



RLS UNIVERSAL CO-BROKERAGE AGREEMENT
RULES AND REGULATIONS

As of January 25, 2019

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INTRODUCTION

The Residential Brokerage Division (“RBD”) of The Real Estate Board of New York (“REBNY”) has approved the promulgation of these rules regarding the sharing of Exclusive Listings (as defined below) for the purpose of offering or accepting cooperation and compensation among firms actively providing real estate brokerage services in New York City. The RBD has resolved that all firms that are members of the RBD must participate in the REBNY Listing Service (“RLS”), and any other properly licensed real estate brokerage firms that are not members of the RBD that offer or accept cooperation and compensation to and from members of the RBD or may have real estate listings in the New York City area may participate in the RLS.

This Universal Co-Brokerage Agreement/Rules and Regulations (“Rules and Regulations”) is incorporated in the Applicant Agreement and forms a binding legal agreement between REBNY and the RLS, on the one hand, and the applicant, on the other. Additionally, all RBD Member firms, any other firms participating in the RLS, and their affiliated real estate brokers, associate real estate brokers or real estate salespersons (as those terms are defined in New York Real Property Law § 440) shall abide by these Rules and Regulations, and the penalties set forth herein. A list of all firms participating in the RLS can be found on the REBNY website, www.rebny.com. Unless otherwise indicated, all amendments to these Rules and Regulations shall be incorporated into this document by January 1 of the following year, and will not require further execution of new Acknowledgements or Applicant Agreements. The individual set forth as the contact person for each firm on the Acknowledgement or Applicant Agreement shall receive notice of any changes to these Rules and Regulations either by e-mail or regular mail. It is up to each firm to ensure that REBNY has the most current contact information.

The RLS is intended solely for use by Participants, as defined herein, in good standing, and only in connection with the sale and/or lease of residential property. Rules governing the use of the RLS in connection with the sale or lease of Exclusive Property are outlined below. Use of the RLS is conditioned on agreement and compliance with these Rules and Regulations, and payment of all applicable fees and dues.

Use of the RLS in connection with Virtual Office Websites (“VOW”), or any other non-brokerage use, shall be implemented upon the receipt of a request to receive listing information from the RLS, and the execution of any applicable agreement with the RLS.

DEFINITIONS

As used in these Rules and Regulations, the following capitalized terms will have the respective meanings:

- A. “Advertise” shall mean to promote and/or publish information with respect to licensed real estate activity, including but not limited to information seeking to induce one or more third parties to participate in a transaction involving real property.
- B. “Advertising” shall have the same meaning as set forth in 19 N.Y.C.R.R. § 175.25.

- C. “Buyer” shall mean any person who is interested in purchasing an Exclusive Property.
- D. “Closing Price” shall mean the price at which the transaction for the Exclusive Property closed.
- E. “Co-Broker” shall mean any Participant representing a Buyer or Tenant, as applicable, with whom the Co-Broker has authorized an agency relationship involving the provision of real estate brokerage services.
- F. “Exclusive Agent” shall mean the real estate broker, associate real estate broker or real estate salesperson (as those terms are defined in New York Real Property Law § 440) affiliated with the Exclusive Broker, who has been appointed as the exclusive or co-exclusive sales or rental agent for an Exclusive Property.
- G. “Exclusive Broker” shall mean a member of the RBD, or other Participant in the RLS, who has been appointed in writing the exclusive or co-exclusive sales or rental agent of residential property by the Owner of such residential property, such as a Seller or Landlord.
- H. “Exclusive Listing” shall mean a written agreement setting forth the terms and conditions by which the Owner of residential property has appointed the Exclusive Broker, including any subsequent amendments thereto. Exclusive Listing includes both the exclusive right to sell or rent, and exclusive agency listing agreements. Unless otherwise specified, the definition of Exclusive Listing shall also include Co-Exclusive Listing.
- I. “Exclusive Property” shall mean the residential property that is subject to an Exclusive Listing and which is listed in the RLS.
- J. “Landlord” shall mean the Owner of an Exclusive Property that is available for rent by a Tenant.
- K. “Listing Information” shall mean details or information related to the Exclusive Property, including, but not limited to, the information contained in Exhibit A to these Rules and Regulations.
- L. “New York City” shall mean the five boroughs of New York City: the Bronx, Brooklyn, Manhattan, Queens, and Staten Island.
- M. “Open Listing” shall mean any listing for a property in which an Owner has not contracted with an Exclusive Broker either through an exclusive right to sell or exclusive agency listing agreement.
- N. “Ours Alone Listing” shall mean any oral or verbal listing arrangement that an Exclusive Broker may have entered into with an Owner relating to a sale or rental property.
- O. “Owner” shall refer either individually or collectively, as applicable, to both a Seller and/or a Landlord.

- P. “Participant” shall mean a licensed real estate broker, associate real estate broker, real estate salesperson (as those terms are defined in New York Real Property Law § 440) associated with any firm who (a) is a member in good standing of the RBD, or (b) has an office and/or listings in New York City, or is a firm that actively endeavors during the operation of its real estate brokerage business to list residential property of the type listed on the RLS and/or to accept offers of cooperation and compensation made by Exclusive Brokers in the RLS, and has paid any applicable fees that are required to participate in the RLS. “Actively” means on a continual and on-going basis during the operation of the Participant’s real estate brokerage business. As stated in REBNY’s Code of Ethics and Professional Practices (the “Code of Ethics”), the membership requirement shall be applied in a nondiscriminatory manner to all Participants or potential Participants.
- Q. “Pocket Listing” shall mean an Exclusive Listing (either sale or rental) withheld from the RLS and selectively co-brokered by the Exclusive Agent and/or Exclusive Broker.
- R. “RBD Members” shall mean all Broker A’s, and/or any firm(s) with which they are affiliated, who are members of the Residential Brokerage Division of REBNY, and who receive revenues from brokering the sales or rentals of residential property within New York City.
- S. “RLS Staff” shall mean all REBNY personnel that are part of the Residential Brokerage Services Department and/or works with the RLS.
- T. “Seller” shall mean the seller of an Exclusive Property.
- U. “Tenant” shall mean any person who is interested in offering to lease an Exclusive Property.

