



INTRODUCTION

Subscribers to the MLS BCS real estate services are expected to conduct themselves in accordance with the following Operating Policies and Procedures (OPP’s) in all business affairs with other subscribers, customers and the public in general to accomplish the common goal of maintaining order and promoting good common practices among real estate professionals in the State of Baja California Sur.

By accepting subscribership to MLS BCS services, including the online database of properties, the Subscriber commits to uphold the policies and procedures contained herein, to report violations witnessed and to submit to disciplinary actions that may be imposed by the Board of Directors of MLS BCS as a result of their judgment of any reported or perceived violation.

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Definitions:

Broker (Broker Subscriber) -

- A Subscriber who is a principal of a real estate sales company who meets the minimum requirements of an MLS BCS Broker Subscriber application and who is licensed by the SETUES Department of the Baja California Sur state government.
- A Subscriber appointed by a legal representative of an MLS BCS Agency company, via a signed letter of appointment taking responsibility for the actions of the appointed Broker, and who meets the requirements of a Broker applicant
- A physical person who operates as an unincorporated individual (Persona Física)

Agent (Agent Subscriber) - a salesperson who is licensed by the SETUES Department of the Baja California Sur state government and registered as a subscriber to MLS BCS under the supervision of one Broker Subscriber

Agency - The Broker, employees or Agents of a Broker Subscriber. A Real Estate Brokerage or Agency is defined as a company, its principals, employees and agents, dedicated to the sale and promotion of real property. A Brokerage operating within the state of BCS may apply to be accepted as a registered Brokerage of the MLS-BCS through application. Each Brokerage must designate a Broker. Each Brokerage must maintain and observe all requirements as agreed to in their application and any changes that may be adopted in the future.

An MLS Brokerage or Broker cannot own or operate a second Brokerage, which is not a Subscriber of MLS-BCS. All Agents who subscribe to MLS-BCS services must be affiliated with a Subscriber Brokerage, and likewise all Agents, and members of Agent Teams, of Subscriber Brokerages must be MLS BCS subscribers and must be identified with the Broker in all forms of advertising and media.

Listing Agency - an Agency that represents a Seller under an Exclusive listing agreement.

Selling Agency - an Agency that represents a Buyer under a signed Offer to Acquire an Exclusively listed property.

Exclusive Listing - an agreement between Seller and Broker detailing the rights and responsibilities of the parties in their relationship. The exclusive listing may be in one of two forms- Exclusive Agency wherein the Broker Subscriber is the only Broker representing the property to all other Broker Subscribers and the seller may also represent the property to the public, or Exclusive right to sell wherein the Broker is the only contact for agents and public.



Property - The real estate that is subject of a Professional Service Contract (Listing Agreement) and may consist of a legal description as found in the title (*Escritura* or *Fideicomiso*),

1. GENERAL RULES REGARDING BUSINESS PRACTICES:

- 1.1. No Broker of a registered Agency may directly recruit the affiliation with his own Agency of Agents currently registered with another Agency.
- 1.2. All advertising whether print, digital, audio or video, must feature the full commercial name of the MLS BCS-affiliated agency together with any identifying logos, as approved and on file with the MLS BCS or any franchise operator if applicable.
- 1.3. To avoid any impersonation of the entity that represents our group, the MLS BCS, the use of the letters “MLS” on any TLD (Top Level Domain) is restricted to only the MLS BCS SA de CV. Therefore, any member using these three letters “MLS” in their domain name will be required to take it offline or to make a permanent redirection to our official URL:
www.mlsbcs.com.mx
- 1.4. Agents wishing to brand themselves through the use of Custom URL names and or Websites, must include a prominent reference to the MLS BCS approved commercial name and logo of the MLS BCS affiliated company under which they work, along with a contact email or phone number for that MLS BCS affiliated company. Any personal branding or other identifying name shall be subordinate in size and prominence to the MLS BCS-affiliated company name and logo.
- 1.5. In other forms of advertising apart from the MLS online database, in which an agent is communicating with the Public, the agent shall identify themselves as a real estate agent, stating prominently the MLS registered brokerage – company with which they are associated. If they present themselves as a separate real estate entity, this will be construed as operating multiple companies and all such entities must maintain subscriptions with MLS-BCS as outlined in the OPPs and subscriber requirements. Operation of companies not subscribing to MLS-BCS will result in expulsion of the MLS-BCS agency sponsoring the operator of such non-subscribing entities. Failure to properly identify as a member company shall be violation category B.

