



CENTRAL TEXAS COMMERCIAL ASSOCIATION OF REALTORS®
COMMERCIAL INFORMATION EXCHANGE (CTCARX)

RULES AND REGULATIONS

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INTRODUCTION

Central Texas Commercial Association of Realtors® (CTCAR) has adopted these Rules and Regulations to govern the operation of its Commercial Real Estate Information Exchange (CIE), being marketed as CTCARX. Each person who uses CTCARX agrees to be bound by these Rules and Regulations.

CTCARX has been specifically designed to meet the unique needs of the commercial real estate industry. CTCARX is available twenty-four hours a day, allowing practitioners to gather, manipulate and disseminate commercial real estate information according to their specific needs. CTCARX differs from a traditional Multiple Listing Service (MLS) in that

1. No offer of cooperation and compensation is required
2. There is no required offer of sub-agency
3. Non-broker entities may be allowed limited access on a read-only basis
4. Owners of commercial properties may be allowed to directly enter their properties into CTCARX without the direct use of a broker, with certain restrictions

PURPOSES

The purposes of CTCARX are to:

1. Provide a means by which members of CTCARX and property owners may provide information to other members, and to a lesser extent, the public, regarding commercial real estate which is for sale or lease;
2. Provide a platform for the orderly correlation and dissemination of historical commercial real estate property information among members so that they may better serve their clients and the public;
3. Enable members to prepare informational reports for the dissemination and presentation of available property information to clients and customers.
4. Provide a network of information on commercial properties which would be available to a wide range of professional people and the public on a read-only basis.

MEMBERSHIP

Membership Availability: Membership in the CIE is available to: (i) individuals and firms holding a current, valid real estate broker's license that are capable of accepting and offering compensation to and from other Participants, (ii) individuals holding a current valid real estate salesperson's license under and through a real estate broker capable of accepting and offering compensation to and from other Participants, and (iii) individuals who are licensed or certified by a state regulatory agency to engage in the appraisal of real property.

Membership Requirements: In order to be accepted for membership in the CIE, the applicant must: (i) agree in writing to conform to the rules and regulations of the CIE and pay the fees and charges as specified in the rules and regulations of the CIE, and (ii) meet the qualifications as determined by the CIE Committee.

Membership Qualifications: The CIE Committee may consider any or all of the following in determining a nonmember applicant's qualifications for CIE participation or membership:

1. all final findings of Code of Ethics violations and violations of other membership duties in any Association of Realtors® within the past three (3) years
2. pending ethics complaints (or hearings)
3. unsatisfied discipline pending
4. pending arbitration requests (or hearings)
5. unpaid arbitration awards or unpaid financial obligations to any Association of Realtors® or Commercial Information Exchange
6. any record of official sanctions involving unprofessional conduct
7. completion of a course of instruction covering the CIE rules and regulations
8. computer training related to information entry and retrieval
9. passage of such reasonable and non-discriminatory written examination thereon as may be required by the CIE

Responsibility for Conformance with Rules and Regulations: The Participant is responsible to the CIE for compliance with the rules and regulations by all of the firm's licensees (including licensed or certified appraisers) who have access to and use of the CIE.

Access to Current Property Information: Only Participants may have access to and use of the current property information generated by the CIE, except that the CIE may provide access to information from CIE compilations to others engaged in recognized fields of real estate practice or in related fields, however, none of the foregoing is intended to convey participation or membership or any right of access to information developed by, compiled or published by the CIE where access to such information is prohibited by law.

DEFINITIONS

As used in these Rules and Regulations, terms set forth below are defined as follows:

CIE: The Commercial Real Estate Information Exchange of the Central Texas Commercial Association of Realtors®. (also known as CTCARX).

CIE Committee: The CTCAR committee charged with overseeing the operation of the CIE.

CTCAR: Central Texas Commercial Association of Realtors®

Participant: A member of the CIE that is not delinquent in the payment of fees.