ARTICLE I.

LISTING PROCEDURES

Section 1. Who Can Participate in the RLS.

A. RBD Members. RBD Members in good standing, and with offices and/or Exclusive Listings within New York City must participate in the RLS, and adhere to these Rules and Regulations and the Code of Ethics. All new RBD Members with offices and/or Exclusive Listings within New York City, must, within ninety (90) days of joining REBNY, participate in the RLS, adhere to these Rules and Regulations, the Code of Ethics, and be a Broker A member in REBNY. Additionally, the principal of each RBD Member must complete a REBNY ethics course prior to the firm receiving access to RLS Listing Information.

(i) Mandatory Ethics Training. All new RBD Members must also have all brokers, associate brokers, salespersons, and managers of branch offices affiliated with the firm complete a mandatory REBNY ethics course within ninety (90) days of joining REBNY. Failure to comply with this provision will result in the automatic suspension of access to the RLS for that new firm, until it can

demonstrate that all brokers, associate brokers, salespersons and managers of the branch offices have completed a REBNY ethics course.

B. Non-RBD Members. Any other licensed real estate brokerage firm which has: 1) paid all applicable REBNY/RLS fees and dues; and 2) has an office and/or listings in New York City, or is a firm that is actively engaged in a real estate brokerage business in New York City, may also participate in the RLS, and must agree to abide by these Rules and Regulations and the Code of Ethics.

(i) Mandatory Ethics Training. All non-RBD Member firms must have their principal broker(s) complete a mandatory REBNY ethics course prior to the firm receiving access to RLS Listing Information. In addition, all brokers, associate brokers, salespersons, and managers of branch offices affiliated with the firm must complete a mandatory REBNY ethics course within ninety (90) days of joining the RLS. Failure to comply with this provision will result in the automatic suspension of access to the RLS for that new firm until it can demonstrate that all brokers, associate brokers, salespersons, and managers of branch offices have completed a REBNY ethics course.

C. Violations of Section 1. A violation of this Section 1 will be reviewed by a subcommittee comprised of at least five (5) members of the RBD Board of Directors and violations shall be punishable by the imposition of a monetary fine, suspension of access to the RLS, expulsion from the RLS and/or the publication of a statement describing the violation on REBNY's website and/or the filing of a complaint against the offending Participant and/or firm with the Department of State of New York, as set forth in Article VI of these Rules and Regulations.

Section 2. Membership in REBNY. Each real estate broker, associate real estate broker and/or real estate salesperson associated with an RBD Member must become a member of REBNY. Each RBD Member (and their firm) will be notified by February 1st of each year of any delinquent membership payment(s). Each RBD Member must rectify delinquent payment(s) by March 1st of that year. Any new RBD Member who joins REBNY after February 1 of each year shall have thirty (30) days from the date of notice from REBNY of any delinquent membership payments to rectify the delinquency. Failure to rectify any delinquent payments in accordance with this Section 2 will be deemed an immediate violation of these Rules and Regulations and result in termination of that RBD Member's participation in the RLS. Prior to any removal of a terminated RBD Member's Exclusive Listings from the RLS, the RBD Member will be advised in writing of the intended removal so that the firm may advise its Sellers, Landlords, Buyers, and/or Tenants, as applicable.

A. Current Email Address: All RBD Members and Participants must provide the RLS with their most current email address for the transmittal of:

(i) General communications and news.

(ii) Any violations notices for issues relating to the RLS Listings Data Compliance Policy.

(iii) The email address(es) for the above communications can be different, but all RBD Members and Participants must identify which person(s) and email address(es) will receive the communications.

Section 3. Notification of Missed Payments for Participants that are Not RBD Members. Each Participant who is not an RBD Member will be notified by February 1st of each year of any delinquent payment(s) and will have until March 1st of that year to cure such delinquent payment(s). Failure to cure such delinquency will terminate Participant's participation in the RLS. When a Participant has been suspended or expelled from the RLS for failing to pay any required penalties, fees or fines, the RLS is not obligated to continue to include that Participant's Exclusive Listings in the RLS.

Section 4. Types of Listings on the RLS. The RLS will accept Exclusive Listings, and shall not accept Open Listings, For Sale by Owner Listings or Ours Alone Listings.

Section 5. Obligation to Distribute and Timing for Distribution of Exclusive Listings. The Listing Information set forth in Exhibit A for any Exclusive Listing must be disseminated to all other Participants via the RLS: a) simultaneously with any public dissemination of such Exclusive Listing; or b) simultaneously with any showing of the Exclusive Listing to any Buyer, whichever is earlier. Public dissemination includes, but is not limited to, the display of the Exclusive Listing on the Exclusive Broker's public website, any Exclusive Agent's public website, any social media application (including but not limited to Facebook, Instagram, Snapchat, etc.), any third-party website (including but not limited to Zillow, Streeteasy, New York Times, Realtor.com, etc.), or any other public disclosure, promotion or other dissemination of the Listing Information, including but not limited to, disclosing the Exclusive Listing to any Participants outside of the Exclusive Broker's firm.

