

DecentRE Property Exchange (DPX) Rules & Policies

Preface

For any marketplace to function there must be an agreed upon system of requirements, use, and operation that continuously evolve to meet the needs of the people and companies involved in the average home sale transaction. It is not the purpose of these Rules and Policies to limit this evolution. Rather our purpose is to assure that evolution proceeds in a manner which satisfies the requirements of those utilizing and benefiting from a decentralized real estate marketplace.

Definitions:

- **DMLS** - The governance token of Decentre Foundation, which maintains these Rules
- **DPX** - Decentralized Property Exchange, the auction-based decentralized MLS/property marketplace.
- **SDID** - Sovereign Digital Identity. SDID gives individuals control of their digital identities. Credentials are managed using crypto wallets and verified using public-key cryptography anchored on a distributed ledger.
- **DAO** - An organization constructed by rules encoded as a computer program that is often transparent and controlled by the organization's members. In other words they are member-owned communities without centralized leadership.
- **HouseLedger** - Each parcel of real property and all records associated with the property, is an individual HouseLedger. A HouseLedger must be created for every property to be listed on the DPX platform.
- **Buyer/Seller/Owner** - For the purposes of this document, wherever the term “Buyer” or “Seller” or “Owner” are used alone, they should be interpreted to include the licensed real estate broker and/or agent with the verified authority to act on behalf of the buyer, seller or owner.

General Principles of DPX

1) Transparency

- a) Transparency is the reason why DPX was created. We will endeavor to make the transaction as transparent as possible, while balancing the privacy interests and business strategies of market participants.

- b) **User information is never public**, unless the user chooses to be public, or unless necessary to conduct the transaction.
 - i) We use wallet addresses on DPX to ensure anonymity of users.
 - ii) Most real estate brokers and agents would want their information to be publicly available, while most buyers and sellers would not. We leave that choice up to you.
 - iii) User identity will be revealed only when required – for example, to schedule a tour of the property, or to complete the transaction.
- c) By default, all property information is open to the public when the property is Active and/or Pending.
- d) All bids are considered public if the property being auctioned is public, and on-market.
- e) Once a property is no longer actively being marketed, all information in that property's HouseLedger will be made private.
 - i) The Owner may choose to make all or some of the information public, or choose to share information on a case by case basis with whomever he/she wishes.
- f) While a property is being actively listed for auction, no property or marketing information may be concealed.
 - i) DPX may provide options for Restricted Auctions and Private Auctions for sellers and their agents who desire greater privacy, but we do not permit a lack of transparency on properties actively being marketed.

2) Informed Consent

- a) Fundamental to any Principal-Agency relationship is the concept of informed consent.
- b) Informed consent means that the Principal – the property owner who is selling a property, or the buyer who is buying the property – understands and agrees to the actions and decisions of the Agent.
- c) **DPX will require and enforce informed consent.**
- d) Informed consent may be established by uploading a Listing Agreement or a Buyer Agency Agreement, as well as through unique invitation links or other technology that establish the Principal-Agency relationship.

3) Censorship Resistant, Permissionless

- a) DPX is built on web3 principles of censorship resistance and permissionless access.
- b) We do not limit access to DPX except where required by law.
- c) All personally identifiable information of a user will be kept strictly confidential, except as necessary to complete a transaction, or to comply with legal requirements.
- d) KYC/AML: Because real estate is a regulated asset class, we are required to conduct KYC (“Know Your Customer”) checks before a user may take certain actions on DPX. In some cases, we may be required to conduct AML (“Anti-Money Laundering”) checks as well.

- e) Additional Information Collected: For users who wish to engage in certain actions, we must ensure compliance with laws and regulations. For most users, this will come in two areas.
- i) Right to Sell/List: Any user listing a property on DPX must have the legal right to offer that property for sale.
 - ii) Active Real Estate License: Any Agent wishing to represent a buyer or seller on DPX must have a valid and active real estate license in the jurisdiction where the property is located.
 - iii) Buyer Pre-approval: In most auctions, the Seller has set certain pre-approval for buyers allowed to bid on that property. The most common will be mortgage pre-approval, and second most common is proof of funds.
 - (1) DPX will collect such information, and such information will be kept strictly confidential and encrypted in the user's personal account, except as necessary to complete a transaction or where required by law.