RULES AND REGULATIONS

Filing Procedures

Note: *In view of the fact that the CIE is not a Multiple Listing Service (MLS), and no offers of cooperation or compensation can be extended through the CIE, it is not essential that a Participant retained by a property owner to market the property have an exclusive right to sell, exclusive agency, or open listing. Other forms of agreement through which the Participant agrees to provide certain marketing services may be the basis for authorizing the submission of property information to the CIE. Where the Participant is acting on behalf of a buyer, the Participant may submit information describing the type of property sought to the CIE even though the Participant may not be the buyer's exclusive agent. Where the Participant is acting on behalf of the seller or lessor, it is essential that there be a written agreement between the Participant and the seller or lessor authorizing the Participant to submit information on the property to the CIE.*

Section 1—Filing Procedures: Submission of any property information to the CIE is voluntary on the part of the Participant. Information on property for sale, lease, or exchange of the following types located within the territorial jurisdiction of the CIE may be submitted by Participants to the CIE:

- (a) industrial
- (b) office
- (c) shopping center
- (d) retail-commercial
- (e) multi-family
- (f) vacant land
- (g) hospitality
- (h) farm / ranch
- (i) special purpose

While the CIE does not require a Participant acting on behalf of a seller or lessor to utilize a particular listing contract or other form of agreement, the CIE shall require use of a standardized property information form to submit information on properties for sale, lease, or exchange to the CIE. The CIE does not require a Participant acting on behalf of a buyer to utilize a written buyer's agent agreement, but shall require use of a standardized property information sheet to submit information on properties sought to the CIE.

The CIE accepts information on properties which are currently listed on an exclusive right to sell or lease basis, exclusive agency basis, or open listing basis as well as other forms of agreement that make it possible for the Participant to market the property. Any property information submitted on properties for sale, lease, or exchange must include the seller's written authorization for the Participant to submit information on the property to the CIE.

The CIE will not publish information on properties taken on a net listing basis because such listings are considered unethical and, in most states, illegal.

The Participant is responsible for obtaining the necessary written authorization from the Owner of the property to allow the dissemination of information concerning the property.

Section 1.1—Filings Subject to Rules and Regulations of the CIE: Any property information to be filed with the CIE is subject to the rules and regulations upon filing.

Section 1.2—Detail of Information Filed with the CIE: Any property information sheet submitted to the CIE should include a description of the type of property and the price, or a description of the property sought, or any pertinent information as determined by the CIE.

Section 1.3—Change of Status: Any change in price or other change in the terms of the information originally filed shall be submitted to the CIE within seventy-two (72) hours (excepting weekends and holidays).

Section 1.4—Withdrawal of Filing Prior to Termination: Filings may be withdrawn from the CIE by the filing Participant through the submission of a written withdrawal notice signed by the Participant.

Section 1.5—Specification of Price: The Participant, acting on behalf of a seller or lessor, shall specify the price at which the property is being marketed unless the property is subject to auction.

Section 1.6—Multiple Unit Properties: Any property which is to be sold, leased, or exchanged, or which may be marketed separately must be so indicated on the property information sheet. When any part of a filed property has been sold, leased, or exchanged, the rules related to notifying the CIE shall be observed.

Section 1.7—Publication of Information: Property information will be published in the CIE's compilation for the period specified by the filing Participant (not to exceed ninety [90] days). The information will be withdrawn from the compilation on the date specified by the Participant or ninety (90) days after it is first published (whichever comes first) but may be extended for additional periods (not more than ninety [90] days) upon receipt of an extension notice from the Participant.

Section 1.8—Filings of Suspended, Expelled, or Resigned Participants: When a Participant is suspended, expelled, or voluntarily resigns from the CIE, all property information filings submitted by the Participant may be removed from the compilation of current information by the CIE.

Negotiations

Section 2—Negotiations: The filing of information with the CIE by a Participant acting on behalf of a seller or lessor does not, in and of itself, constitute an offer of cooperation. Any Participant, or licensee affiliated with a Participant, wishing to cooperate in the marketing of the property must contact the filing Participant to determine the type of cooperation offered, the compensation offered (if any) to Participants procuring a purchaser or lessee, and the terms and conditions upon which the property being offered may be shown.

Any Participant, or licensee affiliated with a Participant, attempting to locate a property on behalf of a buyer must contact the Participant representing the seller/lessor to determine the terms and conditions of cooperation, the compensation offered (if any), and to arrange showings of prospective properties.

