

**RULES AND REGULATIONS OF THE MULTIPLE LISTING SERVICE  
OF THE LUBBOCK ASSOCIATION OF REALTORS®**

March 2022

**DEFINITIONS**

For purposes of this document the following definitions are used.

**LAR:** Lubbock Association of REALTORS®

**Participant:** A Designated REALTOR® member that is the principal broker, partner, corporate officer or branch office manager acting on behalf of a principal (See LAR Bylaws, Article XIV, Section 3).

**Subscriber:** A REALTOR® member that is a non-principal broker or real estate licensee affiliated with or sponsored by a Participant.

Section numbering system follows the NAR Model MLS Rules & Regulations for an MLS Operated as a Committee of an Association of REALTORS® and therefore may not include consecutive numbering.

**LISTING PROCEDURES**

**Section 1 Listing Procedures:** Listings of real or personal property of the following types, which are listed subject to a real estate broker's license, and are located within the territorial jurisdiction of the multiple listing service taken by participants on an Exclusive Right to Sell, Exclusive Agency or Exclusive Right to Lease listing contract form shall be certified by electronic transmission to the multiple listing service within seventy-two (72) hours after all necessary signatures of seller(s) have been obtained:

- a) Single family homes for sale, exchange or lease
- b) Vacant residential lots and acreage for sale or exchange
- c) Two-family, three-family, and four-family residential buildings for sale, exchange or lease

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

- |                          |  |
|--------------------------|--|
| 1) Residential           | 7) Manufactured homes ( <i>when attached realty is also being conveyed</i> ) |
| 2) Residential income    | 8) Mobile home parks   |
| 3) Subdivided vacant lot | 9) Commercial buildings and vacant land                                      |
| 4) Farm and ranch        | 10) Industrial   |
| 5) Business opportunity  | 11) Apartments   |
| 6) Motel-Hotel           | 12) Residential Lease  |

The multiple listing service reserves the right to refuse to accept a listing if the listing form does not include the following or if it is in violation of any section of the MLS Rules & Regulations.

- a) Adequate protection of the interests of the public and the participants
- b) Assurance that the form does not establish, directly or indirectly, any contractual relationship between the multiple listing service and the client (buyer or seller)
- c) Authorization from the seller to the participant to submit the listing to the multiple listing service
- d) An expiration date
- e) Grants the listing broker the right to offer compensation to other multiple listing service participants

**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.

Note: Exclusive listing information for required property types must be filed and distributed to other MLS Participants for cooperation under the Clear Cooperation Policy. This applies to listings filed under Section 1 and listings exempt from distribution under Section 1.3 of the NAR model 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.

Violations of the Clear Cooperation Rule must be entered immediately. Discipline for violations will be:

Day 1: Warning

Day 2: Fifty dollar (\$50) fine

Day 3: One hundred dollar (\$100) fine

Day 4: Suspension of MLS membership until the listing is entered and violation reported to the MLS Committee for possible additional fines or penalties.

After three (3) subsequent violations of the Clear Cooperation rule by the Participant and/or Subscriber, the Participant and/or Subscriber will be reported to the MLS Committee for review of the violations and may be subject to additional fines or penalties as set forth in the MLS Rules and Regulations.

**Section 1.1 Listings Subject to Rules and Regulations of the Service:** Any listing taken on a contract to be filed with the multiple listing service is subject to the rules and regulations of the service upon signature of the seller(s). Exclusive Right to Sell, Exclusive Agency, Exclusive Right to Lease and Exclusive Right-to-Sell with Prospect Reservations. Exclusive right to sell listings with named prospect exemptions should be clearly distinguished in the private remarks field from exclusive right to sell listings with no named prospects exempted.

**Section 1.2.0 Accuracy of Listing Data:**

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

**Section 1.2 Detail on Listings Filed with the Service:** Property data forms electronically submitted to the multiple listing service by a Participant or Subscriber should be complete in every detail which is applicable, accurate and ascertainable. These approved property data forms include information fields that are marked or highlighted as “required” and is mandatory for a listing to be filed with the multiple listing service. All other information fields are voluntary, and completion is left to the discretion of the Participant or Subscriber.

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

**Note:** Completion of voluntary fields is strongly recommended for the benefit of all MLS members, their clients, customers, and the public.

- a. **Property Photograph(s):** Unless expressly directed by the seller, in writing, that photographs of their property not appear in the MLS, at least one exterior photo or rendering is required within seven (7) days of submission for all listings. Only a true, current, and accurate photograph of listed property may be placed in the Property Photograph section without decorative borders, other embellishments, or any digitally enhanced modifications that would materially misrepresent the true condition of the property. New construction photos may include current renderings or floorplans.

Virtually Staged Pictures: Photos that are virtually staged must be clearly labeled as such on the photo and include the photo prior to staging, consecutively. (added 5/23/19)

- b. **Personal or Company Advertisement:** Shall not be permitted in public remarks or the photo section on any listing filed with multiple listing service. Photos should be taken in a manner where signs are not visible or present. If a photo cannot be taken without a sign, the sign should not be legible or have any blatant advertisement.
- c. **Use of Showing Service:** Showing Instructions. Showing Instructions are not permitted in the listing details. Showings must be conducted using the MLS Showing Service.