The HouseLedger

DPX operates differently than traditional MLSs or real estate platforms. We believe fundamentally that the property Owner owns the data to the property. Accordingly, DPX uses the HouseLedger as the repository of all information about the property, under the control of the Owner. The Owner may delegate authority to an Agent.

On the DPX platform a Listing is a status of a HouseLedger. When a home is actively being marketed on DPX, it is a Listing; when it is not being actively marketed, it is not a Listing.

- 1) The HouseLedger represents the Owner's record of the property and will contain data and information beyond what is available in public records.
 - a) Any changes to the public record must go through the proper government authority or public record source.
 - b) When there is a conflict between the public record and HouseLedger, the HouseLedger information will be used on DPX.
- 2) To create a HouseLedger, the Seller must establish the right to sell the property.
- 3) All data entered into the HouseLedger shall be true and accurate.
 - a) The Owner and all associated Agents agree to correct any errors in a timely manner.

The HouseLedger is divided into two sections: Property Information and Marketing Information.

HouseLedger: Property Information

The Property Information section of the HouseLedger is about the physical attributes of the property.

The base data for the HouseLedger's Property Information will be imported from the latest public records.

Accuracy of Property Data

Owners and their Agents are required to submit accurate property data and required to correct any known errors.

HouseLedger: Marketing Information

Where the Property Information section is concerned with the physical attributes of the property and its neighborhood, the Marketing Information section of the HouseLedger is about the financial and marketing assets of the property, including historical data.

Types of Listing Agreements

DPX does not require a participant to submit listings. However, DPX:

- 1) May reserve the right to refuse to accept a listing that fails to adequately protect the interest of the public and DPX users;
- 2) May assure that no listing filed by a real estate agent with the service establishes, directly or indirectly, any contractual relationship between the Service and the Client (buyer or seller);
- 3) The listing agreement must include the seller's written authorization to submit the agreement to DPX;
- 4) DPX may not accept net listing agreements because they are deemed unethical and, in most states, illegal.
- 5) DPX *does* accept open listings. **However, the auction format requires a single auction at a time.** Accordingly, once a property is listed for auction by one listing agent, no other auctions may be started by another user *including the Owner* until that auction terminates.
 - a) The Owner may terminate the relationship with an Agent, which will automatically terminate the listing by that Agent.
 - b) Exception: If Reserve Price has been met on the auction created by the Agent who is then terminated, the auction will not terminate early. Owner agrees that the Agent is due compensation from DPX for bringing a bid over the Reserve Price even post-termination.

Starting an Auction (i.e., On-Market)

In DPX, listing a property means creating the auction, which sets the status of that HouseLedger to "On-Market." Where there are required data fields missing in the HouseLedger, the Listing Agent will be prompted to fill in the missing information before proceeding to creating an auction.

Auction Data

- 1) Auction Start Date: Default is Today. Users may select any future Auction Start Date, with a limit of 90 days in the future.
 - a) Auction Start Time: By default, DPX will set the Start Time at noon Pacific Time of the Start Date.
- 2) Length of Auction: Default is 30 days. Minimum is 24 hours, and maximum is 180 days.
- 3) Auction End Date will be computed from the Start Date and Length of Auction.
 - a) Auction End Time: By default, DPX will set the End Time at noon Pacific Time of the End Date.
- 4) Anti-Sniping: By default, DPX implements anti-sniping to prevent unfairness to active bidders on a Property.
 - a) A bid placed in the final 30 minutes of an Auction automatically resets the auction countdown timer to 30 minutes.
- 5) Starting Bid: Set at **\$1,000** by default. Users may enter any amount.
- 6) Minimum Raise Amount: Set at **\$1,000** by default. Users may select any amount, up to the Starting Bid amount.

