 COMPLAINT OF UNAUTHORIZED USE OF LISTING CONTENT**

Any Participant who believes another Participant has engaged in the unauthorized use or display of Listing Content shall send notice of such alleged unauthorized use to HLMLS. Such notice shall be in writing, specifically identify the allegedly unauthorized use and Listing Content, and be delivered to HLMLS not more than sixty (60) days after the alleged misuse is 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 6.5 of the Rules.

Upon HLMLS's receipt of a notice, HLMLS will send the notice to the Participant who is accused of unauthorized use. Within ten (10) business days from receipt, the Participant must either:

1. remove the allegedly unauthorized content, or
2. provide proof to HLMLS that the use is authorized. Any proof submitted will be considered by the MLS Board of Directors or assigned staff, and a decision of whether it establishes authority to use the Listing Content will be made within thirty (30) days.

If HLMLS determines that the use of the Listing Content was unauthorized, HLMLS may issue a sanction pursuant to these Rules, including a request to remove the Listing Content, stop its use, or both, within ten (10) business days after transmittal of the decision. If the unauthorized use stems from a violation of these Rules, that too will be considered at the time of establishing an appropriate sanction.

If after ten (10) business days following transmittal of HLMLS's 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.

## **7.6 PARTICIPANT'S REMEDIES**

A Participant may not take legal action against another Participant for alleged violation of these Rules unless the complaining Participant has first exhausted the remedies provided in these Rules.

## **7.7 VIOLATIONS OF RULES AND REGULATIONS**

If the alleged offense is a violation of the rules and regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the Multiple Listing Service Board of Directors, and if a violation is determined, the MLS Board of Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the association in accordance with the bylaws and rules and regulations of the association of REALTORS® within twenty (20) days following receipt of the MLS Board of Directors' decision.

# **SECTION 8: ADMINISTRATIVE PROCEDURE FOR DISCIPLINE**

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## **8.1 ADMINISTRATIVE PROCESSING**

If the alleged offense is a violation of the Rules and Regulations of the service and does not involve a charge of alleged unethical conduct or request for arbitration, HLMLS will administratively consider it and make a determination, and if a violation is determined, HLMLS will categorize the violation and impose an administrative sanction in accordance with MLS Compliance Procedures. An administrative sanction includes a warning, monetary penalty, mandatory workshop, or suspension. A copy of all administrative sanctions against a Subscriber will be sent to the Subscriber's Participant. Notification of violations and sanctions will be transmitted via email. Failure to receive such notice does not relieve the Participant or Subscriber from timely making the instructed corrections.

In the event a monetary penalty is incurred, Participants and Subscribers shall resolve the financial obligation by the applicable due date. Failure to pay any charge by the applicable due date, and provided that at least ten (10) days notice has been given, shall result in the suspension of services until such charges have been paid in full.

## **8.2 REQUEST FOR HEARING**

A Participant or Subscriber may contest the assessment of their violation and imposition of the corresponding administrative sanction by requesting a hearing before the MLS Board of Directors. Requests are made by filing the HLMLS Compliance Hearing Request form. The request for hearing must include a detailed explanation of why the Participant or Subscriber feels that the violation is erroneous, copies of any relevant documents, and be sent to the HLMLS Compliance Administrator no later than five (5) days after the violation notification. The assessed administrative sanction will be suspended during the hearing process.

## **8.3 MANDATORY HEARING**

Repeated offenses or for failure to comply with any administrative sanction will result in the Participant or Subscriber to appear at a mandatory hearing before the MLS Board of Directors as described in MLS Compliance Procedures. The MLS Board of Directors will consider the pattern of violations and may direct the imposition of sanctions in accordance with MLS Compliance Procedures.

## **8.4 HEARING PROCEDURES**

HLMLS schedules and conducts all hearings via its MLS Board of Directors. The Subscriber's Participant or Licensed Supervisor must be present at any hearing where the Subscriber will be required to appear. The MLS Board of Directors is not bound by the rules of evidence applicable in courts of law, but shall endeavor to afford the Participant or Subscriber the opportunity to be heard. The MLS Board of Directors will make a determination of the violation and may issue administrative sanction consistent with these Rules.

## **8.5 APPEAL TO BOARD OF DIRECTORS**

A Participant or Subscriber may appeal any determination of the MLS Board of Directors to the HLMLS Board of Directors. All appeals must be filed in writing by filling out the HLMLS Appeal Request form and must be made within ten (10) days of the determination of date of the Compliance Hearing. The request for appeal must include a detailed explanation on why the Participant or Subscriber disagrees with the MLS Board of Directors' determination. HLMLS will forward the material from the Compliance Hearing to the Board. The associated compliance mechanism will be suspended during the appeal process. The HLMLS Board of Directors will consider the matter and make a final determination; Participant/Subscriber may only attend the Board meeting at the request of the HLMLS Board of Directors. Upon a decision being rendered by the HLMLS Board of Directors any penalty or compliance mechanism upheld must be completed within the allowed time frame and an additional administrative fee may be applied.