**Section 1.3 Exempted Listings:** If the seller refuses to permit the listing to be disseminated by the service, the participant may then take the listing "office exclusive" stating that the listing not be disseminated by the service and must be on file with the listing broker. Filing of the listing should be accompanied by certification signed by the seller that he or she does not desire the listing to be disseminated by the service.

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

**Section 1.4 Change of Listing Information:** Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be electronically filed with the service within twenty-four (24) hours after the authorized change is received by the listing broker.

**Section 1.5 Withdrawal of Listing Prior to Expiration:** Listing(s) of property may be withdrawn from the multiple listing service by the listing broker before the expiration date of the listing agreement provided the broker has written authorization from the seller.

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

**Section 1.6 Contingencies Applicable to Listings:** Any contingency or conditions of any term in a listing shall be specified and noticed to the participants.

**Section 1.7 Listing Price Specified:** The full gross listing price must be stated in the listing contract and will be included in the information published in the MLS compilation of current listings, unless the property is subject to auction.

**Section 1.7a Lease Price Specified:** The full monthly lease price must be stated in the information published in the MLS compilation of current lease.

**Section 1.8 Listing Package Properties:** Properties which are to be offered as a package may be displayed in the multiple listing service as individual listings under the appropriate property type and/or as a "Package Property" property type.

Each package using the "Package Property" property type must have a unique name. Each property within the package is identifiable by address. Any property sold outside the package must be recorded as Sold under the appropriate property type (Residential, Multi-Family, etc.) and deleted from the package.

**Section 1.9 No Control of Commission Rates or Fees Charged by Participants:** The multiple listing service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by participants. Further, the multiple listing service shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating participants or between participants and nonparticipants.

**Section 1.10 Expiration, Extension, and Renewal of Listings:** Any listing filed with the multiple listing service automatically expires on the date specified in the agreement unless renewed by the listing broker and the signed

written notice of renewal or extension is filed with the broker prior to expiration. If notice of renewal or extension is dated after the expiration date of the original listing, then a new listing must be secured for the listing to be filed with the broker. It should then be published as a new listing. Any extension or renewal of a listing must be signed by the seller(s) and be filed with the broker.

**Section 1.11 Termination Date on Listings:** Listings filed with the service shall bear a definite and final termination date as negotiated between the listing broker and the seller. The under contract date shall not be later than the expiration/termination date.

**Section 1.12 Jurisdiction:** Only listings of the designated types of property located within the territorial jurisdiction of the Association are required to be electronically submitted to the service.

**Section 1.13 Listings of Suspended Participants:** When a participant of the service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS 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, at the participant's option, be retained in the service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a participant has been suspended from the Association or the MLS (or both) for failure to pay appropriate dues, fees, or charges, the Association's MLS will not provide MLS services, including the continued inclusion of the suspended participant's listings in the MLS compilation of current listing information. Prior to the removal of the suspended participant's listings from MLS, the suspended participant will be advised, in writing, of the intended removal of listings whereby the participant may advise his or her client(s).

**Section 1.14 Listings of Expelled Participants:** When a participant of the service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS shall, at the expelled participant's option, be retained in the service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a participant has been expelled from the Association or MLS (or both) for failure to pay appropriate dues, fees or charges, the Association's MLS will not provide MLS services, including continued inclusion of the expelled participant's listings in the MLS compilation of listing information. Prior to any removal of the expelled participant's listings from the MLS, the expelled participant will be advised in writing of the intended removal of listings, so the participant may advise his clients.

**Section 1.15 Listings of Resigned Participants:** When a participant resigns from the MLS, the MLS will not provide MLS services including the inclusion of the resigned participant's listings in the MLS Compilation of current listing information. Prior to any removal of a participant's listings from the MLS, the resigned participant will be advised in writing of the intended removal whereby resigned participant may advise his clients.

#### **Section 1.16 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.

### **SELLING PROCEDURES**

**Section 2 Showings and Negotiations:** Appointments for showings and negotiations with the seller for the purchase of listed property filed with the multiple listing service shall be conducted through the listing broker except under the following circumstances:

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

**The listing broker gives the cooperating broker specific authority to show as instructed in the MLS details.**

**Section 2.1 Presentation of Offers:** The listing broker must make arrangements to present all offers as soon as possible or give the cooperating broker a satisfactory reason for not doing so.

**Section 2.2 Submission of Written Offers and Counter-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 counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.*

**Section 2.3 Right of Cooperating Broker in Presentation of Offer:** 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, as soon as practical, 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 2.4 Right of Listing Broker in Presentation of Counter Offer:** The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

**Section 2.5 Reporting Sales to the Service:** Sold status changes and prices, including final closing of sales, shall be reported to the multiple listing service by the listing broker within one hundred sixty-eight (168) hours after they have occurred. If negotiations were carried on under Section 2 a. or b. hereof, the cooperating broker shall report the status changes to the listing broker within one hundred sixty-eight (168) hours after occurrence and the listing broker shall report them to the MLS within one hundred sixty-eight (168) hours after receiving notice from the cooperating broker.

**Note 1:** The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a

provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its participants.

**Note 2:** In disclosure states, if the sale price of a listed property is recorded, the reporting of the sale price may be required by the MLS.