2. OFFICE REQUIREMENTS:

- 2.1. For benefit of public safety and trust, and market stability, all agencies shall present themselves in an orderly manner as follows:
- 2.2. All Broker subscribers must maintain a minimum of one main dedicated physical business location (a brick & mortar office) in the State of Baja California Sur for the full term of their



MLS-BCS Broker subscribership, or their subscription may be suspended and or terminated for non-compliance under this rule.

- 2.3. This office location must be located in an area zoned for commercial use and or a business center, accessible to the general public during normal business hours for the area or visibly published if different.
- 2.4. An office exception may be granted for agencies servicing a specific development, under such exception the office may be located within the development but clearly marked as a sales office and accessible to the public during normal business hours.
- 2.5. Non-Qualifying Main Offices: 1) an agent's personal residence or a garage, 2) a "Pop-up", 3) a Travel Trailer on a lot, 4) "Virtual", 5) shared Commercial Spaces, 6) Kiosks
- 2.6. The office location and contact information at minimum on the agency website, and the following within information under the Flex MLS settings tab; Business Phone, Cell Phone, Main Email & Contact Person.

3. CHANGES TO BUSINESS PRACTICES, REGULATIONS AND REQUIREMENTS:

- 3.0 Adjustments and additions to these OPP's may be proposed by the Board from time to time and may be presented in digital format by email to shareholders of MLS BCS SA de CV for comment, and then for email/online vote for and against adoption of the new version, and the majority shall prevail.

4. LISTING PROCEDURE AND DOCUMENTATION:

- 4.1. A listing agreement becomes a valid MLS BCS Broker Listing at the moment the Seller(s) and the MLS BCS Broker sign an Exclusive Right to Sell or Exclusive Agency Listing Agreement.
- 4.2. Listings must be entered into the MLS BCS on-line system as ACTIVE within a period of 48 hours following signature of Seller.
- 4.3. In the event that the Listing Agreement is signed, but the broker is still working to obtain information required for the listing, such as photos, survey, copies of Powers of Attorney, etc., The listing shall be entered into the system as a Coming Soon listing, which will become Active within 30 days.
- 4.4. The following documents are required to be on file in the Broker's office, and shall be made available to the Board of MLS BCS within 3 days of request:
- 4.5. A fully executed exclusive listing agreement, signed by all legal owner(s) of the property or their legal representatives and the Listing Agency Broker for a minimum of six months duration with a specified expiration date. In the case of a listing renewal, the renewal period may be for less than 6 months IF the original listing is still in effect at the time of signing the extension. An exclusive listing shall contain the following minimum clauses:

- 4.5.1. Effective dates
- 4.5.2. Offered Price in Cash USD, which shall be the only price used in Online system. In the event that the Seller demands to list in Peso denomination, the Peso amount shall be stated in the Private Remarks section of the Listing online.
- 4.5.3. Names and signatures of parties, including initials on each page
- 4.5.4. Contact information of owner including address, email or telephone.
- 4.5.5. Legal Description of the property as shown in the title
- 4.5.6. Commission amount
- 4.5.7. Wording regarding the split, between Seller(s) and Agency(ies), of funds that may be held by third parties (1) in the event of a default prior to closing, or (2) any commission.
- 4.5.8. Wording defining either: Exclusive Right to Sell- (the Listing Agency is appointed to receive all offers and to communicate with the Seller), or Exclusive Agency- (The Listing Agency is the only agency offering the property, but the Seller retains the right to offer the property himself without paying a commission. Exclusive Agency precludes Agents or Brokers from making offers directly to the Seller on behalf of their customers).