A. Owner Opt-Out from RLS: The obligation to disseminate such Listing Information is mandatory unless the Owner has executed a document (including an Exclusive Listing), which includes language substantially similar to Exhibit B, that an offer of co-brokerage to other Participants should not be initiated with respect to the Exclusive Listing. Such document must be transmitted to the RLS Staff within forty-eight (48) hours of execution of the Exclusive Listing pertaining to the Exclusive Property:

B. No Promotion of Pocket Listings: No Exclusive Broker and/or Participant shall promote or encourage an Owner to engage in the practice of Pocket Listing(s). If an Exclusive Broker and/or Participant is suspected of having engaged in a pattern or practice of encouraging Owners to withhold Pocket Listings from the RLS, a complaint by another Participant can be filed against them and a hearing pursuant to Article VI, Section 2 of these Rules and Regulations shall be convened to decide the merits of the complaint.

C. No Personal Information. No personal information, such as the Exclusive Agent's name, the Exclusive Agent's contact information or other personal information can be included in any property description and/or comments for an Exclusive Listing

transmitted over the RLS. The Exclusive Agent's name and contact information must appear only in the mandatory fields set forth for such information.

Section 6. Changes to Exclusive Listings. Any change in the listed price or other change in the original Exclusive Listing, including any change in status, shall be entered into the RLS by the earlier of: 1) simultaneous with any change made over any public website or portal (including, but not limited to, any RBD Member's website); or 2) within twenty-four (24) hours (not including weekends and postal holidays) after the authorized change is received by the Exclusive Agent. Additionally, any transaction involving an Exclusive Listing that has closed should be removed or clearly marked as closed on the Exclusive Broker's website within twenty-four (24) hours after the closing.

Section 7. Closing Price. The Exclusive Agent must provide the Closing Price of the Exclusive Property for dissemination over the RLS within twenty-four (24) hours of the closing.

Section 8. Availability for Appointments. Appointments to visit an Exclusive Property will only be available once the Exclusive Listing is entered into the RLS. The Exclusive Agent can enter approved showing instructions into the RLS.

Section 9. Withdrawal of Exclusive Listings. Exclusive Listings may be withdrawn from the RLS by the Exclusive Agent at the request of any Owner before the expiration date of the Exclusive Listing. If the Exclusive Listing remains displayed publicly, including but not limited to any public website or public portal, then the Exclusive Listing may not be withdrawn from the RLS.

Section 10. Co-Brokerage Terms for New Developments. Unless otherwise agreed to by the Exclusive Broker and the Owner of a new development involving multiple dwellings (a "New Development"), the terms of the Rules and Regulations set forth here are not required to be incorporated in a co-brokerage agreement (a "New Development Co-Brokerage Agreement") between an Exclusive Broker and the Owner of the New Development. For the avoidance of doubt, in case a conflict arises between the terms of the New Development Co-Brokerage Agreement and the terms set forth here, the terms of the New Development Co-Brokerage Agreement shall govern.

Section 11. Days On Market Calculation. The calculation of the "days on market" for an Exclusive Listing shall commence on the date that the Exclusive Listing is transmitted by the Exclusive Broker over the RLS to all RLS Participants. The calculation of "days on market" shall be reset to zero (0) should an Exclusive Listing be (a) sold and the transaction has closed; or (b) taken off the market for ninety (90) consecutive days. Exclusive Brokers and/or Exclusive Agents cannot circumvent this Section by attempting to re-name or re-list the Exclusive Listing.

Section 12. Removal of Listings—Suspended, Expelled or Resigning Participant. The RLS may remove all Exclusive Properties listed by any Exclusive Broker and/or the Exclusive Broker's firm if the Exclusive Broker is suspended, expelled or resigns from either REBNY and/or the RLS. If the Exclusive Broker is suspended from REBNY and/or the RLS because of the failure to pay appropriate dues, fees, or charges, then the RLS is not obligated to provide any services, including continued inclusion of a suspended Exclusive Brokers listings in the RLS

compilation of current listing information. Prior to removal of a suspended Exclusive Broker's Exclusive Properties from the RLS, the suspended Exclusive Broker shall be advised in writing of the intended removal so that the suspended Exclusive Broker's Clients can be advised.

Section 13. Removal of Listings—Expired/Released Listing. Exclusive Listings transmitted over the RLS will automatically be removed from the compilation of current Exclusive Listings on the expiration date submitted by the Exclusive Broker, unless prior to that date the RLS is provided written notice that the Exclusive Listing has been extended or renewed. Similarly, when an Exclusive Listing is released by an Exclusive Broker for any other reason, including but not limited to an Exclusive Agent moving to another participating firm, then upon receipt of written notice from the new Exclusive Broker, the RLS shall remove the first Exclusive Listing from the current compilation.

Section 14. Removal of Listings—Failure to Abide by RLS Listings Data Compliance Policy. The RLS reserves the right to remove any Exclusive Listing from the RLS data compilation that fails to meet the requirements of these Rules and Regulations and/or the RLS Listings Data Compliance Policy. Prior to the removal of any Exclusive Listing, both the Exclusive Broker and the Exclusive Agent shall receive notice of the pending removal.

ARTICLE II.

SELLING/LEASING PROCEDURES

Section 1. Appointments. The Exclusive Agent must respond to requests for appointments promptly. The Exclusive Agent may not deny an appointment to a Co-Broker for any reason whatsoever, with the exception of a previously scheduled appointment or based on the specific instruction of the Owner, or as described more fully in Article II, Section 4, below.

A. Co-Brokers should use best efforts to communicate with an Exclusive Agent that they may be late to an appointment for a showing.

Section 2. Inducing Cancellation of Appointments. Participants shall not induce anyone to cancel a previously scheduled appointment.

Section 3. Back-up Brokers. Unless otherwise directed by the Owner, Exclusive Agents shall use best efforts to arrange for at least one back-up broker or salesperson to handle appointments and showing of their Exclusive Listing(s) if they are unavailable or on vacation.