In states where the actual sale prices of completed transactions are not publicly accessible, failure to report sale prices can result in disciplinary action only if the MLS:

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

The MLS may provide sale price information to governmental bodies only to be used for statistical purposes (including use of aggregated data for purposes of valuing property) and to confirm the accuracy of information submitted by property owners or their representatives in connection with property valuation challenges; and to third-party entities only to be used for academic research, statistical analysis, or for providing services to participants and subscribers. In any instance where a governmental body or third-party entity makes sale price information provided by the MLS available other than as provided for 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.

**Note 3:** As established in the Virtual Office Website (“VOW”) policy, sale prices can only be categorized as confidential in states where the actual sale prices of completed transactions are not accessible from public records.)

**Section 2.5a Reporting Under Contract status to the service:** Listings that are under contract shall be reported by the listing broker as under contract within twenty-four (24) hours. Listings with Options are considered under contract and shall be reported as such. Private Remarks is the proper place for details.

**Section 2.5b Reporting Contingency Status to the Service:** Listings that have a contingency shall be reported by the listing broker as Contingency status within twenty-four (24) hours. Private Remarks is the proper place for details.

**Section 2.6 Reporting Resolutions of Contingencies:** The listing broker shall report to the multiple listing service within twenty-four (24) hours that a contingency has been fulfilled or renewed, or the agreement cancelled.

**Section 2.7 Advertising of Listings Filed with the Service:** A listing shall not be advertised by any participant, other than the listing broker, without the prior consent of the listing broker.

**Section 2.8 Reporting Cancellation of Pending Sale:** The listing broker shall report within twenty-four (24) to the multiple listing service the cancellation of any pending sale, and the listing shall be reinstated.

**Section 2.9 Availability of Listed Property:** Listing brokers shall not misrepresent the availability of access to show or inspect listed property.

## REFUSAL TO SELL

**Section 3 Refusal to Sell:** If the seller of any listed property filed with the multiple listing service refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the service and to all participants. Private Remarks is the proper place for details.

## PROHIBITIONS

**Section 4 Information for Participants Only:** Any listing filed with the service shall not be made available to any broker or firm not a member of the MLS without the prior consent of the listing broker.

**Section 4.1 For Sale Signs:** Only the for sale signs of the listing broker may be placed on a property.

**Section 4.2 Sold Signs:** Prior to the 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 place such a sign.

**Section 4.3 Solicitation of Listings Filed with the Service:** Participants shall not solicit a listing on property filed with the service unless such solicitation is consistent with Article Sixteen (16) of the National Association of REALTORS® Code of Ethics, its Standard of Practice, and its Case Interpretations.

**Note:** This section is to be construed in a manner consistent with Article Sixteen (16) of the Code of Ethics and particularly Standard of Practice Sixteen-Four (16-4). This section is intended to encourage sellers to permit their properties to be filed with the service by protecting them from being solicited, prior to expiration of the listing agreement, 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 Sixteen (16) of the Code of Ethics.

**Section 4.4 Use of the Terms MLS and Multiple Listing Service:** No MLS participant, subscriber or licensee affiliated with any participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants, subscribers and licensees affiliated with participants shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

**Section 4.5, 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.

## DIVISION OF COMMISSIONS

**Section 5 Compensation Specified on Each Listing:** The listing broker shall specify, on each listing filed with the multiple listing service, the compensation offered to other multiple listing service participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease), or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through the MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

In filing a property with the multiple listing service of an association of REALTORS®, the participant of the service is making blanket unilateral offers of compensation to the other MLS participants, and shall therefore specify on each listing filed with the service, the compensation being offered to the other MLS participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.\*

\*The compensation specified on listings filed with the multiple listing service shall appear in one of two forms. The essential and appropriate requirement by an association multiple listing service is that the information to be published shall clearly inform the participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker, in writing, in advance of submitting an offer to purchase. The compensation specified on listings published by the MLS shall be shown in one of the following forms:

1. by showing a percentage of the gross selling price
2. by showing a definite dollar amount

**Note:** MLSs may also, as a matter of local discretion, allow participants to offer cooperative compensation as a percentage of the net sales price, with the net sales price defined as the gross sales price minus buyer upgrades (new construction) and seller concessions (as defined by the MLS unless otherwise defined by state law or regulation).

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

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

**Note 1:** The association multiple listing service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the association multiple listing service

shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a participant. The association multiple listing service shall not disclose in any way the total commission negotiated between the seller and the listing broker.

- Note 2:** The listing broker may, from time to time, adjust the compensation offered to other multiple listing service participants for their services with respect to any listing by advance published notice to the service so that all participants will be advised.
- Note 3:** The multiple listing service shall make no rule on the division of commissions between participants and nonparticipants. This should remain solely the responsibility of the listing broker.
- Note 4:** Multiple listing services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval, and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they submit an offer that ultimately results in a successful transaction.
- Note 5:** Nothing in these MLS rules precludes a listing participant and a cooperating participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction.
- Note 6:** Multiple listing services must give participants the ability to disclose to other participants any potential for a short sale. As used in these rules, short sales are 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. Multiple listing services may, as a matter of local discretion, require participants to disclose potential short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they may, as a matter of local discretion, also be permitted to communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between listing and cooperating participants. All confidential disclosures and confidential information related to short sales, if allowed by local rules, must be communicated through dedicated fields or confidential "remarks" available only to participants and subscribers.