- 4.6. Clear and legible scanned copy of government issued photo identification of each legal owner or if owner is a corporation, the identification of the authorized signatory(ies) of the corporation, a copy of the document(s) that grant(s) signing authority and Certification of Good Standing of the Corporation, LLC and or its partnerships or parent companies.
 - 4.6.1. Or if represented by a Legal Power of Attorney over dominion, the document granting the Power of Attorney, or in the case of a corporation granting power, the minutes of the corporate assembly or other act that grants the power, the personal identification of the person holding the power of attorney, as well as a legible photocopy of the power of attorney, same that must comply with Mexican legislation.
 - 4.6.2. If owner (s) is (are) married, a copy of their registered marriage certificate.

- 4.7. A copy of the Seller's ownership documents, i.e.: Bank Trust (*Fideicomiso*), *Escritura*, Contract of Promise for Trust deed, Promise to Sell or other Private Contract and Articles of Incorporation, as appropriate and required to accomplish a closing.
 - 4.7.1. In the case of improved property, also include the manifestation of the improvements as an addendum to the listing.
 - 4.7.2. In the case of a rented property, a copy of any lease over the property.
 - 4.7.3. In the case of an assignment of beneficial trust rights (*cesion de derechos*), include also a copy of the original trust agreement (*fideicomiso*).
 - 4.7.4. In the case of a Contract of Promise to Trust, or other contract in the chain of title, include also a copy of the deed (*escritura*) of the person now in



possession of title, and copies of each intervening Contract or Promise to Trust, if any. If title is held in any other form than a registered bank trust or *escritura*, the type of interest shall be disclosed in Private Remarks (or Legal) area of the online system. MLS BCS does not allow listings for properties that will not transfer titles under a deed (*escritura*) or transfer of beneficial rights in Trust (*Fideicomiso*).

- 4.7.5. Ejido properties- Any listings on Ejido properties must have acquired the *Titulo de Propiedad* before being offered in the system.
- 4.8. Disclosure of lien status: In the event the property is affected by any liens, encumbrances, outstanding or unusual circumstances including lease agreements, its existence shall be stated in the listing on the online database system “Private Remarks” (or Legal) field. The statement shall set forth the nature of the lien or situation, approximate amount of liability, and nature of security interest, The Listing Agent shall have on file the contact information for the lien or lease holder, and copies of any mortgage instrument, lease or other document affecting title.
- 4.9. Receipts, by original or copies, for the following:
 - 4.9.1 Last payment of property taxes, or an official statement of property taxes owed,
 - 4.9.2 Last payment of annual Bank Trust administration fees, if any,
 - 4.9.3 Last payment of homeowner association dues or statement of dues owed, if any,
 - 4.9.4 Statement of any other fees or liabilities related to the property or for services rendered to the property. (Penalty Classification “C”)
- 4.10 Once a Listing Agency has fully secured the above, and the Broker has approved the listing documentation, copies of the Listing documentation shall be kept in the main office of the Broker. (Penalty Classification “C”)
- 4.11 If there are any changes to the information included in the listing contract documents 1) a-e, the correction must be input to the online system within 72 hours, and be supported by written documentation in the agency’s listing file. Seller and Listing Broker together may agree to make changes in Price and terms at any time, but such changes will not be considered valid or have effect on any current offer under consideration. (Penalty Classification “C”)
- 4.12 When a listing agreement has expired, the system will eliminate it from the on-line system Active search.
- 4.13 All renewals or re-listings shall be supported by a new written and signed document either emailed from the seller’s email address as registered in the original listing agreement or digitally signed by the owner. No listing shall contain any clause granting automatic renewal upon expiration.
- 4.14 Upon expiration, the Listing Agency shall be responsible for the removal of any signs. If they have not been removed, and a different agency lists the property, then the new Listing Agency shall notify the prior listing office to remove sign(s). If not removed within 5 business days, the new Listing Agency is authorized to do so. (Penalty Classification “C”)
- 4.15 Exclusive Listing Agreements are considered as property of that Agency. Therefore, sales agents are not allowed to take with them or remove from the system any