Section 4. Prior Visits by Buyers. If a person has already visited or been scheduled for an appointment to visit the Exclusive Property, the Exclusive Agent should advise the scheduling Co-Broker of that fact. Participants must not attempt to persuade a Buyer to revisit an Exclusive Property with them rather than with the original Co-Broker. If a Buyer seeks to visit an Exclusive Property with a new Co-Broker, then the new Co-Broker should obtain a statement in writing from the Buyer stating this fact. This statement should be directed to the Exclusive Agent and the Exclusive Broker.

Section 5. Buyer's/Tenant's Right to be Represented. All Buyers and/or Tenants have the right to be represented by a Co-Broker, and neither the Exclusive Broker nor the

Exclusive Agent can do anything to interfere with Buyer's/Tenant's right to be represented by a Co-Broker.

Section 6. Recording of Names. Unless otherwise directed by the Buyer, upon request, a Co-Broker must advise the Exclusive Agent of the name of any Buyer represented by the Co-Broker when scheduling an appointment to visit the Exclusive Property. The Exclusive Agent shall record the name of any Buyer, in any list maintained by the Exclusive Agent. If any potential Buyer fails to visit the Exclusive Property after the Buyer's name is recorded, or if the appointment is canceled, the Exclusive Agent shall delete that Buyer's name from its registry.

Section 7. Communications with Owners. No Participant may contact the Owner regarding a current Exclusive Listing without the Exclusive Agent's prior consent. If an Exclusive Agent leaves the brokerage firm with whom they are affiliated (such firm shall be referred to as the "Former Firm" and Exclusive Agent as the "Former Exclusive Agent"), prior to leaving that firm, the Former Exclusive Agent may advise an Owner that they are leaving the firm. After the Former Exclusive Agent joins another firm participating in the RLS, then the Former Exclusive Agent may not initiate any communication with the Owner regarding a current Exclusive Listing without the Exclusive Broker's prior written consent. For the avoidance of doubt, the Former Exclusive Agent must not in any way interfere with any Exclusive Listing to which their Former Firm is a party. For clarification purposes only, interference shall be deemed to include, but not be limited to, (i) directly or indirectly encouraging any Owner to terminate or breach the terms of any listing agreement between the Owner and the Former Firm, (ii) advertising any property subject to a pre-existing listing agreement with the Former Firm, (iii) disseminating, or attempting to disseminate via the RLS, listing information for any property subject to a pre-existing listing agreement with the Former Firm, or (iv) suggesting, directly or indirectly, that an Owner may unilaterally terminate a valid property listing agreement with Former Firm when the Former Exclusive Agent knows or should know that the subject listing agreement provides no such termination right.

Section 8. Negotiations with an Owner/Buyer. A Participant may only negotiate directly with the Owner with the full knowledge and consent of the Exclusive Agent. Similarly, an Exclusive Agent may only negotiate directly with a Buyer with the full knowledge and consent of the Co-Broker.

Section 9. Board Packages. It is the responsibility of the Exclusive Agent to supply the board package requirements and the building financials to the Co-Broker and to assist in obtaining other requested documents, if available. The Co-Broker is responsible for delivering a completed board package to the Exclusive Agent and to provide the Exclusive Agent with a reasonable time to review the completed board package prior to submission to the board of the building. Unless there is a written objection from the Buyer, the Co-Broker must provide the Exclusive Agent with a copy of any board package submitted to the board of the building. The name, firm and phone number of both the Exclusive Agent and the Co-Broker must appear on the cover sheet of the board package submitted to the board of the building. No firm logos or other identifying marks utilized for advertising purposes should appear in the board package. With respect to Co-Exclusive Listings, each Exclusive Agent should be given a copy of the board package for review prior to submission to the board.

Section 10. Lease Applications. Any application of a Tenant to lease an Exclusive Property must be reviewed by the Exclusive Agent, and the Co-Broker, if applicable, prior to submission to the Owner. If the Exclusive Property to be leased is a cooperative apartment, condominium unit, or a property which is part of a homeowners association, the application of the Tenant must be reviewed by the Exclusive Agent, and the Co-Broker, if applicable, prior to submission to the cooperative, condominium or homeowner's association.

Section 11. Disclosure Procedures Among Participants when there are Multiple Bids. If the Exclusive Agent receives multiple offers on the Exclusive Property, the Exclusive Agent shall disclose all offers to the Owner and recommend to the Owner that the Co-Brokers be advised, in a timely manner, of the receipt of multiple offers. When authorized by the Seller, the Exclusive Agent may disclose the dollar amount of competing bids to the Co-Brokers. The Exclusive Agent shall disseminate such information according to the Owner's instructions in a manner consistent with the legal requirement that a broker treat all parties in a fair and trustworthy manner. If the Owner is unwilling to honor a verbally accepted offer when a higher offer is made, the Exclusive Agent should encourage the Owner to allow the first bidder to submit another offer. The Co-Broker should inform the bidder that it is standard practice to show a property up to the point a contract is fully executed and, until then, a binding commitment does not exist. If a Co-Broker believes that his/her offer was not communicated to the Owner, he/she should refer the matter to his/her principal broker, if applicable, to communicate directly with the Exclusive Broker.

Section 12. Public Open Houses. No Exclusive Agent may deny access to the open house to any other Participant, regardless of whether the Participant is accompanied with or without a Client. Participants may not solicit other Buyers during an open house, including but not limited to soliciting Buyers in the lobby and/or other public areas of the building where the Exclusive Property is located.