- 7) Reserve Price (Optional): not disclosed on the Listing or provided in API information. Set at Starting Bid amount by default.
- 8) Buy It Now price (Optional): Set at None by default.
- 9) Non Financial Terms
 - a) Non Financial Terms have a default setting of \$0 (i.e, the Seller attaches no value to them).
 - b) Non Financial Terms may have a dollar value attached to them, with a minimum value of \$1.00.
 - c) Required Non Financial Terms: If the Seller selects a Non Financial Term as being Required, then only those bids including such Non Financial Terms may be placed.
- 10) Bidder Qualifications (Optional)
 - a) No bidder restriction that violates any law or regulation, especially Fair Housing laws, will be permitted.
 - b) Pre-approval: The Seller may require that the bidder be pre-approved for the bid amount. DPX will check the Buyer's SDID in order to verify.
 - i) Cash buyers with proof of funds in the SDID will meet this requirement.
 - c) Cash Only: The Seller may require that only those bidders paying cash may bid. The Seller may require proof of funds prior to placing a bid.
 - i) DPX will check the Buyer's SDID in order to verify.
 - d) No Institutions: Sellers may restrict bidding only to individual buyers, and refuse to accept bids from companies, organizations, and other institutions.
- 11) Modifying Auction Data
 - a) Sellers and their Agents may modify auction data only if there are no bids meeting Reserve Price.
 - b) Upon modification by Seller of any terms, any current Buyer with an active bid will be notified of the modification, and given the opportunity to cancel the bid without penalty.
- 12) Early Termination of Auction
 - a) Sellers and their Agents may terminate an auction at any time, for any reason or for no reason at all, but only if there are no active bids at or above Reserve Price.
 - b) If there is no Reserve Price set, the Auction may not be terminated early. DPX treats no Reserve Price as equal to the Reserve Price being met on the first bid.

Pre-Auction Period

DPX recognizes that Sellers and their Agents have a variety of strategies for marketing their properties for sale. We do not interfere with the business decisions of users of Services, except when required by law.

If the Auction Start Date is set in the future, the property will be set as Pre-Auction. The HouseLedger will be active and public, and all of the information about the property will be visible, including the value of Non-Financial Terms as set by the Seller.

Bidding features will be deactivated until the Auction starts.

However, Buyers may contact the Listing Agent to make direct offers and to negotiate the terms and conditions.

Accepting an Offer during Pre-Auction Period

The Seller may accept an offer during the Pre-Auction Period. All such acceptances are conditional as follows:

- 1) The Seller or Listing Agent will enter the terms of the offer as a bid on the DPX system. That bid will be approved by the Buyer.
- 2) Upon approval by the Buyer, the Pre-Auction Period will end immediately, and the Property will be put into a live auction with the Start Date and Time set as of the day of approval by the Buyer, and the Length of Auction set at 24 hours.
 - a) The bid entered by the Seller will be entered as the Starting Bid, with all of its terms visible. The Reserve Price will be reset to be equal to the Price in the bid.
 - b) DPX will inform all Buyers who have saved that Property that a Pre-Auction offer has been tentatively accepted.

This “lightning auction” after a Pre-Auction offer has been accepted is a fair way to balance the needs and wants of the Seller with fairness and transparency to potential Buyers who have expressed interest in the Property.

Accepting an Offer Outside of DPX

Once a HouseLedger is created in DPX, you must keep that information updated.

In particular, if you have closed the transaction outside of the DPX system, we require that you upload the final closing information to the Auction and close out the Auction manually. DPX will transfer ownership of the HouseLedger to the new buyer, if the buyer has an account with DPX or registers an account with DPX.

You will not receive any DMLS tokens from a transaction completed off-DPX.

Failure to update the HouseLedger with the final closing information may subject you to disciplinary action, as the new owner is disadvantaged by the lack of update.