**Section 5.0.1 Disclosing Potential Short Sales:** Participants must 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) when reasonably known to the listing participants.

**Section 5.1 Participant as Principal:** If a participant or any licensee (or licensed or certified appraiser) affiliated with a participant has any interest in property, the listing of which is to be disseminated through the multiple listing service, that person shall disclose that interest when the listing is filed with the multiple listing service and such information shall be disseminated to all multiple listing service participants.

**Section 5.2 Participant as Purchaser:** If a participant or any licensee (including licensed and certified appraisers) affiliated with a participant wishes to acquire an interest in property listed with another participant, such contemplated interest shall be disclosed, in writing, to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

**Section 5.3 Dual or Variable Rate Commission Arrangements:** The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code or symbol as required by the multiple listing service on the data sheet. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperating transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

**Section 5.4, Display of Listing Broker's Offer of Compensation:** Participants and subscribers who share the listing broker's offer of compensation for an active listing must display the following disclaimer or something similar.

The listing broker's offer of compensation is made only to participants of the MLS where the listing is filed.

The Lubbock MLS disclaimer is as follows: "Non-Participant's compensation may differ. Contact listing broker for details."

### SERVICE CHARGES

**Section 6 Service Fees and Charges:** The following service charges for operation of the multiple listing service are in effect to defray the costs of the service and are subject to change from time to time in the manner prescribed:

**Section 6.1 Initial Participation Fee:** An applicant for participation in the service shall pay an application fee of seven-hundred fifty dollars (\$750.00) with such fee to accompany the application.

**Section 6.2 Recurring Participation Fee:** The monthly participation fee of each participant shall be an amount established by the Board of Directors plus an amount established by the Board of Directors times each salesperson and licensed or certified appraiser who has access to and use of the service, whether licensed as a broker, sales licensee or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such participant. Payment of such fees shall be made on or before the last day of each month to the Lubbock Association of REALTORS®.

**Section 6.3 Late Charge Fee:** If the monthly participation fee is not paid by the last day of the month in which the billing notice was assessed, a late charge shall be assessed in an amount as may be determined by the Board of Directors times the number of monthly participation fees that are late. If other fees are not paid by the last day of the month in which the billing notice was received, a late charge of ten percent (10%) of the unpaid balance shall be added to the late account.

### COMPLIANCE WITH RULES

**Section 7 Compliance with Rules – Authority to Impose Discipline:** By becoming and remaining a participant or subscriber in this MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provision. Discipline that may be imposed may only consist of one or more of the following:

- a. letter of warning
- b. letter of reprimand

- c. attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration.
- d. appropriate, reasonable fine not to exceed fifteen thousand dollars (\$15,000)
- e. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year.
- f. termination of MLS rights, privileges, and services with no right to reapply for a specified period 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 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.

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.

**Section 7.1 Compliance with Rules:** The following action may be taken for noncompliance with the rules:

- a. for failure to pay any service charge or fee within one (1) month of the date due, and provided that at least ten (10) days notice has been given, the service shall be suspended according to Standard Operating Procedures until charges or fees are paid in full.
- b. for failure to comply with any other rule, the provisions of Section 9 and 9.1 shall apply.

**Section 7.2 Applicability of Rules to Users and/or Subscribers:** Non-principal brokers, 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 provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the rules and regulations. Further, failure of any user or subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the participant to the same or other discipline. This provision does not eliminate the participant's ultimate responsibility and accountability for all users or subscribers affiliated with the participant.

## MEETINGS

**Section 8 Meetings of MLS Committee:** The Multiple Listing Service Committee shall meet for the transaction of its business at a time and place to be determined by the committee or at the call of the Chairperson.

**Section 8.1 Meetings of MLS Participants:** The committee may call meetings of the participants in the service to be known as meetings of the multiple listing service.

**Section 8.2 Conduct of the Meetings:** The chairperson, or vice chairperson, shall preside at all meetings or, in their absence, a temporary chairperson from the membership of the committee shall be named by the chairperson or, upon his failure to do so, by the committee.

**Section 8.3 Attendance:** Shall be in compliance with the Standard Operating Procedures.

### **ENFORCEMENT OF RULES OR DISPUTES**

**Section 9 Consideration of Alleged Violations:** The MLS Committee shall give consideration to all written 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 the MLS Committee.

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.

**Section 9.1 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 MLS Committee, and if a violation is determined, the MLS Committee 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 decision.

If, rather than conducting an administrative review, the MLS has a procedure established to conduct hearings, any appeal of the decision of the hearing tribunal may be appealed to the board of directors of the MLS within twenty (20) days of the tribunal's decision. Alleged violations involving unethical conduct shall be referred to the professional standards committee of the association of REALTORS® 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®.