- exclusive listing if they resign, change agencies, open their own agency or any other circumstance until such time as the original listing agreement has expired or is mutually cancelled by the seller and listing broker. Penalty Classification “A”).
- 4.16 No Agency or subscriber may list, or solicit an owner to list, any properties currently listed by another subscriber of the MLS BCS during the effective period of that subscriber’s listing. Solicitation of listings by means of blanket direct marketing of any group of property owners shall include a disclaimer that “if your property is already listed, please ignore.” (Penalty Classification “A”)
- 4.17 Upon written request from Seller for cancellation of an Exclusive Listing, the Listing Agency shall respond to the Seller in writing within 5 working days (Penalty Classification “C”)
- 4.18 No Agency shall place “for sale” signs on, nor advertise in any way, any non-listed property. Agents and Agent Teams MUST use the logo of the Agency to which they are affiliated in all personal advertising. No independent advertising under personal name, another company or some fictitious name is permitted. (Penalty Classification “B”)
- 4.19 In the case of improved properties, it is essential that the Listing Agency provide access to the property. In order to achieve this, the Listing Agency shall provide the information pertaining to the access in the on-line system, and guarantee access within 24 hours unless access restrictions are stipulated within the private remarks area of the MLS BCS Online system. (Penalty Classification “C”)
- 4.20 Upon request of a Selling Agent, Listing Agent shall accommodate a tour of the listed property with a prospective purchaser with minimal or no personal contact with the Listing Agent. Should the Selling Agent require and request further assistance, the Listing Agent or Broker should provide such assistance. The Listing Agent shall refrain from offering a prospective purchaser any personal business card or company material or any other verbal information, unless specifically invited to do so by the Selling Agent. (Penalty Classification “C”).
- 4.21 All Commercial listings must include real property.
- 4.22 Non-Member Listings- In the event that a sale occurs on a non-MLS BCS listed property, after closing, the Subscriber may enter the transaction through the MLS Administrator as a “Non-Member Listing” and receive credit for the Selling Side.

5 MLS ON-LINE LISTING REQUIREMENTS:

- 5.1 A minimum of 6 photos or images of the property shall be uploaded per listing to the MLS BCS Online System. One of these mandatory photos shall be a front view of the actual property. Additional non-applicable photos such as sunsets or area features



may be uploaded after the 6 mandatory photos. In the case of a lot, photographs of the lot's terrain from ground level are required.

- 5.1.1 No phone numbers, logos or readable signage shall be included in the photo array nor any videos linked to the listing. Inclusion of persons or pets in images should be avoided.
- 5.2 Videos should be hosted on MLS BCS video channel. No one is allowed to post a branded or YouTube/Vimeo video (or any other public video platform) directly on their listing or the MLS BCS video channel.
Each Subscriber will be invited to and must have a Dropbox account using the primary email address they use in their FLEX profile in order to upload videos to the channel. For help posting your videos go to <https://mlsbcsvideos.io/videos/709cd7b4131ee6c6f9/mls-videos>.
- 5.3 All properties shall be geo-coded and mapped correctly on the MLS BCS online system by using maximum amplification to place the marker pin.
- 5.4 Any property may only be listed under one property type. One entry per property title.
- 5.5 Property Status shall be maintained current according to the following criteria:
 - 5.5.1 COMING SOON: Listing agreement is signed, but the property is not available to be viewed on the Public Side nor publicly in any way, only available for MLS BCS Subscriber viewing online and for showings. Within a maximum of 30 days of listing entry into COMING SOON status, the listing will become ACTIVE and visible online to the Public through IDX, Searches and email.
 - 5.5.2 ACTIVE: Listing file is complete and property is available for showing and offers
 - 5.5.3 PENDING: At the moment an offer has been accepted by the Owner.
 - 5.5.4 WITHDRAWN (Temporary): By agreement between Owner and Agent the listing is made inaccessible for a period of time due to damage, lack of access or other circumstance
 - 5.5.5 CANCELLED: The permanent cancellation of the listing agreement prior to natural EXPIRATION.
 - 5.5.6 EXPIRED: The listing has reached the end date of its ACTIVE period with no sale or renewal having occurred, and is automatically removed from ACTIVE status.
 - 5.5.7 CLOSED: Upon initial disbursement of escrowed funds
 - 5.5.8 Back On Market- Properties that are withdrawn or expired may be put Back On Market, but the Begin Date of the listing may not be altered.
- 5.6 All fees and tax amounts related to the property, whether paid or unpaid, shall be disclosed. Property taxes shall be listed in Pesos at the full amount before early payment discount.
- 5.7 All liens or encumbrances or unusual circumstances including leases, dispute by reason of probate, divorce settlement, possession trial, lawsuit, mortgages, Ejido title, Derecho del Tanto, known construction or system failures or needed repairs or any other similar situation that would make the transfer process somehow different than a