Section 2.1—Presentation of Offers and Counter-offers: A filing Participant acting as the agent of a seller or lessor shall present all offers to the seller or lessor until closing unless precluded by law, government rule, regulation, or unless otherwise agreed in writing between the seller(s) or lessor(s) and filing Participant. Unless a subsequent offer is contingent upon the termination of an existing contract, the filing Participant shall recommend that the seller(s) or lessor(s) obtain the advice of legal counsel prior to accepting a 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 2.2—Right of Participant Producing Offer in Presentation of Offer: The Participant producing the offer or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase, lease, or exchange. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the filing Participant. However, if the seller or lessor gives written instructions to the filing Participant that the Participant producing the offer not be present when an offer the broker secured is presented, the Participant producing the offer has the right to a copy of the seller's or lessor's written instructions. None of the foregoing diminishes the filing Participant's right to control the establishment of appointments for such presentations.

Section 2.3—Right of Seller/Lessor Representative in Presentation of Counter-Offer: The Participant representing the seller or lessor, or his representative, has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except where the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the Participant representing the seller or lessor not be present when a counter-offer is presented, that broker has the right to a copy of the purchaser's or lessee's written instructions.

Section 2.4—Reporting Sales: Sales, leases, or exchanges shall be reported to the CIE by the Participant making the original information filing within seventy-two (72) hours (excluding weekends and holidays) of acceptance of a contract to purchase, lease, or exchange.

***Note:** The written agreement authorizing publication of information on properties for sale, lease, or exchange in the CIE should expressly grant the filing Participant authority to advertise; to file the information with the CIE; to provide timely notice of status changes to the CIE; and to provide contract information, including selling or rental price, to the CIE upon sale of the property.*

Section 2.5—Reporting Cancelled Pending Sales: The Participant making the original filing shall report any cancelled sale, lease, or exchange to the CIE within seventy-two (72) hours and the property information filing shall be reinstated in the compilation of current information.

Prohibitions

Section 3—Information for Participants Only: Property information published through the CIE may not be made available to any broker or firm not participating in the CIE without the prior express consent of the filing Participant.

Section 3.1—“For Sale” Signs: Only the “For Sale” signs of the filing Participant may be placed on the property.

Section 3.2—“Under Contract” Signs: Prior to closing, only the “Under Contract” (or “Contract Pending”) sign of the Participant filing information on a property for sale may be placed on the property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

Note: “Sold” signs can imply the sale of the property has closed and thus may have a chilling effect on back-up offers. It is a better practice to use a sign stating the property is “Under Contract.”

Fees and Charges

Section 4—Service Fees and Charges: The charges made for participation in the CIE shall be as determined, and as amended from time to time by the Board of Directors of CTCAR.

Compliance with Rules

Section 5—Compliance with Rules: The following action may be taken for noncompliance with the rules:

(a) For failure to pay any fee or charge by the date due, the CIE shall suspend service until all fees and charges are paid in full, provided that at least ten (10) days notice has been given.

(b) For failure to comply with any other rule, the provisions of Sections 7 and 7.1 shall apply.

Section 5.1—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 CIE are subject to these rules and regulations and may be disciplined for violations thereof. Further, failure of any user or subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant’s ultimate responsibility and accountability for all users and subscribers affiliated with the Participant.

Meetings

Section 6—Meetings of the CIE Committee: The CIE Committee shall meet for the transaction of its business at a time and place to be determined by the CIE Committee or at the call of the Chairperson.

Section 6.1—Meetings of Participants: The CIE Committee may call meetings of the Participants in the CIE.

Section 6.2—Conduct of Meetings: The Chairperson or Vice Chairperson shall preside at all meetings. 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.

Enforcement of Rules and Disputes

Section 7—Consideration of Alleged Violations: The CIE Committee shall give consideration to all written complaints alleging violations of the rules and regulations.

Section 7.1—Violations of Rules and Regulations: If the alleged offense is a violation of the rules and regulations of the CIE and does not involve a charge of alleged violation of one or more of the provisions of Section 14 of these rules and regulations or a request for arbitration, it may administratively be considered and determined by the CIE Committee and if a violation is determined, the CIE Committee may direct the imposition of sanction provided that the recipient of such sanction may request a hearing by the Professional Standards Committee of CTCAR in accordance with the bylaws of CTCAR. If, rather than conducting an administrative review, the CIE Committee has a procedure established to conduct hearings, the decision of the hearing tribunal may be appealed to the Board of Directors of CTCAR. Alleged violations of Section 14 of these rules and regulations shall be referred to CTCAR's Grievance Committee for processing in accordance with the professional standards procedures of CTCAR, except that if the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of CTCAR.