Auction Process

DPX auction process is a straightforward one that should be familiar to those who have online auction platform such as Ebay.

However, because we are dealing with real estate, we understand that there are nuances to every offer, therefore have implemented a points-based system to equate the full value of the offers being made.

DPX Bidding System

Bids are ranked by Total Value. The Seller, with the guidance of the Listing Agent, will assign dollar values to certain non financial terms when the auction is created in DPX. DPX uses the Seller's values when calculating the Total Value of a bid. While the non financial terms increase the overall bid value, they do not change the Sale Price of the property.

Each bid is broken down into two parts: Sale Price and Non Financial Terms.

Each Non Financial Term is worth whatever the Seller has assigned to it.

For example, Seller A might value inspection waiver at \$5,000; Seller B may value it at \$2,000. Seller A might place very little value on an all-cash offer and put \$500, while Seller B might value it greatly and value all-cash offers at \$25,000.

Each bid is ranked on the basis of the Total Value to determine the winning bid. For example:

Bid 1 (High)

- Sale Price: \$350,000
- Non Financial Terms:
 - All Cash: \$15,000
 - Waive Inspection \$2,500
 - Waive Appraisal \$3,000
 - 30 Day Close \$1,500
- **Total Value** **\$372,000**

Bid 2

- Sale Price: \$355,000
- Non-Financial Terms:
 - All Cash \$15,000
- **Total Value** **\$370,000**

Bid 3

- Sale Price: \$380,000
- Non-Financial Terms:
 - VA loan (\$10,000)
 - Home Sale Contingency (\$20,000)
 - Waive Inspection \$2,500
 - 30 Day Close \$1,500
- **Total Value** **\$354,000**

Note that negative value is possible, if assigned by the Seller as Bid 3 illustrates. If the Seller thinks Home Sale Contingency makes that bid \$20,000 less valuable, then DPX will calculate the Total Value accordingly.

Required Non Financial Terms: If the Seller selects a Non Financial Term as being Required, then only those bids including such Non Financial Terms may be placed.

Reserve Price

If the Seller has set a Reserve Price (Reserve Price will not be publicly displayed) for the auction, then the auction will clearly indicate that Reserve has not yet been met. All accepted bids will be displayed for potential Buyers to know where their offer will stand. Sellers may edit or withdraw the auction at any time if the Reserve Price has not been met.

Once a bid is placed that meets or exceeds the Reserve Price, the auction will clearly indicate that Reserve has been met. Sellers may not edit or withdraw the auction once Reserve has been met.

Contract Sale Price Based Only On Price

The Sale Price on the Purchase and Sale Agreement is based on the Sale Price of the winning bid, plus the Buyer Premium. The additional Terms are automatically written into the Memorandum of Understanding that DPX will issue to the subject parties.

Bids Are Legally Binding

Once a bid is submitted, it cannot be changed or withdrawn until a new high bid is placed. All lower bids remain on chain and on display for informational purposes, but they are no longer legally binding. The top bid is legally binding, even if Reserve has not been met.

The high bidder may place a new bid that is *higher* in Total Value in order to make the previous bid no longer binding.

Buyers/Bidders may not cancel a bid. Buyers should work closely with their Agents prior to submitting a Bid on DPX.

No Self-Bidding or Shill Bidding

Sellers and their Agents are prohibited from placing bids on their Properties. Sellers and Agents engaging in artificially inflating the bid price is subject to disciplinary action, up to and including termination of the account on DPX.

Ending an Auction

The Auction ends when:

1. The term of the auction ends.
2. A bidder elects to pay the Buy It Now price, if the Seller has set it.
3. There are no bids, and the Seller terminates the auction. The Seller may elect to terminate the auction early **only if there are no bids that exceed the Reserve Amount.**

Standard Outcome

Upon the conclusion of the auction, DPX will notify the winning bidder/Buyer and the Seller and their respective Agents. DPX will send the Memorandum of Understanding, automatically created with all of the relevant terms from the auction itself, to both parties and their representatives.