## **SECTION 9: CONFIDENTIALITY OF MLS INFORMATION AND INTELLECTUAL PROPERTY**

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### **9.1 DISCLOSURE OF LISTINGS ONLY TO PARTICIPANTS AND SUBSCRIBERS**

Except solely as provided otherwise herein, Participants and Subscribers shall not make any listing filed with the MLS available to anyone other than Participants, Subscribers, or Appraisers without the prior consent of the listing Participant. Any information provided by HLMLS to the Participants shall be considered official information of HLMLS. Such information shall be considered confidential and exclusively for the use of Participants, Subscribers, and Appraisers for the purposes for which the MLS exists. HLMLS may provide listing information, including sold data, to third-party entities for academic research, statistical analysis, or for providing services to Participants and Subscribers as consistent with MLS purposes.

### **9.2 LIMITED PERMITTED USE OF LISTING CONTENT**

Except solely as specified in a separate written agreement between HLMLS and Participant or HLMLS and Subscriber, Listing Content shall not be utilized by Participants or Subscribers for any purpose

1. other than as provided for in these Rules and
2. other than as authorized under a Participant's, Subscriber's or Appraiser's, as applicable, licensure(s) or certification.

All other uses are prohibited. Participants and Subscribers agree that they will not, in any form, disclose, sell, assign, lease, commercially exploit, or otherwise provide to third parties or cause to be disclosed, sold, assigned, leased, commercially exploited, directly or indirectly, the Listing Content or any compilation. Any Participant or Subscriber shall promptly notify HLMLS if they believe that any use by a Participant or Subscriber is inconsistent with the foregoing. In addition, without limiting the generality of the foregoing, other than as expressly provided pursuant to Appendix A and B, a listing shall not be advertised by any Participant or Subscriber, other than the listing Participant or Subscriber, without the prior written consent of the listing Participant or Subscriber. If such consent is obtained, advertising of individual property listing information by a Participant who did not participate in the transaction, as either the listing Participant or cooperating Participant, must include the name of the listing firm. Participants and Subscribers may not copy Listing Content submitted by another broker or agent without the written permission of the owner of the Listing Content.

### **9.3 PERMITTED USE OF SOLD DATA**

A Participant or Subscriber may utilize current listing information, "sold" information, "comparables," or statistical information to support an estimate of value on a particular property for a particular Client or Clients. However, with respect to "sold" information, only such information that HLMLS has deemed to be nonconfidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. In addition, the listing or selling Participant of a property may use the "sold" information for that property in advertising Participant's services. Any other use of "sold" information, including, without limitation, importation of such information into a separate database or compilation, is unauthorized and prohibited by these Rules. Moreover, Participants and Subscribers are advised that Texas is considered a non-disclosure state (i.e., there are no state laws requiring the disclosure of "sold" information), and as such, buyers and sellers in Texas may have an expectation that Participants and Subscribers will use "sold" information in Listing Content discretely only to the extent necessary to serve the interests of Customers and Clients. Note: For all listings submitted to HLMLS, the listing agreement must include a provision expressly granting the listing Participant authority to advertise and to provide sales information, including selling price, to HLMLS upon sale of the property.

### **9.4 PERMITTED DISCLOSURE**

Participant or Subscriber may, in the ordinary course of such Participant or Subscriber's business, provide prospective purchasers or sellers with individual property records (or portions of individual property records) relating to properties which the prospective purchaser or seller has a bona fide interest in purchasing or selling, or in which the Participant or Subscriber is seeking to promote interest, consistent with these Rules and Regulations. Accordingly, Participants and Subscribers may display and/or reproduce from the MLS Database, and distribute to prospective purchasers or prospective sellers, a reasonable number of individual property records (or portions of individual property records) contained in the MLS Database which relate to any properties in which prospective purchasers or sellers are or may, in the judgment of the Participant or their affiliated licensees, be interested. The term "reasonable," as used herein, shall be construed to permit only limited reproduction of individual property records (or portions of individual property records) intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus "reasonable" in number, shall include, but are not limited to, the total number of listings in the MLS Database, how closely the types of properties contained in such listings conform with the prospective Purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the types of properties contained in the Listing Content are consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

In addition, notwithstanding the foregoing a Participant or Subscriber may make statistical information derived from the contents of the MLS Database available to clients and prospective clients in connection with the marketing of the Participant's brokerage services. 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 Board or HLMLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

"Based on information from the Highland Lakes Association of REALTORS® (alternatively, from HLAoR) for the period (date) through (date). All information provided is deemed reliable but is not guaranteed and should be independently verified. The Highland Lakes Association of REALTORS®, HLAoR and their affiliates provide the MLS and all content therein "AS IS" and without any warranty, express or implied."