Section 13. Termination of an Exclusive Listing. Provided the Owner consents, the Exclusive Broker shall include language in an Exclusive Listing substantially similar to, but not exceeding, the following:

Within seven (7) business days after the expiration of the Exclusive Listing, the Exclusive Broker shall deliver to the Owner a list of no more than six (6) names of persons (or related entity) who visited the Exclusive Property during the term of the Exclusive Listing. If within ninety (90) days after the expiration of the Exclusive Listing a sales contract or lease for the Exclusive Property is executed with one of the six persons on the list, the Exclusive Broker shall be entitled to their portion of the commission set forth in the Exclusive Listing. Owner represents and warrants that if a new exclusive listing agreement is executed with another Exclusive Broker (the "New Exclusive Broker"), Owner will notify the New Exclusive Broker of this provision and that the Exclusive Broker may negotiate directly with the Owner with respect to the persons on the list during the ninety (90) day protected period.

Section 14. Cooperative Co-Exclusive Listing. The names of both the Co-Exclusive Brokers and Co-Exclusive Agents must be included in the Listing Information that is disseminated over the RLS during the term of the Co-Exclusive Listing. Any advertising must include a designation that it is a Co-Exclusive Listing. Unless otherwise directed by the Owner, the Co-Exclusive Agents should promptly notify each other of any discussion with the Owner concerning a reduction in the price of the Exclusive Property. The Co-Exclusive Agents should share with each other the specific names of Co-Brokers and their Clients who have visited or will be visiting the Exclusive Property, should avoid duplicate appointments, and should discuss any offers that have been received on the Exclusive Property.

A. Provided the Owner consents and the language similar to that set forth in Section 13 is included in the Exclusive Listing, upon termination of the Co-Exclusive Listing, each Co-Exclusive Broker shall submit a list of names of persons within seven (7) business days to the Owner to be protected for a period not exceeding ninety (90) days, and such list not to exceed six (6) names in the aggregate. Each Co-Exclusive Agent should notify the Co-Broker of any names that have been placed on the submitted list.

Section 15. Disclosures to Tenants. With respect to the rental of an Exclusive Property, when a Tenant has agreed to pay the commission, the Co-Broker, if applicable, shall inform the Tenant of the potential risk of having to pay more than one commission if the Tenant was shown the property through more than one firm acting as a Co-Broker.

ARTICLE III.

PROHIBITIONS

Section 1. Unauthorized Use of Listing Information. Except solely as specified in a separate written agreement between REBNY and a Participant, (a) Listing Information shall not be utilized by Participants other than the purposes provided for in these Rules and Regulations and (b) Participants agree that they will not, in any form, disclose, sell, assign, lease, commercially exploit, or otherwise provide to third parties or cause to be disclosed, sold, assigned, leased, commercially exploited, directly or indirectly, the Listing Information contained in the RLS. Any unauthorized attempt, successful or unsuccessful, to disclose, sell, assign, lease, commercially exploit, or otherwise provide Listing Information to third parties could result in the loss of the ability to participate in the RLS and/or membership in REBNY, if applicable, and a monetary penalty. Any Participant shall promptly notify REBNY if he or she believes that any use by another Participant is inconsistent with the foregoing.

Section 2. Prohibited Promotional Activities.

A. Without the Exclusive Broker's prior written consent, a Participant (and the brokerage firm with which they are affiliated) may not: (i) advertise the Exclusive Property in any way, including but not limited to advertising the Exclusive Property on any third party website; (ii) make any mailing or other mass solicitation promoting the Exclusive Property; (iii) disseminate any information concerning the Exclusive Property to any print, wire, electronic or computer media, publication, listing system, website or

service including but not limited to, disclosing the identity of the Seller and/or any Buyer who has, intends to, or will view the Exclusive Property until after the Exclusive Property has been sold and closed; or (iv) participate in any activity that is in violation of 19 N.Y.C.R.R. § 175.25 or any other applicable regulation. Similarly, without the prior written consent of the Co-Broker, the Exclusive Broker may not disseminate to any print, wire, electronic or computer media, publication, listing system, website or service, any information concerning the identity of any Client who has, intends to, or will view the Exclusive Property until after the Exclusive Property has been sold and closed, and even then only to the extent that such information shall enter the public domain.

B. Nothing contained in this Section shall preclude the dissemination of information concerning the Exclusive Property by each Co-Broker to its real estate brokers, associate real estate brokers, real estate salespersons and employees by such internal dissemination methods as each Co-Broker utilizes in its day-to-day business operations, provided that such internal dissemination is kept confidential and disclosed only to Clients. If such internal dissemination is made by means of computer messages, access to such computer messages may not be available to members of the general public.

C. When advertising the Exclusive Property of any other participating RLS Member (including, but not limited to, through IDX or a VOW), all such advertising materials must include, in a reasonably prominent location and in a font not smaller than the median type face of the document stating: “Listing Courtesy of [name of the Exclusive Broker/Participant].”

D. In order to preserve the integrity of the data and information in the RLS database compilation and to help avoid duplicate listings, for the duration of an Exclusive Listing relating to an Exclusive Property, unless the Exclusive Broker (the “Original Firm”) withdraws the Exclusive Property from the RLS by submitting an RLS Listing Withdrawal form, then no participating firm or Participant can submit that Exclusive Property to the RLS as their own Exclusive Listing. Once an Exclusive Listing has expired, and assuming that a new Exclusive Listing agreement has been executed by the Owner with another participating firm (the “New Firm”), then the New Exclusive Broker may submit that Exclusive Property to the RLS.

(i) Additionally, unless an Original Firm withdraws an Exclusive Property from the RLS (using an RLS Listing Withdrawal form), no other Participant shall advertise the Exclusive Property during the term of that Original Firm’s Exclusive Listing without the Original Firm’s written consent, including but not limited to: any website, third party portal or aggregator, and/or social media account.