DPX will send a copy of the Memorandum of Understanding to the Closing Company selected by the parties.

When Reserve Price is Not Met

If the auction had a Reserve Price, and the highest bid did not meet the Reserve when the auction expired, the Seller may choose to accept the highest bid, relist the property, or withdraw it completely.

If the Seller chooses to accept the highest bid, then DPX will follow the Standard Outcome.

Terminated Auctions

If the Seller terminates the auction, all of the public on-market data is written to the HouseLedger and to the DPX Sold Data database. The Seller may re-list the Auction at any time.

Waiver of Commissions

In order to use DPX, those Users who are real estate agents and brokers representing a client must agree to **waive all commissions or claims on the client from all existing agreements.** In exchange, DPX will guarantee their compensation through the escrow process.

Please see the section on Compensation below.

Buyer Financing Verification Period

In some markets, the End of Auction triggers a special Buyer Financing Verification Period to allow the Seller to make sure that the Buyer's financing is still valid and the Buyer will be able to close on the Property.

- 1) Such Buyer Financing Verification Period shall not exceed one business day.
- 2) If the Buyer's financing arrangements fail to be verified during this period, and the Buyer cannot cure the default, the Seller may opt to reject that Buyer upon written notification.
- 3) The Seller may then contact the runner-up in the bidding and accept the bid.

- a) As the runner-up's bid is no longer legally binding, DPX requires written approval of bid reinstatement from the Buyer.
 - b) Upon approval of the Buyer, DPX will issue a new Memorandum of Understanding or Sales Agreement to the parties.
- 4) The failure of the original Buyer and the runner-up's bid will be written to the blockchain, to the HouseLedger and to the DPX Sold Database.

Data Distribution & Display

DPX utilizes modern techniques for data distribution. We embrace web3 principles of transparency and openness. Accordingly, DPX's rules around data distribution and display are streamlined. The primary motivation behind data distribution and display is to promote transparency and empowerment to the public.

1) Default Data Distribution Rules

- a) By default, all of the public data on DPX is public and written to a public blockchain, or available via open API access. DPX is a permissionless and censorship resistant decentralized platform.
- b) Anyone may request API keys via our automated distribution platform.
- c) DPX may charge a reasonable fee for data distribution to cover the cost of such distribution.

2) Default Data Display Rules

- a) DPX has simplified data display rules.
- b) However, we do have a few important principles that we will enforce via rules.

i) Transparency

- (1) DPX takes transparency seriously.
- (2) All data users requesting data from DPX must display all market relevant data, as defined in the DPX Data Dictionary, to allow potential buyers to have enough information to make an informed decision on whether to bid or not.
- (3) Providing a direct link back to DPX or to the HouseLedger will be sufficient in most cases to satisfy the Transparency requirement.

ii) Nondiscrimination

- (1) DPX also takes the principles of censorship resistance and nondiscrimination seriously.
- (2) All data users requesting data from DPX must display data without regard to the person or companies associated with or not associated with that data. For example, excluding FSBO auctions or New Construction is not allowed and will result in revocation of the API.
- (3) Any violation of laws and regulations, such as the Fair Housing Act, will result in immediate revocation of the API and likely result in other disciplinary action in the relevant jurisdiction.

iii) Exceptions to Nondiscrimination Rule: Categories

- (1) A data requester may choose not to display data from entire *categories* of listings:
 - (a) Residential Sales
 - (b) Residential Leases

- (c) Commercial Sales
- (d) Commercial Leases
- (e) Acreage

(2) We recognize that some companies may be active in residential but not commercial for example and have no interest in displaying commercial properties.

3) Seller Changes to Data Distribution

- a) Since the HouseLedger is owned by the Seller, DPX will honor valid requests from the Seller to limit distribution of information from the HouseLedger.
- b) If the request comes from the Listing Agent, blanket Power of Attorney from the Listing Agreement will not be sufficient. The Seller must approve each modification to data distribution.