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 a particular property for clients and customers. 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.

## **9.5 OBLIGATION TO CONTROL**

Participants shall, at all times, maintain control over and responsibility for each copy of any MLS content leased to them by the association of REALTORS®, 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 HLMLS 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 HLMLS where access to such information is prohibited by law. HLMLS Participants are prohibited from sharing, providing or delivering the MLS Database (or access thereto) to, or facilitating access to the MLS Database, to any third party, except in cases where a REALTOR® Participant and each Subscriber, employee, and contractor who will have access to the MLS Database has entered into a license with HLMLS to permit such activities (or as expressly provided herein).

## **9.6 PROHIBITION ON COMMERCIALIZATION**

No part of the MLS may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or

otherwise, used as part of or in connection with a mailing list, or otherwise utilized, in any form or manner or by any means, except for the Participant's individual, personal, and confidential reference without the express written permission of the HLMLS, except as provided in these Rules. No person, whether or not they be a Participant, Subscriber, or Appraiser, shall be entitled to recommercialize, or to impose any charge upon or receive anything of value for the utilization, transmission, retransmission, or repackaging in any format, of any information obtained directly or indirectly from the MLS. None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, "sold" information, "comparables" or statistical information from utilizing such information to support an estimate of value on a particular property for a particular client.

### **9.7 NO SOLICITING LISTINGS INCLUDED IN MLS**

Solicitation of listings included in the MLS is covered by Article 16 of the Code of Ethics and Standards of Practice of the National Association of REALTORS®.

### **9.8 LIMITED PERMITTED USE FOR APPRAISERS**

Notwithstanding anything herein to the contrary, a Participant or a Subscriber that is an Appraiser and that accesses the MLS in their role as an Appraiser may only access the MLS for purposes of appraising real property for a Customer or Client in accordance with the rules and regulations promulgated by the Texas Appraiser Licensing and Certification Board and the HLMLS Participant and HLMLS Subscriber Agreement.

### **9.9 ACCESS BY AUTHORIZED ASSISTANTS**

REALTOR® Participants may designate one (1) or more Authorized Assistant(s). After acceptance of such Authorized Assistants by HLMLS, the Authorized Assistant(s) may access the MLS solely in connection with the provision of Services to the REALTOR® Participant in a manner in which the REALTOR® Participant would be permitted to access and use the MLS. The authorizing-REALTOR® Participant shall be responsible for all acts or omissions of the Authorized Assistant(s) as if such acts or omissions were done by the REALTOR® Participant. HLMLS reserves the right to impose a fee on the access provided to Authorized Assistants.

### **9.10 LICENSE AND WARRANTY**

HLMLS requires the listing broker to obtain the necessary rights to use and reproduce the Listing Content from the copyright holder for use by the MLS and all other authorized entities anywhere the Listing Content is intended to appear. At a minimum, a Participant and its affiliated Subscribers and Authorized Assistants grant to HLMLS (and, subject to terms of separate agreements with HLMLS, its service providers and licensees) an irrevocable, worldwide, paid-up, royalty-free, right and license to include the Listing

Content in the MLS Database and any statistical report or comparables, to use, copy and create derivative works of it, and to authorize its use, copying and creation of derivative works for any purpose consistent with the facilitation of the sale, lease and valuation of real property. The license includes the right for HLMLS to remove or modify copyright management information and to affix a visible HLMLS watermark to all photos submitted to HLMLS. HLMLS may make other uses of Listing Content provided to HLMLS as HLMLS shall determine; provided that with respect to such other uses, the listing Participant has not opted-out of such other use after notice of the same. Subject to the terms of the HLMLS Participant and Subscriber Agreements, by the act of submitting any Listing Content to HLMLS or into the MLS Database, each Participant and Subscriber represents and warrants that he or she owns all right, title and interest in the Listing Content, or has obtained necessary consents to comply with these Rules and the Participant and Subscriber Agreements from any third party to any materials included in such Listing Content, including the right to make the assignments or grant the licenses in these Rules and in the Participant and Subscriber Agreements. Each Participant who submits Listing Content to HLMLS or the MLS Database agrees to defend and hold HLMLS 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, or any legal proceeding relating to the reproduction of the Listing Content by HLMLS or other authorized entities.

### **9.11 OWNERSHIP OF MLS DATABASE**

HLMLS owns all right, title, and interest in the compilation of the MLS Database, including all copyrights and other intellectual property rights in it. In virtue of the Participant and Subscriber Agreements, HLMLS may have other exclusive and nonexclusive rights, and these Rules do not limit the rights licensed or assigned to HLMLS in the Participant and Subscriber Agreements.