(ii) For the avoidance of doubt, if a New Firm enters into a different Exclusive Listing agreement (such as a rental exclusive, while the property is subject to an exclusive sale agreement with the Original Firm), then the New Firm shall have the right to advertise the property pursuant to its Exclusive Listing, as well as submit it to the RLS.

E. Assistants Leaving Firms: Assistants who move to new firms and seek to advertise their prior experience are permitted to display only those Exclusive Properties for which the assistant was actually named in the Exclusive Listing or for which they received at least 25% of the commission received by the Exclusive Agent with whom they had previously worked.

Section 3. Solicitation of Exclusive Listings. During the term of an Exclusive Listing, a Participant who is not a party thereto and/or whose firm is not a party thereto (“Participant B”):

A. may not solicit the Owner with respect to the Exclusive Property or do anything to induce the Owner to terminate the current Exclusive Listing so that the Owner will enter into a new Exclusive Listing with the Participant, and the firm with whom the Participant is affiliated; but

B. may enter into a separate agreement, such as an Exclusive Listing to lease the Exclusive Property, with the Owner concerning the Exclusive Property where that agreement (the “Second Agreement”) covers matters which are not covered by the Exclusive Listing. Before entering into the Second Agreement, Participant B should inform the Owner in writing that by entering into the Second Agreement the Owner could be liable for a commission under both the Exclusive Listing and the Second Agreement.

The term solicit as used in this provision does not include mailings or other multiple solicitations, where it is impractical to distinguish Exclusive Properties that are already subject to Exclusive Listings or instances where the Owner initiates contact with Participant B. If solicited by an Owner who is a party to an Exclusive Listing, Participant B may respond to the Owner’s inquiry, but such response cannot affect and/or interfere with the original Exclusive Listing in any way.

Section 4. Inaccurate Listing Information. Entries of Listing Information found to have incomplete mandatory items or incorrect data, will be in violation of these Rules and Regulations and/or the RLS Listings Data Compliance Policy (see Exhibit C), and the applicable Exclusive Broker and/or Exclusive Agent shall be subject to any applicable penalties set forth either in these Rules and Regulations and/or in the RLS Listings Data Compliance Policy.

ARTICLE IV.

COMPENSATION

Section 1. Commissions. With respect to the sale of an Exclusive Property, if a sale is consummated with a Buyer procured by a Co-Broker, unless the Exclusive Listing specifies otherwise or absent some other written agreement, the Exclusive Broker and the Co-Broker shall each be paid an equal share of the commission as specified in the Exclusive Listing. The Co-Broker shall be paid their share of the commission only if: (i) a contract of sale is fully executed by the Buyer and the Owner of the Exclusive Property; (ii) title to the Exclusive Property is passed to such Buyer or other authorized party pursuant to the fully executed contract of sale;

and (iii) the Exclusive Broker has received the commission, unless any of the scenarios below are applicable:

A. In the event that: (i) a Co-Broker procures a Buyer for an Exclusive Property; (ii) a contract of sale for the Exclusive Property is fully executed by a Buyer and the Owner; (iii) the Buyer defaults; (iv) the Owner retains all or a portion of the down payment given by the Buyer; and (v) the Owner pays the Exclusive Broker a percentage of the down payment retained by the Owner, then, in the absence of any agreement setting forth a different commission split, the Co-Broker shall be paid an equal share of the amount paid by the Owner to the Exclusive Broker.

B. In the event that: (i) the Exclusive Property is a unit within a condominium (the “Unit”); (ii) a Co-Broker procures a Buyer; (iii) a contract of sale for the Unit is fully executed by the Buyer and the Owner; (iv) the Board of Managers (the “Board of Managers”) exercises its right of first refusal to purchase the Unit; (v) the contract of sale is terminated; (vi) title to the Unit is passed to the Board of Managers; and (vii) the Exclusive Broker receives a commission payable in accordance with the Exclusive Listing, then, in the absence of any other written agreement setting forth a different commission split, the Co-Broker shall be paid an equal share of the commission as if the Unit had been sold to the Buyer.

C. With respect to the lease of an Exclusive Property, if the lease is consummated with a Tenant procured by a Co-Broker, unless the Exclusive Listing specifies otherwise or in the absence of any other written agreement, the Co-Broker shall be paid an equal share of the commission as specified in the Exclusive Listing. The Co-Broker shall not be entitled to be paid a share of the commission unless: (i) a satisfactory lease is fully executed by the Tenant and the Landlord of the Exclusive Property; (ii) all necessary approvals of the lease have been obtained; and (iii) the Exclusive Broker has received the commission payable in accordance with the Exclusive Listing.

Section 2. Changes in Commissions After Dissemination Over the RLS.

A. Negotiations Involving Reductions in Commissions. Any negotiation of the reduction of a brokerage commission must be done with both the Exclusive Broker and the Co-Broker’s written approval of the commission reduction. If the Exclusive Broker negotiates a reduced commission with the Owner without the written approval of the Co-Broker, the Exclusive Broker must absorb the full amount of the commission reduction.

B. Incorrect Commission Information. It is the obligation of the Exclusive Broker and/or the Exclusive Agent to correct any incorrect information disseminated over the RLS relating to the amount of commission to be received by the Co-Broker. If the Exclusive Broker and/or the Exclusive Agent fail to correct the information regarding the commission to be received by the Co-Broker before the earlier of the first showing of the Exclusive Property to the Co-Broker, or the first offer submitted by that Co-Broker (if there has not been a showing), as applicable, the Exclusive Broker must absorb the full amount of the liability relating to the incorrect information.

Section 3. Referral Fees. Unless the Exclusive Broker and the Co-Broker agree in writing to the contrary, any and all referral fees owed on account of a transaction will be paid by the individual or entity that incurred the liability.