regular transfer of ownership shall be disclosed in the private remarks (or Legal) area of that listing in the online database system, describing in sufficient detail the specifics of the situation to alert other agents to potential problems, delays or expenses.

- 5.8 All applicable property details and price fields shall be completed and kept current.
- 5.9 Any known legal, zoning or other condition that exists at the time of listing that may affect a sale shall be disclosed. (Penalty Classification “C”)
- 5.10 Non real estate related message-blasts using the MLS on-line system are prohibited. (Penalty Classification “C”)
- 5.11 Subscribers shall receive a private password to the MLS on-line system for their exclusive use. A password must never be exposed, lent or permitted to be used by anyone other than the designated subscriber. It shall be mandatory for all Subscribers to complete their online Profile section to include a personal telephone, email address and a recognizable portrait style photo. (Penalty Classification “A”).
- 5.12 Any MLS subscriber may share MLS on-line property information of other subscriber agency listings with their prospective clients by means of flyers or search links generated by the online system and either printed, emailed or accessed through IDX generation from their own web pages, however, any other form of advertising of other agency MLS inventories, such as print or third party electronic media, requires the written approval of the Listing Agent and Broker and disclosure that the source of the information is the MLS BCS.
- 5.13 Listing agent and Seller may agree to Changes on the listing, but such changes shall not affect any offer already presented before the time of the change.
- 5.14 Agents MUST use the official MLS BCS registered company name of their affiliated sponsoring member Broker in all communications and advertising.
- 5.15 Private remarks may not include anything contrary to Mexican Law.
- 5.16 Description field may not contain any contact information of the listing Agent or Broker, including but not limited to names, phone numbers, email addresses, website URL’s, nor social media contacts.
- 5.17 Subdivisions

Definition: Subdivisions, for purposes of the MLS BCS online system, shall be classified as any property that has been formally subdivided into 4 or more units of any property type, which are registered or marketed under the same name.

- 5.17.1 Subdivision Name Registration: In the FLEX MLS system, at the ADD LISTING function, the correct ZONE/AREA/COMMUNITY/SUBDIVISION location relationships must be selected from dropdown text menus. The exact Subdivision name must be selected.

5.17.2 If the exact Subdivision name does not appear on the list, it must be requested to be added by email to subdivisions@mlsbc.com.mx with the following information:

In the Body of the email, identify the following:

PROPERTY TYPE: Condos, Houses, Land, Commercial, Multi-Family, or Fractional

LOCATION: Zone /Area / Community/ Subdivision

15.17.3 If the Subdivision is being offered in PRE-CONSTRUCTION, prior to completion, OR if the Subdivision is NEW TO THE MARKET, and in either case, is being offered as original sales, then attach to the email unredacted copies of the following:

- a) Contract of Exclusive representation (Exclusive Listing Agreement)
- b) Articles of Incorporation (*Acta Constitutiva*) of the developer
- c) *Constancia de Situación Fiscal* of the developer
- d) Document granting Power to the legal representative, if not included in the *Acta Constitutiva*
- e) Site plan, approved by CATASTRO showing distribution of buildings or units
- f) Site location map showing perimeter and access road
- g) Building Permit
- h) Formal declaration or proof of official name of the project

If the Subdivision is older and completed, and is not being sold in original sales, but in resale, please provide from the list above the documents that can be obtained, which MUST include a Site location map showing perimeter and access road, and any other documents that MLS BCS shall require to properly identify the Subdivision.