### **9.12 LICENSE FROM HLMLS**

HLMLS grants to Participants and Subscribers those rights set out in the Participant and Subscriber Agreements.

### **9.13 DISCLAIMER AND INDEMNITY**

HLMLS does not verify the information provided in the MLS and disclaims any responsibility for its accuracy and availability. The MLS is made available AS IS and WHEN AVAILABLE. Each Participant and Subscriber agrees to defend and hold HLMLS harmless from and against any liability arising from any inaccuracy or inadequacy of the information such Participant or Subscriber provides and or any claim based on such Participant or Subscriber's use of the MLS. Each Participant should verify the accuracy of its information as disseminated through the MLS to all other Participants and immediately notify HLMLS of any corrections.

## **9.14 PARTICIPANT'S OWN COMPILATIONS**

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

## **9.15 BROKERAGE BACK OFFICE FEED**

Participants are entitled to use the BBO Data for BBO Use subject to the provisions of this policy:

1. "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 BBO use.
2. "BBO Use" means use of BBO Data by participant and subscribers affiliated with the participant for the following purposes:
  1. Brokerage management systems that only expose BBO Data to participant and subscribers affiliated with participant;
  2. 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;
  3. Agent and brokerage productivity and ranking tools and reports that only exposes BBO Data to participant and subscribers affiliated with participant;
  4. Marketplace statistical analysis and reports in conformance with Section 8.4.
3. 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.
4. There is no option for participants to opt-out their listings from the BBO Use.

## **9.16 DMCA 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 10: GENERAL**

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### **10.1 CHANGES IN RULES AND REGULATIONS**

Changes in Rules and Regulations of the MLS shall be by a majority vote of the members of the MLS Board of Directors, subject to approval by the HLAoR Board of Directors.

## **10.2 SEVERABILITY**

In the event that any provision of these Rules conflicts with applicable law or is held invalid or unenforceable by a court with jurisdiction over the parties, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of HLMLS in accordance with applicable law. The remaining provisions of these Rules and the application of the challenged provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each such provision shall be valid and enforceable to the full extent permitted by applicable law.

## **10.3 NO THIRD-PARTY BENEFICIARY**

These rules confer no rights on anyone who is not a current Participant, Subscriber, Appraiser or Authorized Assistant to obtain access to, download, copy, reproduce, manipulate, store in any information retrieval system, repackage, transmit, retransmit, or display, any MLS information, and all such activities are hereby prohibited.

## **10.4 ARBITRATION**

Issues and obligations relating to arbitration of disputes are covered under Article 17 of the Code of Ethics and Standards of Practice of the National Association of REALTORS®.

# **APPENDIX A: MLS GRID IDX RULES**

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## **IDX ADMINISTERED BY MLS GRID**

HLMLS retains the professional services of MLS Technology Platform, LLC dba MLS Grid ("MLS Grid") to administer and manage the HLMLS IDX program, which affords Participants the ability to authorize limited electronic display of their listings by other Participants on authorized mediums under the participant's control.

## **IDX POLICIES**

MLS Grid will adopt, implement, and maintain rules, policies, and procedures as necessary for the operation of the HLMLS IDX program and that are consistent with the policies of the National Association of REALTORS® MLS policies. MLS Grid will enforce these rules, policies, and procedures on behalf of HLMLS, and Participant agrees to comply with be subject to MLS Grid's authority as delegated by HLMLS. MLS Grid's current IDX documentation is located at: <https://www.mlsgrid.com/resources>.

## **APPENDIX B: MLS GRID VOW RULES**

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### **VOW ADMINISTERED BY MLS GRID**

HLMLS retains the professional services of MLS Technology Platform, LLC dba MLS Grid ("MLS Grid") to administer and manage the HLMLS Virtual Office Website or "VOW" program, which 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 Database, subject to the Participant's oversight, supervision, and accountability.

### **VOW POLICIES**

MLS Grid will adopt, implement, and maintain rules, policies, and procedures as necessary for the operation of the HLMLS VOW program and that are consistent with the policies of the National Association of REALTORS® MLS policies. MLS Grid will enforce these rules, policies, and procedures on behalf of HLMLS, and Participant agrees to comply with be subject to MLS Grid's authority as delegated by HLMLS. MLS Grid's current VOW documentation is located at: <https://www.mlsgrid.com/resources>.

## **MLS COMPLIANCE PROCEDURES**

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### **COMPLIANCE PROCESS AND PROCEDURES**

HLMLS's compliance process and procedures can be found at: <https://www.hlaor.realtor/member-resources>.