**Section 9.1a Database Violations:** Any Participant or Subscriber may report a listing for a database violation to the MLS Administrator. The unauthorized extension or renewal of listings, and incorrect information in any data field(s), including the required submission of at least one photograph that meets the requirements of Section 1.2a, are subject to the enforcement process specified as follows:

Upon discovery of a violation or receipt of a reported violation, the MLS Administrator will contact both the Participant and the Subscriber regarding the alleged violation requesting correction and referencing MLS rules compliance in Section 7. The Participant or Subscriber will have three (3) calendar days to correct the violation. If the violation is not corrected within three (3) calendar days, the Participant will receive a one hundred dollar (\$100) fine and the listing will be deleted. If the fine is not paid within thirty (30) calendar days from the date of the fine the Listing Agent (Participant or Subscriber) will be suspended from the MLS until the fine is paid per Section 7.1a. After three (3) subsequent reported violations of the same nature by the Participant or Subscriber, the Participant or Subscriber will be reported to the MLS Committee for review of database violations and may be subject to additional fines or penalties as set forth in the MLS Rules and Regulations.

Any extension or renewal of a listing must be signed by the seller(s) and be on file with the listing broker.

Status change descriptions and time frames for compliance are outlined below.

- Late submission of listing – Participant or Subscriber must input listing into the MLS System within seventy-two (72) hours after all necessary signatures have been obtained.

- Late reporting of “Under Contract” status – Participant or Subscriber must report status of Under Contract within twenty-four (24) hours after all signatures are obtained. Listings are considered Under Contract within the option period and shall be reported as such.
- Late reporting of “Contingency” status – Participant or Subscriber must report status of Contingency within twenty-four (24) hours after all signatures are obtained.
- Late reporting of “Sold” status – Participant or Subscriber must report status of Sold within one hundred sixty-eight (168) hours after closing and funding. The funding date is the date on the settlement statement.
- Late reporting of “Rented” status – Participant or Subscriber must report status of Rented within twenty-four (24) hours after all signatures are obtained.

**Section 9.2 Complaints of Unethical Conduct:** All other complaints of unethical conduct shall be referred by the MLS Executive Committee to the Association Executive of the Lubbock 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.

Upon receiving a notice, the committee (Board of Directors) 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 committee (Board of Directors) that the use is authorized. Any proof submitted will be considered by the Committee (Board of Directors), and a decision of whether it establishes authority to use the listing content will be made within thirty (30) days.

If the Committee (Board of Directors) determines that the use of the content was unauthorized, the Committee (Board of Directors) 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 Committee’s (Board of Director’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.

**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.

### **CONFIDENTIALITY OF MLS INFORMATION**

**Section 10 Confidentiality of MLS Information:** Any information provided by the multiple listing service to the participants shall be considered official information of the service. Such information shall be considered confidential and exclusively for the use of participants and real estate licensees affiliated with such participants and those participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such participants.

The following information is considered confidential and **cannot** be given to the public, including web sites:

- 1) owner name and phone number
- 2) showing instructions
- 3) listing and expiration dates
- 4) code pertaining to amount of compensation offered to other Participants
- 5) confidential remarks as stated on the listing

**Section 10.1 MLS not responsible for Accuracy of Information:** The information published and disseminated by the service is communicated verbatim, without change by the service, as filed with the service by the participant. **The service does not verify such information provided and disclaims any responsibility for its accuracy.** Each participant agrees to hold the service harmless against any liability arising from any inaccuracy or inadequacy of the information such participant provides.

**Section 10.2 Access to Comparable and Statistical Information:** Association members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of association members and individuals affiliated with association members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm except as otherwise provided in these Rules and Regulations.

**Section 10.3 Disclaimer of Warranty of Data Provided by MLS:** Except as otherwise expressly set forth in the Download Agreement, broker's listing data is provided by MLS "as is" without warranty of any kind, either expressed or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose.

**Section 10.4 Limitation of Liability for Data Provided by MLS:** Except for an intentional breach of any express obligations under the Download Agreement, the Lubbock Association of REALTORS® shall not be liable for any damages including, without limitation to any lost profits, lost savings or other incidental, special or consequential damages arising out of the use or inability to use MLS or IDX listing data, or arising for any reason hereunder, even if the broker or Lubbock Association of REALTORS® has been notified of possibility of such damages.

### **OWNERSHIP OF MLS COMPILATION\* AND COPYRIGHT**

#### **Section 11, Ownership of MLS Compilation and Copyright**

By the act of submission of 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 the listed property.

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

**Section 11.1 Right, Title, and Interest of MLS Compilation:** All right, title, and interest in each copy of every multiple listing compilation created and copyrighted by the Lubbock Association of REALTORS®, and in the copyrights therein, shall at all times remain vested in the Lubbock Association of REALTORS®.

**Section 11.2 Lease of MLS Compilation:** Each participant shall be entitled to lease from the Lubbock Association of REALTORS® a number of copies of each MLS compilation sufficient to provide the participant and each person

affiliated as a licensee (including licensed or certified appraiser or appraiser trainees) with such participant with one copy of such compilation. The participant shall pay for each such copy, the rental fee set by the association.

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

*\*The term "MLS compilation", as used in Sections 11 and 12 herein, shall be construed to include any format in which property listing data is collected and disseminated to the participants, including but not limited to: bound book, loose-leaf binder, computer database, card file, or any other format whatsoever.*

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

### **USE OF COPYRIGHTED MLS COMPILATION**

**Section 12 Distribution:** Participants shall, at all times, maintain control over and responsibility for each copy of any MLS compilation leased to them by the Lubbock Associations 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 an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification(s), 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 an association multiple listing service where access to such information is prohibited by law.