5.17.4 For all Subdivisions, all required documentation shall be submitted to MLS BCS Administration by email at subdivisions@mlsbc.com.mx a minimum of 72 hours prior to any signage, advertising or promotion to the public or other agents, allowing time for the entry of the Subdivision name into the official list on the system.

5.17.5 All Properties being offered must be uploaded as individual listings to the MLS BCS FLEX MLS system within 48 hours of notification that the Subdivision is entered and prior to any public promotion.

5.17.6 Listings of properties that are within a development that meets the Subdivision definition may not be listed outside that Subdivision.



6. SALES PROCEDURES:

- 6.1. The following procedures shall be used as a guideline for transactions. If modifications of these procedures are deemed necessary, they must be established and agreed upon in writing between the agencies involved in the sale.
- 6.2. The Selling Agency, as designated in the following, has obtained from the Purchaser a written and signed offer to acquire the listed property.
- 6.3. All cooperative offers shall be presented by the Selling Agency to the Listing Agency, and never directly to the Owner/Seller.
- 6.4. Offer must be accompanied by an earnest money deposit, or a clearly stated commitment within the offer to make an earnest money deposit, into a designated third-party escrow account. Earnest deposits shall be in a minimum amount of Five Thousand US (\$5000. USD) or 10% of purchase price, whichever is less.
- 6.5. The Listing Agency is required to provide a copy of the current signed listing agreement to the Selling Agency, upon request, at the presentation of a signed offer, and evidence of earnest money deposit or a clearly stated commitment to make such deposit. The copy of the listing agreement shall be complete, except that Seller contact information only may be redacted. (Penalty Classification “B”)
- 6.6. Listing Agencies shall be required to provide current, signed and un-redacted listing agreements to the Board of Directors of MLS BCS within three business days of the request. (Penalty Classification “B”)
- 6.7. During the period of negotiation or of Pending online for the listed property, under no circumstances, without written permission of the Listing Agency, shall the Selling Agency be allowed to contact the owner of the listed property directly, nor shall the Listing Agency be allowed to contact a prospective Buyer after the Buyer has been identified to Listing Agency or Agent as a potential purchaser by way of an offer . (Penalty Classification “A”)
 - 6.7.1. All agencies must present all offers and counter offers to their respective clients as soon as possible. All offers and counter offers must have an expiration date. The property shall remain on the market as an ACTIVE listing until the Purchaser and Seller arrive at a written agreement for purchase and sale executed by both parties; until there is agreement in writing, Seller and his/her agent may continue to offer the property, and any additional offers must be presented to Seller. Once any offer is accepted by the Seller, the property may no longer be offered for sale on the online system, and must be classified as PENDING. (Classification “B”)
 - 6.7.2. A counteroffer in process from the Seller means the property is off the market until its conclusion, unless the counteroffer in its terms provides otherwise. Notwithstanding these provisions, a seller and his/her agent may seek and accept backup offers specifically denominated as such. A counter offer in process from



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the Buyer does not mean a property is off the market. Listing Agency shall not submit counter offer at a value above current list price. (Penalty Classification “A”)