Section 4. REBNY Does Not Establish Commission Rates. Neither REBNY nor the RLS shall fix, control, recommend, suggest or maintain commission rates or fees for services to be rendered by Participants in the RLS. Furthermore, neither REBNY nor the RLS shall fix, control, recommend, suggest or maintain the division of commissions or fees between cooperating Participants or any other parties.

Section 5. Costs. If the Exclusive Broker incurs any cost, including, but not limited to attorneys' fees and disbursements, in collecting a commission from the party responsible for its payment, all such costs shall be deducted from the commission received by the Exclusive Broker prior to computing the commission due to a Co-Broker.

Section 6. Commission Checks and Rent Deposit Checks.

A. Sales. When possible, the Exclusive Broker should endeavor to have the Owner's attorney issue a separate commission check for any Co-Broker involved in the transaction. When only one commission check is issued, the Exclusive Broker should release the Co-Broker's share of the commission promptly, but no later than five (5) business days after the closing of the transaction concerning the Exclusive Property.

B. Rentals. In the case of the rental of an Exclusive Property, the Co-Broker shall hold the full brokerage commission and the rent deposit checks until such time as leases have been signed by both the Tenant and the Landlord, unless the Landlord requires the checks for rent and security deposit to accompany the rental application and/or lease. In the case of a cooperative or condominium rental, the Co-Broker shall hold the full brokerage commission and security rent deposit checks until board approval or a waiver is received. Copies of all checks should always be provided to the Exclusive Broker. Any checks shall be in the form of negotiable funds, i.e., certified checks, money orders, cashier's checks, traveler's checks or cash. The Co-Broker shall not accept personal checks or corporate checks without the prior consent of the Exclusive Broker.

Section 7. Participant Interest in the Exclusive Property. In accordance with Section II(B)(6) of the Code of Ethics, any ownership interest in an Exclusive Property for which the Participant is acting as Exclusive Agent must be disclosed in the Listing Information disseminated through the RLS.

Section 8. Acquisition of Interest in Exclusive Property. If a Participant seeks to acquire an interest in an Exclusive Property listed by an Exclusive Broker, such interest shall be disclosed, in writing, to the Exclusive Broker no later than the time an offer to purchase is submitted to the Exclusive Broker or Exclusive Agent.

ARTICLE V.

FEES AND CHARGES

Section 1. Establishment of Fees. REBNY and/or the RBD Board of Directors may establish charges/fees (such as RLS fees, fines, and reinstatement fees, etc.) from time to time.

Section 2. Failure to Pay Fees. Unless otherwise specified in these Rules and Regulations, the failure to pay any fees or charges created under these Rules and Regulations by the due date, and provided that at least ten (10) days' notice has been given, shall result in the suspension of any or all RLS privileges until such fees or charges have been paid in full.

ARTICLE VI.

ENFORCEMENT OF RULES

Section 1. Complaints. The RBD Board of Directors shall give consideration to all signed, written complaints which identify the specific provision(s) of these Rules and Regulations/Code of Ethics that have been violated. A complaining party may use a form provided by the RLS, or submit an email detailing the required information. All complaints filed with the RLS must include either the signature (or if sent by email, include as a "cc") or acknowledgement of a Broker A, Broker B, or Office Manager, as applicable. Exclusive Brokers may be held responsible for all actions of the real estate brokers, associate real estate brokers, and real estate salespersons associated with their respective firms.

A. Evidence Supporting a Complaint. At the time of filing, a party filing a complaint with the RLS Staff must include all evidence in its possession supporting the complaint.

B. Confidentiality of Complaints. If requested, and to the extent possible, the identity of the complaining party will be kept confidential. As set forth below, if a hearing is ultimately requested, the identity of a complainant shall be disclosed.

C. Filing of Complaints by RLS Staff. RLS Staff shall have the ability to file complaints relating to violations of these Rules and Regulations, but shall not have the ability to file any complaints relating to unethical conduct or violations of the Code of Ethics. Such complaints shall not be confidential.

Section 2. Procedures for Filed Complaints. When the RLS Compliance Group receives a complaint, it shall have two (2) business days to review the complaint and determine whether a violation of these Rules and Regulations has occurred. If the RLS Compliance Group concludes that the evidence submitted supports a finding of a violation, they shall issue a Notice of Violation to the violating Participant and Exclusive Broker (or other designated person). If the violation is not corrected within two (2) business days of receipt of the Notice of Violation, then a penalty/fine shall be issued against the violating Participant. If the Participant and/or their Exclusive Broker (or designated person) disputes the violation, they must submit all supporting evidence within two (2) business days of receipt of the original Notice of Violation. The RLS

Compliance Group shall then issue a decision on the dispute within three (3) business days of the timely receipt of the supporting evidence from the violating Participant.

A. Hearing. If a party to the dispute disagrees with the decision of the RLS Compliance Group, within two (2) business days of the issuance of such decision, the party may request a hearing before a committee of three (3) members comprised of members of the RBD Board of Directors and/or the RLS Committee. Such hearing shall be held within ten (10) business days of the RLS's receipt of a request for a hearing. The decision of the panel shall be final and unappealable.

B. Complaints by RLS Staff. For complaints filed by RLS Staff, no REBNY or RLS staff person may be present for any of the deliberations of the RLS Violations Subcommittee, or participate in the drafting of any decision by the RLS Violations Subcommittee.

Section 3. Violations of Board Code of Ethics. With respect to an alleged violation of the Code of Ethics, such complaint, grievance, and/or dispute shall be referred to the Residential Ethics Committee and shall be processed and resolved in accordance with Article III of the By-Laws of the RBD.