**Section 12.1 Display:** Participants, and those persons affiliated as licensees with such participants, shall be permitted to display the MLS compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation.

**Section 12.2 Reproduction:** Participants or their affiliated licensees shall under no circumstances reproduce any MLS compilation or any portion thereof. 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.

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

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

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

Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the participant and those licensees affiliated

with the participant who are authorized to have access to such information. Such information may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm.

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

### USE OF MLS INFORMATION

**Section 13 Limitations on Use of MLS Information:** Use of information from MLS compilation of current listing information, from the association’s MLS statistical report, or from any sold or comparable report of the association or the MLS for public or mass-media advertising by an MLS participant or in other public representations, may not be prohibited.

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

**“This representation is based in whole or in part on data supplied by the Lubbock Association of REALTORS® multiple listing service. Neither the association nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the association or its MLS may not reflect all real estate activity in the market.”**

Non-print forms of advertising or representation, including radio and television advertising must include the following, or substantially similar, disclaimer:

**“Based on information from the Lubbock Association of REALTORS® or its MLS for the period (date) through (date).”**

### MLS INTERNET DATA EXCHANGE (IDX)

**Use of Active Listing Data on Internet – MLS Internet Data Exchange:** Subject to Section 14.1 through Section 14.4 below and notwithstanding anything in these MLS Rules and Regulations to the contrary, participants may display on their public websites aggregated MLS listing data on the MLS participant’s public websites or by framing such information on the Lubbock Association of REALTORS® public access website. For purposes of this policy, “display” refers to consumer-directed search and retrieval of MLS information.

**Section 14 IDX Defined:** IDX afford MLS participants the ability to authorize limited electronic display of their listings by other participants.

**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 where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display.

**Section 14.2 Participation:** 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** MLS 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 14.2.3** Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing brokers to withhold their listing or the listing's property address from all display on the Internet (including, but not limited to, publicly-accessible websites or VOWs).

**Section 14.2.4** Participants may select the listings they choose to display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography or location ("uptown", "downtown", etc) list price, type of property, (e.g. condominiums, cooperative, single-family detached, multi-family) cooperative compensation offered by listing brokers, type of listing (e.g. exclusive right to sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed on any IDX site must be independently made by each participant.

**Section 14.2.5** Participants must refresh all MLS downloads and displays automatically fed by those downloads not less frequently than every twelve (12) hours.

**Section 14.2.6** Except as provided in the IDX policy and these rules, an IDX site or a participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity.

**Section 14.2.7** Any IDX display controlled by a participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the IDX policy and these rules, "control" means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules.

**Section 14.2.8** Any IDX display controlled by a participant or subscriber that

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

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

**Section 14.2.9** Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property. Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

**Section 14.10** An MLS Participant (or where permitted locally, an MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display. (Adopted 11/14)

**Section 14.2.11:** Participants shall not modify or manipulate information relating to other participants’ listings. MLS participants may augment their IDX displays of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated from 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 data 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 multiple listing service. Display of all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS participants and users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed on IDX sites.

**Section 14.3.3** All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. Displays of minimal information (e.g. “thumbnails”, text messages, “tweets”, etc., of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

Websites of licensees affiliated with a participant’s firm shall disclose the firm’s name and the licensee’s state of licensure in a reasonable and readily apparent manner.

**Section 14.3.4** All listings displayed pursuant to IDX shall identify the listing agent.

**Section 14.3.5** Non-principal brokers and sales licensees affiliated with Internet Data Exchange 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 14.3.7** All listings displayed pursuant to IDX shall show the MLS as the source of the information. 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 14.3.8** Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information is provided exclusively for consumers’ personal, non-commercial 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 14.3.9** The data consumers can retrieve or download in response to an inquiry shall be determined by the MLS but in no instance shall be limited to fewer than one hundred (100) listings or five percent (5%) of the listings available for IDX display, whichever is fewer.

**Section 14.3.10** The right to display other Participants' listings pursuant to Internet Data Exchange shall be limited to a Participant's office(s) holding participatory rights in this MLS.

**Section 14.3.11** 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 14.3.12** Display of expired, withdrawn, and sold listings\* is prohibited.

\* Note: If “sold” information is publicly accessible, display of “sold” listings may not be prohibited. (Amended 11/14)

**Section 14.3.13** No portion of the Internet Data Exchange database shall be used or provided to a third party for any purpose other than those expressly provided for in these rules.

**Section 14.3.16** Advertising (including co-branding) on pages displaying IDX-provided listings is prohibited.

**Section 14.4 Service Fees and Charges:** Service fees and charges for participation in Internet Data Exchange shall be as established by the Board of Directors.

**Section 17 Orientation:** Any applicant for MLS participation and any licensee (including licensed or certified appraisers) 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 thirty (30) 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.

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

**Section 18 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 18.1 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.

**Section 18.2 Participation:** Participation in IDX is available to all MLS participants who consent to display of their listings by other participants.

**Section 18.2.1** 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 18.2.2** MLS 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 18.2.3** 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.