- 6.8. The Selling Agency is responsible to oversee and coordinate the closing and legalization of the transaction; therefore, upon acceptance of an offer, the Listing Agency is obligated to immediately provide to the Selling Agency, or a person designated by the Selling Agency in the purchase and sale agreement, all necessary seller’s documents to finalize and or legalize the transaction.
- 6.9. The essential Seller documents are listed above under the heading “Listing Procedures and Documentation”, (Penalty Classification “B”).
- 6.10. The Selling and Listing Agencies shall also provide signed KYC (Anti-Money Laundering) disclosures as required.
- 6.11. The Selling Agency shall coordinate with the Purchaser for the preparation of a Promissory Agreement for the closing, if one is to be created, as well as obtaining the final Trust or Title, unless otherwise mutually agreed by the parties in writing.
- 6.12. In the case that a Private Contract is to be utilized, the Selling Agency shall offer to assist the Purchaser with the option to have the Private Contract ratified by the *Notario Publico*, including advising of their obligation to (a) pay the ISABI tax (b) obtain a certificate of no liens on the property to be noted in the Private Contract, (c) assure that all Utilities are paid in Full and supply proof of payment and (d) provide a Certificate of No Property Taxes Due.
- 6.13. Both Selling and Listing Agencies shall timely request the necessary signatures of their respective clients on any Counter-Offers, Private Contract or other documents in the time prescribed in their agreement. (Penalty Classification “B”)
- 6.14. All earnest money deposits shall be deposited in accordance with the executed purchase and sale agreement and shall be nonrefundable from the moment both purchaser and seller have mutually agreed in writing to an offer and acceptance agreement, except as specifically provided otherwise in the parties’ agreement. No transaction will be deemed valid without the earnest money deposit or a waiver thereof, signed by all parties. All purchase and sale agreements (offers) shall state the conditions under which earnest money deposits may be refundable. Any non-refundable deposits or portions thereof shall be split between the Seller and the brokers. (Penalty Classification “A”)
- 6.15. No member agency or its agents, nor their Sellers or Developers shall act as Escrow or hold funds guaranteeing the purchase price of the transaction in their company or personal accounts, or those of their agents or employees. When purchase funds are to be held on behalf of the contracting parties for the



transaction, only impartial third parties may be used to hold those funds. (Penalty Classification “A”)

- 6.16. It is the responsibility of the Selling and Listing Agencies to provide at closing, and/or in the use of third-party Closing Companies or Closing Agents assure that they provide at closing, a settlement statement or statements identifying all deposits and disbursements of both purchase money and closing costs, including but not limited to the list below:

(Items known to Listing agent or Selling agency or related to Seller shall be furnished to Selling Agency or the designated closing office. Items known by the Selling Agency, Selling Agent or Buyer shall be evidenced and furnished to the Selling Agency or designated closing office). (Penalty Classification “B”)

- a) Seller’s gross and net proceeds
 - b) Real estate agencies’ commissions with IVA
 - c) Seller’s capital gain retention
 - d) Prorated annual property taxes
 - e) Prorated homeowner association dues
 - f) Bank trustee fees, applicable to Buyer and Seller
 - g) Prorated utilities
 - h) Mortgages or indebtedness paid off
 - i) Detailed closing costs, which may be in a separate estimate of closing costs furnished only to Buyer
 - j) Buyer’s reverse Capital Gains retention, when applicable.
 - k) Pro-ration and transfer of any memberships (Golf, beach club, yacht clubs etc...)
- 6.17. In the event of seller financing the sale should be closed before a Public Notario with a mortgage instrument duly recorded in the public registry, unless otherwise agreed by the parties in writing. (Penalty Classification “B”).
- 6.18. In the event of default by the Purchaser, any and all forfeited earnest monies shall be disbursed 50% to the Seller and 50% to the Agencies involved, provided that said amount paid to the Agencies shall not exceed the total commission. Any amount that does exceed the total commission payable shall be distributed instead to the Seller. The Agencies’ share shall be distributed in accordance with the original commission structure that was published in the MLS BCS online system at the time the parties entered into their purchase and sale agreement. (Penalty Classification “A”)
- 6.19. Assistants or unregistered agents may not tour Buyers. Assistants may open properties for viewing but may not share any details of the listing being made available, even when asked by the Selling Agent.
- 6.20. Final Acceptance of the parties shall include all representations made and accepted during all signed offers and counter offers.