Section 7.2—Complaints of Unethical Conduct: All complaints of alleged unethical conduct shall be referred by the CIE Committee to the Secretary of CTCAR for appropriate action in accordance with the CTCAR's professional standards procedures.

Confidentiality of CIE Information

Section 8—Confidentiality of CIE Information: All information provided by the CIE to Participants shall be considered confidential and is provided exclusively for the use of Participants authorized and qualified to act as agents in the sale, lease, exchange, appraisal, or purchase of property filed with the CIE and for the use of real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

Section 8.1—CIE Not Responsible for Information Submitted by Participants: The information published by the CIE is communicated without change as filed by the Participants. The CIE does not verify the information provided and disclaims any liability or responsibility for its accuracy. Each Participant agrees to hold the CIE harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

Ownership of Compilation* of Data and Copyright

Section 9—By submitting property information to the CIE, the Participant represents that he has been authorized to grant and also thereby does grant authority for the CIE to include the property information in its copyrighted compilation of data and also in any comparable report, sold report, or other historical or statistical report unless expressly indicated otherwise in writing at the time the information is filed with the CIE. Property information 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 property.

Section 9.1—All right, title, and interest in each copy of every compilation of data created and copyrighted by CTCAR, and in the copyrights therein, shall at all times remain vested in CTCAR.

Section 9.2— Participant shall be entitled to obtain access from CTCAR to the CIE database to provide the Participant and each licensee affiliated with the Participant (including licensed or certified appraisers) engaged in commercial/industrial activity with separate access to the database. The Participant shall pay, for each subscription requested, the fee set by CTCAR. Participants shall acquire by such subscription only the right to use the compilation of data in accordance with these rules.

Use of Copyrighted Compilation of Data

Section 10—Distribution: Participants shall at all times maintain control over, and responsibility for, each of the CIE data leased to them by CTCAR, and shall not distribute any compilation of data to anyone other than subscribers affiliated with the Participant.

Section 10.1—Display: Participants, and licensees with affiliated Participants, shall be permitted to display the CIE compilation to prospective sellers, lessors, and purchasers only in conjunction with their ordinary business activities of attempting to market properties or to identify suitable properties for buyers or lessees.

Section 10.2—Reproduction: Participants or their affiliated licensees shall not reproduce any compilation of data or any portion thereof, except in the following limited circumstances.

Participants and their affiliated licensees may reproduce from the compilation of data, and distribute to prospective sellers, lessors, and purchasers, a reasonable* number of single copies of property information contained in the CIE compilation of data.

Nothing contained herein shall be construed to preclude any Participant from utilizing, displaying, distributing, or reproducing property information sheets or other compilations of data pertaining exclusively to properties submitted to the CIE by the Participant.

Any 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 property information, sold information, comparables, or statistical information from utilizing such information to support an estimate of value on a particular property for a particular client. However, only such information that the CIE has deemed to be nonconfidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations.

**It is intended that the Participant be permitted to provide buyers or lessees with information relating to properties which the buyer or lessee has an interest in, or in which the Participant is seeking to promote interest. The term reasonable, as used herein, should therefore be*

construed to permit only limited reproduction of property information intended to facilitate the decision-making process in the consideration of a purchase, lease, or exchange. Factors which shall be considered in deciding whether the reproductions are reasonable in number, shall include, but are not limited to, the total number of filings in the compilation; how closely the filings reproduced relate to the purchaser(s) or lessee(s) expressed desires and ability to purchase or lease; whether the reproductions were made on a selective basis; and whether the type of properties are consistent with a normal itinerary of properties which would be shown to the prospective purchaser or lessee.

Use of CIE Information

Section 11—Limitations on Use of CIE Information: Use of information from the compilation of current property information, from the statistical report, or from any sold or comparable report of the Board or CIE for public mass media advertising by a 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 in part on information supplied by CTCAR or the CIE must clearly demonstrate the period of time over which claims are based and must include the following, or substantially similar, notice:

Based on information from the Central Texas Commercial Association of REALTORS® (CTCAR) Commercial Real Estate Information Exchange (CIE) for the period (date) through (date).

Changes in Rules and Regulations

Section 12—Changes in Rules and Regulations: Amendments to the rules and regulations of the CIE shall be by a majority vote of the members of the CIE Committee, subject to approval by the Board of Directors of CTCAR.