**Section 18.2.4** 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) or type of listing (e.g., exclusive right-to-sell or exclusive agency). Selection of listings displayed through IDX must be independently made by each participant.

**Section 18.2.5** Participants must refresh all MLS downloads and IDX displays automatically fed by those downloads at least once every twelve (12) hours.

**Section 18.2.6** Except as provided in the IDX policy and these rules, an IDX site or a participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity.

**Section 18.2.7** Any IDX display controlled by a participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the IDX policy and these rules, "control" means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules.

**Section 18.2.8** Any IDX display controlled by a participant or subscriber that

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

either or both of those features shall be disabled or discontinued for the seller's listings at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all displays controlled by participants. Except for the foregoing and subject to Section 18.2.9, 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 18.2.9** Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property. Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

**Section 18.2.10** An MLS participant (or where permitted locally, an MLS subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS participant (or MLS subscriber) holds participatory rights in those MLSs. As used in this policy, "co-mingling" means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that participants may display listings from each IDX feed on a single webpage or display.

**Section 18.2.11** Participants shall not modify or manipulate information relating to other participants listings. MLS participants may augment their IDX display of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated by the data supplied by the MLS. The source(s) of the information must be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized fields.

**Section 18.2.12** 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.

### Virtual Office Websites (VOWs)

**Section 19.1 VOW Defined:**

- a. A Virtual Office Website ("VOW") is a participant's Internet website, or a feature of a participant's website, through which the participant is capable of providing real estate brokerage services to consumers with whom the participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS listing information, subject to the participant's oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a participant may, with his or her participant's consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the participant's oversight, supervision, and accountability.
- b. As used in Section 19 of these Rules, the term "participant" includes a participant's affiliated non-principal brokers and sales licensees – except when the term is used in the phrases "participant's consent" and "participant's oversight, supervision, and accountability". References to "VOW" and "VOWs" include all

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

- c. “Affiliated VOW Partner” (AVP) refers to an entity or person designated by a participant to operate a VOW on behalf of the participant, subject to the participant’s supervision, accountability and compliance with the VOW Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW on behalf of one or more participants. Access by an AVP to MLS Listing Information is derivative of the rights of the participant on whose behalf the AVP operates a VOW.
- d. As used in Section 19 of these Rules, the term “MLS listing information” refers to active listing information and sold data provided by participants to the MLS and aggregated and distributed by the MLS to participants.

### **Section 19.2**

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

### **Section 19.3**

- a. Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the participant must take each of the following steps:
  - i. The participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter “Registrants”). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
  - ii. The participant must obtain the name of and a valid email address for each Registrant. The participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the terms of use (described in subsection d. below). The participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the terms of use.
  - iii. The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The participant must also assure that any email address is associated with only one user name and password.
- b. The participant must assure that each Registrant’s password expires on a date certain but may provide for renewal of the password. The participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The participant must keep such records for not less than one-hundred eighty days (180) days after the expiration of the validity of the Registrant’s password.

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

**Section 19.4** A participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the participant to ask questions, or get more information, about any property displayed on the VOW. The participant, or a non-principal broker or sales licensee licensed with the participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that participant and displayed on the VOW.

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

**Section 19.6**

- a. A participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a participant who operates a VOW may provide to

consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.

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

**Seller Opt-Out Form**

1. Please check either Option a. or Option b.

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

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Initials of Seller

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

**Section 19.7**

- a. Subject to subsection b., a participant’s VOW may allow third-parties:
  - i. to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
  - ii. display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing
- b. Notwithstanding the foregoing, at the request of a seller the participant shall disable or discontinue either or both of those features described in subsection a. as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all participants’ websites. Subject to the foregoing and to Section 19.8, a participant’s VOW may communicate the participant’s professional judgment concerning any listing. A participant’s VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

**Section 19.8** A participant’s VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The participant shall correct or remove any false information relating to a specific property within 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 19.9** A participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

**Section 19.10** Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW policy, or any other applicable MLS rules or policies, no participant shall distribute, provide, or make accessible any portion of the MLS listing information to any person or entity.

**Section 19.11** A participant's VOW must display the participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

**Section 19.12** A participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property.

**Section 19.13** A participant who intends to operate a VOW to display MLS listing information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS participants for purposes of verifying compliance with these rules, the VOW policy, and any other applicable MLS rules or policies.

**Section 19.14** A participant may operate more than one VOW himself or herself or through an AVP. A participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a participant by an AVP is subject to the supervision and accountability of the participant.

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

a. Expired and withdrawn listings.

**Note:** Due to the 2015 changes in IDX policy and the requirement that participants be permitted to make MLS listing information available to Registrants of VOW sites where such information may be made available via other delivery mechanisms, MLSs can no longer prohibit the display of pending ("under contract") listings on VOW sites.

b. The compensation offered to other MLS Participants.

c. The type of listing agreement, i.e., exclusive right to sell or exclusive agency.

d. The seller's and occupant's name(s), phone number(s), or e-mail address(es).