7. COMMISSION POLICY:

- a. Commissions shall be calculated based on a percentage of the purchase price, An "over-price" listing or "net listing" (in which a specified sum is provided for seller, and all remaining proceeds go to the agents) is prohibited. This is considered unfair compensation that will damage the interests of the client who is selling. (Penalty Classification "A").
- b. Each Member Agency may list any property in their respective agencies at any commission percentage.
- c. Commission rates offered to cooperating Selling Agencies shall be declared in the online system. Any commission not so published shall be assumed to be 50% of the total commission paid by the Seller, and it will be the responsibility of the Listing Agency to see that the Selling Agency receives that sum. (Penalty Classification "A").
- d. Referral agreements and commission reductions by negotiation should be agreed to in writing between the Agencies.
- e. All commissions are due and payable upon disbursement of initial funds to Seller and shall be paid to the Agencies directly from Escrow. Under no circumstances shall any commissions be paid directly to an Agent or sub-agent of any Agency, unless such disbursement has been previously directed in writing by the Broker.
- f. *Facturas* for sales commissions need to be presented to the *Notario/Corredor* for benefit of capital gains calculations or other deductions. (Penalty Classification "A"). *Facturas* for commissions shall have IVA added to the amount of the Commission and shall be presented to the Notary public.
- g. Any commission posted on the MLS BCS Online System or otherwise agreed in writing shall not include IVA, which shall be added to the commission amount. (Penalty Classification "A").
- h. The Board of MLS BCS will not mediate or intervene in any dispute regarding Bonuses to Agents or Agencies nor any dispute regarding commissions related to sales with non-MLS BCS subscriber agents or agencies.

8. DISPUTE RESOLUTION:

- a. In the case of dispute between Agencies in regard to any of these Operating Policies and Procedures, one or both Agencies in disagreement may request intervention by contacting the Board of Directors through the Compliance Officer (compliance@mlsbc.com.mx). No member of the Board of Directors shall have any



- personal, professional or financial connection with the case. Such members will be automatically excused from hearing the dispute.
- b. All claims or disputes shall be made in writing by the Broker and accompanied with all supporting data of their claim delivered to the Compliance Officer by emailed digitized copy.
 - c. Upon receipt of any claim or dispute, the MLS BCS Board through its Compliance Officer shall notify the defending parties by the email address registered in the MLS BCS Service Contract to solicit a response, to be submitted in writing on their letterhead and with any supporting documentation all returned to the Compliance Officer by emailed digitized copy. The response/documentation should be received by the Board of Directors within 7 business days after solicitation.
 - d. All parties requested to present additional responses or documentation shall do so within 7 business days. After that deadline date, the case will continue without any such consideration of documentation that may have been presented late.
 - e. The Board shall first attempt to resolve the dispute.
 - f. Any determinations by the Board shall be written and will be distributed to the parties.
 - g. Any fines, penalties or obligations made as part of the ruling or assessed as a result of the Board ruling shall be paid within thirty days of the written determination, unless otherwise mutually agreed, after which suspension of service plus interest of 10% per annum shall be calculated onto the penalty and paid to the MLS BCS or the awarded member in order for subscriber to be considered for re subscription.
 - h. In the case of dispute between a client and an agency, or specific agent, in regard to any of these Operating Policies and Procedures, wherein a client brings forward charges against an Agency, or member of an agency, a hearing before the Board shall ensue. No member of the Board shall have any personal, professional or financial connection with the case. Such members will be automatically excused from hearing the dispute. The Board shall be empowered to levy fines against a subscriber for any violation of the Operating Policies and Procedures or for any damages suffered by a client due to negligence or incompetence.
 - i. Any penalty, fine or obligation levied by MLS BCS shall be the sole responsibility of the Agency.
 - j. Upon resolution made by the Board, after both parties have been heard or choose not to respond, the party who has been found in violation of these rules, may be cancelled and refused any further service as a subscriber to the MLS-BCS services, and in such case the Board will instruct the Administrator to inform all other subscribers by e-mail and no refunds shall be made of subscription fees paid.
 - k. The Board will not accept for mediation any disputes between broker and their agents.