Arbitration of Disputes

Section 13—Arbitration of Disputes: By becoming and remaining a Participant, each Participant agrees to arbitrate disputes involving contractual issues and questions, and specific non-contractual issues and questions defined in Standard of Practice 17-4 of the Code of Ethics with Participants in different firms arising out of their relationships as Participants subject to the following qualifications:

(a) If all disputants are members of the same Board of REALTORS®, or have their principal place of business within the same Board's territorial jurisdiction, they shall arbitrate pursuant to the procedures of that Board/Association of REALTORS®.

(b) If the disputants are members of different Boards of REALTORS®, or if their principal place of business is located within the territorial jurisdiction of different Boards of REALTORS®, they remain obligated to arbitrate in accordance with the procedures of the Texas Association of REALTORS®.

Interboard Arbitration Procedures: Arbitration shall be conducted in accordance with any existing interboard agreement or, alternatively, in accordance with the Interboard Arbitration

Procedures in the Code of Ethics and Arbitration Manual of the National Association of REALTORS®. Nothing herein shall preclude Participants from agreeing to arbitrate the dispute before a particular Board/Association of REALTORS®.

Standards of Conduct for Participants

Section 14—Standards of Conduct for Participants:

Section 14.1—Participants shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other Participants have with clients.

Section 14.2—Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without the consent of the seller/landlord.

Section 14.3—Participants acting as subagents or as buyer/tenant representatives or brokers shall not attempt to extend a listing broker's offer of cooperation and/or compensation to other brokers without the consent of the listing broker.

Section 14.4—Participants shall not solicit a listing which is currently listed exclusively with another broker. However, if the listing broker, when asked by the Participant, the broker refuses to disclose the expiration date and nature of such listing; i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client, the Participant may contact the owner to secure such information and may discuss the terms upon which the Participant might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing.

Section 14.5—Participants shall not solicit buyer/tenant agreements from buyers/tenants who are subject to exclusive buyer/tenant agreements. However, if asked by an Participant, the broker refuses to disclose the expiration date of the exclusive buyer/tenant agreement, the Participant may contact the buyer/tenant to secure such information and may discuss the terms upon which the Participant might enter into a future buyer/tenant agreement or, alternatively, may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement.

Section 14.6—Participants shall not use information obtained from listing brokers through offers to cooperate made through the CIE or through other offers of cooperation to refer listing brokers' clients to other brokers or to create buyer/tenant relationships with listing brokers' clients, unless such use is authorized by listing brokers.

Section 14.7—The fact that an agreement has been entered into with a Participant shall not preclude or inhibit any other Participant from entering into a similar agreement after the expiration of the prior agreement.

Section 14.8—The fact that a prospect has retained a Participant as an exclusive representative or exclusive broker in one or more past transactions does not preclude other Participants from seeking such prospect's future business.

Section 14.9—Participants are free to enter into contractual relationships or to negotiate with sellers/ landlords, buyers/tenants or others who are not subject to an exclusive agreement but

shall not knowingly obligate them to pay more than one commission except with their informed consent.

Section 14.10—When Participants are contacted by the client of another Participant regarding the creation of an exclusive relationship to provide the same type of service, and Participants have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternatively, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement.

Section 14.11—In cooperative transactions, Participants shall compensate cooperating Participants (principal brokers) and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other Participants without the prior express knowledge and consent of the cooperating broker.

Section 14.12—Participants are not precluded from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage) or from offering the same type of service for property not subject to other brokers' exclusive agreements. However, information received through a CIE may not be used to target clients of other Participants to whom such offers to provide services may be made.

Section 14.13—Participants, acting as subagents or buyer/tenant representatives or brokers, shall not use the terms of an offer to purchase/lease to attempt to modify the listing broker's offer of compensation to subagents or buyer/tenant representatives or brokers, nor make the submission of an executed offer to purchase/lease contingent on the listing broker's agreement to modify the offer of compensation.

Section 14.14—All dealings concerning property exclusively listed, or with buyer/tenants who are subject to an exclusive agreement shall be carried on with the client's representative or broker, and not with the client, except with the consent of the client's representative or broker or except where such dealings are initiated by the client.

Section 14.15—These rules are not intended to prohibit ethical albeit aggressive or innovative business practices, and do not prohibit disagreements with other Participants involving commission, fees, compensation or other forms of payment or expenses.

Section 14.16—Participants shall not knowingly or recklessly make false or misleading statements about competitors, their businesses, or their business practices.