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

f. Sold information

**Note:** If sold information is publicly accessible in the jurisdiction of the MLS, Subsection 19.15f. must be omitted.

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

**Section 19.17** A participant shall cause to be placed on his or her VOW a notice indicating that the MLS listing information displayed on the VOW is deemed reliable but is not guaranteed accurate by the MLS. A participant's VOW may include other appropriate disclaimers necessary to protect the participant and/or the MLS from liability.

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

**Section 19.19** A participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than one-hundred (100) current listings and not more than one-hundred (100) sold listings in response to any inquiry.

**Note:** The number of listings that may be viewed, retrieved, or downloaded should be specified by the MLS in the context of this rule but may not be fewer than one-hundred (100) listings or 5% of the listings in the MLS, whichever is less.

**Section 19.20** A participant shall require that Registrants' passwords be reconfirmed or changed every ninety (90) days.

**Note:** The number of days passwords remain valid before being changed or reconfirmed must be specified by the MLS in the context of this rule and cannot be shorter than ninety (90) days. Participants may, at their option, require Registrants to reconfirm or change passwords more frequently.

**Section 19.21** A participant may display advertising and the identification of other entities ("co-branding") on any VOW the participant operates or that is operated on his or her behalf. However, a participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this section, co-branding will be presumed not to be deceptive or misleading if the participant's logo and contact information (or that of at least one participant, in the case of a VOW established and operated on behalf of more than one participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

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

**Section 19.23** A participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to be searched separately from listings in the MLS.

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

**Section 19.25** Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within forty-eight (48) hours.

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

**Section 20 Changes in Rules and Regulations:** Amendments to the rules and regulations of the service shall be by a two-thirds (2/3) vote of the members of the Multiple Listing Service Committee, subject to approval by the Board of Directors of the Lubbock Association of REALTORS®.

## **VOLUNTARY MLS ELECTRONIC KEY AND LOCKBOX SERVICE**

**MLS Key System:** Only MLS Participants, Subscribers (licensees), and real estate inspectors who hold an active Texas Real Estate Commission license can be issued an Electronic Key. Assistants can check lockboxes in or out after Key Service receives written approval from the MLS participant and the agent they represent. This written documentation shall remain on file at the Association office. During the first two years of MLS membership the keybox deposit will be ninety dollars (\$90) per box. After two years it is the agent's responsibility to request dropping the deposit to \$15 per box.

The Association's Multiple Listing Service may refuse to lease Electronic Keys, may terminate existing Electronic Key lease agreements, and may refuse to activate or reactivate any Electronic Keys held by an individual convicted of a felony or misdemeanor, if the crime in the determination of the Association's MLS relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

Factors that can be considered in making such determination include, but are not limited to:

- a. The nature and seriousness of the crime
  - b. The relationship of the crime to the purposes for limiting Keybox access
  - c. The extent to which access (or continued access) might afford opportunities to engage in similar criminal activity
  - d. The extent and nature of past criminal activity
  - e. Time since criminal activity was engaged in
  - f. Evidence of rehabilitation while incarcerated or following release and
  - g. Evidence of present fitness.
1. Lockboxes may not be placed on a property without written authorization from the seller. This authority may be established in the listing contract or in a separate document created specifically for that purpose.
  2. The board shall adopt written, reasonable and appropriate rules and procedures for administration of lockbox systems which may include appropriate fines, not to exceed five thousand dollars (\$5,000).
    - a. The lockbox and credit may be transferred from property to property, but not from agent to agent, or returned to the association office no later than ten (10) business days from the date of closing, termination, expiration or withdrawal. Key holders will have the option of a refund of the deposit or credit for his or her Key Service account for future use.
    - b. If the Key Holder has not notified the association, in writing, that the lockbox has been transferred to a new listing or returned the lockbox by the tenth (10th) business day after closing, termination, expiration, or withdrawal, a fine equal to the current market value of the lockbox will be assessed. The lockbox will then be on extended lease by the Key Holder. Should the fine not be paid by the end of the month it was assessed, the Key Holder's membership will be suspended and an additional fifty-dollar (\$50) reinstatement fee will be assessed.
    - c. Key holders are allowed to acquire lockboxes on an "extended lease" basis that allows key holders to keep lockboxes indefinitely and not have to immediately return lockboxes to the Association. This option costs the key holder the current cost per lockbox, then a specially marked lockbox will be assigned directly to the key holder and the key holder can acquire as many lockboxes as the key holder wishes as long as the current cost for each lockbox is paid. The association will buy back the lockbox at a price depreciated twenty percent (20%) per year.

- d. Lockboxes not being used should be returned to the Association office as soon as possible to avoid any fines.
  - e. For any lost, stolen, damaged or non-recoverable lockbox, the key holder will be assessed the current replacement cost of a new lockbox.
  - f. If fined three (3) times in a calendar year, the agent will need to pay a ninety-dollar (\$90) keybox deposit per box for two years. After two years it is the agent's responsibility to request dropping the deposit to fifteen dollars (\$15) per box.
  - g. When the initial notice is sent informing the agent to pick up their extended lease keybox that was returned to the Association, they will be given 30 days to pick up the keybox. If it is not picked up in the time given, the keybox will be returned to circulation and the agent will receive a credit to their keybox account for the depreciated value of the keybox.
3. Lockbox lease agreement will be in accordance with the current lockbox vendor.

(END)