4) DPX NOT RESPONSIBLE FOR ACCURACY OF INFORMATION

- a) The information published and disseminated by the DPX is communicated verbatim, without change by the service, as filed with the DPX. DPX does not verify such information provided and disclaims any responsibility for its accuracy. Each DPX user agrees to hold the service harmless against any liability arising from any inaccuracy or inadequacy of the information such participant provides.

Sold Data

While DPX honors ownership of the HouseLedger by the homeowner, we make an exception for Sold Data. Sold Data in this case includes Off-Market data, such as Withdrawn, Expired, Terminated or Suspended auctions.

This data is necessary to allow market participants to do comparative market analysis, a key benefit of DPX.

When an auction ends, all HouseLedger data during the period in which the Property was actively on the market and all activity on DPX will be copied to a DPX Sold Data database, including all photos and other media and documents. All post-closing data updates will be made to both the HouseLedger and to the DPX Sold Data database.

Once the property is no longer Pending, DPX will cease copying any of its HouseLedger data into its system or database, until the next time that property is listed for auction on DPX.

1) Sold Data Is Proprietary

- a) DPX Sold Data is proprietary and may not be copied or distributed without DPX's express written permission.

2) Data Distribution of Sold Data

- a) Unlike Active data, DPX Sold Data is not freely available. It is available via API, but there will be a fee for maintenance and storage of Sold Data on DPX. The fee is based on usage and volume.
- b) DPX reserves the right to refuse service to a person or entity requesting access to Sold Data, and reserves the right to revoke data access for any reason or no reason at all.

3) Reports Using Sold Data

- a) Users may generate a variety of reports using DPX Sold Data. If using DPX's internal tools, there will be a data usage fee to the user which will be the same as the fee charged to data API users.

Compensation

DPX provides for compensation of real estate brokers and agents who assist the Buyer or Seller or Owner to transact on DPX. DPX utilizes a Buyer Premium model, and Agent compensation will be paid from the Buyer Premium.

2) Buyer Premium

- a) DPX charges a Buyer Premium to the winning bidder between 5-6% based on the market of the listed property. This Buyer Premium is added to the Sale Price in the winning bid to form the final contract price in the Purchase and Sale Agreement of the property, which allows the Buyer to finance it via mortgage assuming all other criteria are met.

3) Commission Waivers

- a) All real estate brokers and agents registering on DPX **agree to waive all other commission payments** from the Buyer and the Seller involved in a DPX transaction. The DPX Distribution will be the sole payment for the Buyer Agent and the Listing Agent involved in a DPX transaction.

4) DPX Platform Fee & Distribution

- a) DPX charges a standard platform fee of **0.25%** to the Buyer and **0.25%** to the Seller.
 - i) This fee is subject to discounts for DMLS token ownership.
 - ii) The Buyer Agent and the Listing Agent may elect to pay this fee for their clients, or have the fee charged directly to the clients at closing.
- b) DPX will pay **half of the remaining Buyer Premium to the Buyer Agent** on the transaction, and **half to the Listing Agent** on the transaction. The remittance will be sent to the Buyer and Listing Brokerages, as per standard closing practices, to be disbursed by the Brokerage to the Agents.
 - i) If the Buyer Agent or Listing Agent has elected to pay the Platform Fee for their client, then the Platform Fee will be deducted from the payment to the Buyer Brokerage or Listing Brokerage.
 - ii) This payment shall be characterized as a referral payment by Decentre Property Exchange, LLC., a Florida brokerage, license number CQ1066877..

5) DMLS Tokens and Discounted Fees

- a) If one side of the transaction stake DMLS tokens, the DPX Platform Fee will be discounted as follows:
 - i) 100,000 - 500,000 DMLS = 0.05%, for total Platform Fee of 0.20%
 - ii) 500,001 - 1,000,000 DMLS = 0.10%, for total Platform Fee of 0.15%
 - iii) 1,000,001 - 5,000,000 DMLS = 0.15%, for total Platform Fee of 0.10%
 - iv) 5,000,001 - 10,000,000 DMLS = 0.20%, for total Platform Fee of 0.05%
 - v) Over 10,000,000 DMLS = Additional 0.01% per 10,000,000 DMLS tokens to a minimum of a total Platform Fee of 0.01%.
- b) DPX may change these thresholds and Platform Fees at any time.

Refusal to Sell

If the Seller of any listed HouseLedger refuses to accept the valid winner of an auction, legal action outside of DPX will be the only remedy available to the Buyer.

DPX reserves the right to penalize the Seller for such refusal, up to and including removal from the platform.

Post-Closing Participation Rewards

We are seeking to build a community with DecentRE. DPX is at the heart of that community-building effort, and the financial engine for the new web3-based real estate community.

We reward the market participants who complete a transaction on DPX, which results in a closed transaction.

DMLS Tokens will be airdropped to all market participants who were part of the successful transaction upon receipt of (a) funds by DPX, and (b) final post-closing data update.

The formula for participation rewards is **50% of the value of DPX revenues from the transaction**, distributed in DMLS as follows:

- Buyer Representative 30%
 - 80% of this amount to Buyer Agent
 - 20% of this amount to Buyer Broker
- Seller Representative 60%
 - 80% of this amount to Listing Agent
 - 20% of this amount to Listing Broker
- Closing Company 10%

There is no cost for these rewards, no vesting period and no holding period. The recipient may exchange DMLS tokens immediately or transfer them.

DPX and DecentRE Labs, Inc. may change the formula and distribution percentages at any time.

Discipline

Forfeiture of Reward

The following actions will result in the reduction or forfeiture of Post-Closing Participation Rewards

- Failure to update data when a home listed on DPX has sold/closed off-DPX.

Suspension or Termination of Use

The following actions will trigger an account review and could result in suspension or termination of DPX use. All account suspensions or terminations are determined at the sole discretion of the Decentre Foundation.

- Failure to upload required information (data) when a home listed on DPX has sold/closed off-DPX.
- Intentional violations of the principles of Informed Consent, Transparency, and Censorship Resistance.

Compliance and Compliance Incentives

As a real estate marketplace, DPX has a vested interest in ensuring that all of the data, public, private and Sold Data, are accurate and timely.

DPX does operate a Compliance department charged with ensuring data accuracy and compliance with these rules. We also offer incentives to members to assist with data accuracy and completeness.

Compliance Incentives

To encourage member participation in ensuring accurate data on DPX, the Foundation offers the following incentive schedule:

- Report inaccurate data, which results in correction: 5% of DMLS Reward from Seller or Listing Agent, deducted from the Rewards for the Seller or Listing Agent, per occurrence.
- Upload recent inspection report: DMLS tokens equal in value to 1% of DPX Income from the transaction
- Report and document fraudulent activity: 100% of DMLS Reward from the party engaging in fraudulent activity, deducted from the Rewards for that party.

How are rules created/changed?

1) Quorum

- a) Quorum for all votes equals 10% of the total DMLS in circulation.

2) Proposing Rules

- a) Anyone may propose a new Rule or modifications to a Rule by staking a minimum of **10,000 DMLS** Tokens. Staked DMLS must remain staked until the Proposal is either

voted on or withdrawn; unstaking will automatically result in the Proposal being withdrawn.

- i) “Staking” means you will lock your DMLS tokens into a smart contract so that it cannot be transferred.
- b) All Proposals must set the end date for Discussion; the default is midnight Pacific Time after 30 days.
- c) DPX will open up discussions on any Proposal via its message boards, Discord server, or other channels of communication.

3) Voting

- a) All DMLS token holders are entitled to vote on any Proposal before the Foundation. All votes are done via Foundation voting mechanisms. Votes may be cast any time during the official discussion period (30 days), and changed at any time, until the end of the voting period.
- b) Default voting period is 14 days.
- c) Majority vote is required for passage, with 1 DMLS token = 1 vote.