Section 4. Violations of these Rules and Regulations/RLS Listings Data Compliance Policy. The failure to submit Listing Information in accordance with any RLS data requirements, including but not limited to any of the listings data requirements set forth in these Rules and Regulations and/or the RLS Listings Data Compliance Policy, shall be processed and resolved in accordance with the RLS Listings Data Compliance Policy, attached hereto as Exhibit C. As set forth more fully in the RLS Listings Data Compliance Policy, the Exclusive Agent and/or the Exclusive Broker must take appropriate measures to correct any violation of the RLS Listings Data Compliance Policy within three (3) business days of receipt of a notice of violation. As set forth in Article I, Section 14, the RLS reserves the right to remove from the RLS any Exclusive Listing that is not in compliance with the RLS Listings Data Compliance Policy.

ARTICLE VII.

ARBITRATION

Section 1. Mandatory Arbitration of Disputes. All monetary disputes arising under these Rules and Regulations, including but not limited to a claim for a commission between firms participating in the RLS relating to an Exclusive Listing, must be submitted to binding arbitration conducted under the arbitration procedures of REBNY ("REBNY Arbitration"). Accordingly, any claim involving a Broker A, Broker B and/or Principal Broker which relates to a commission arising from an Exclusive Listing must first be arbitrated at REBNY prior to any of the parties seeking relief in another forum against another party, such as an Owner, Purchaser, Landlord or Tenant. Failure to submit to a REBNY Arbitration as provided in this Section 1 shall be a violation of these rules, and subject to potential punishment as set forth in Article XII of the REBNY Constitution; expulsion from the RLS; and a penalty of up to \$10,000.00. This provision shall be deemed an arbitration agreement pursuant to New

York state law. Nothing in this provision shall be construed to prevent or limit, in any way, a Participant's right to exercise a legal remedy outside of the REBNY Arbitration process against any party with whom such Participant has a direct contractual relationship (separate from these Rules and Regulations) concerning compensation for a particular transaction.

A. Hearing for Failure to Submit to REBNY Arbitration: Any Broker A, Broker B or any Principal Broker who files a complaint that any other Participant in the RLS has failed to submit a monetary dispute to REBNY Arbitration, must also serve the complaint on the party who is the subject of the complaint. A hearing by a five (5)-person panel comprised of members of the Residential Ethics Subcommittee of the REBNY Ethics and Professional Practices Committee shall decide the merits of the complaint. The panel shall cause a notice to be sent to the parties involved setting forth the date and time of the hearing, which shall be conducted no later than five (5) business days from the date of service of such notice, and shall be conducted in accordance with Article XII of the REBNY Constitution.

(i) Filing Suit After Losing a REBNY Arbitration: If any Broker A, Broker B, or Principal Broker (the "Losing Broker") loses a REBNY Arbitration and then files suit in a court against any non-party to the arbitration seeking a commission arising from the transaction that was the subject of the arbitration, then the prevailing Broker A, Broker B, or Principal Broker (the "Prevailing Broker") may file an Ethics Complaint against the Losing Broker, and the same procedures set forth in Section 1(a) shall be followed. Nothing in this provision shall in any way impair or preclude a Losing Broker from filing a proceeding seeking to overturn a REBNY Arbitration award pursuant to CPLR § 7511(b) (corruption, fraud, or misconduct in procuring the award; partiality of the arbitrators; the arbitrators exceeding their power; and/or failure to follow Article 75 of the CPLR).

ARTICLE VIII.

CONFIDENTIALITY OF RLS INFORMATION

Section 1. Confidentiality of RLS Information. Any information provided in the RLS to Participants shall be considered official information of the RLS. Such information shall be considered confidential and exclusively for the use of the RLS and its Participants.

Section 2. Use and Protection of RLS Information. Participants may not disclose and shall use independent best efforts to protect the confidentiality of restricted fields, names, and addresses included in the RLS; provided, however, the Exclusive Broker and/or the Co-Broker may use information relating to an Exclusive Property in advertising their services if approved in writing by the Buyer/Tenant and Owner and if such information is maintained and compiled apart from the RLS. Similarly, an Exclusive Broker and/or Exclusive Agent may advertise any of their own active Exclusive Listings. Participants agree to use their best efforts to protect the confidentiality of their passwords and to prevent unauthorized access to the RLS. Additionally, Participants may utilize current Listing Information, information regarding "comparables," or any other publicly available information to support an estimate of value on a particular Exclusive

Property for a particular Owner, for appraisal purposes, and any other services reasonably related to the day-to-day business activities of a licensed real estate brokerage firm.

Section 3. Provision of RLS Information to Buyers and/or Owners. Participants may provide potential Buyers/Tenants and Owners with a reasonable number of individual records (or portion of individual records) relating to Exclusive Properties which the Buyer/Tenant or Owner has a bona fide interest in purchasing, renting, selling, or leasing, as applicable. The term “reasonable,” as used herein, should therefore be construed to permit only limited reproduction of individual records (or portion of individual records) intended to facilitate the decision-making process in the consideration of a potential transaction. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus “reasonable” in number, shall include, but are not limited to, the total number of listings in the RLS, how closely the types of Exclusive Listings conform with the Buyer/Tenant’s or Owner’s expressed desires and ability to purchase, rent, sell or lease; whether the reproductions were made on a selective basis; and whether the number of records provided is consistent with a reasonable itinerary of Exclusive Properties which would be shown to the Buyer/Tenant, or a reasonable number of records provided to an Owner to determine a sale or lease price.

Section 4. No Reproduction of RLS Information. Except as otherwise expressly provided herein or in a written agreement between REBNY/RLS and a Participant, the contents of the RLS, or any information, including statistical information, derived from the RLS, may not, in whole or in part, be reproduced, copied, disseminated, sublicensed, transferred, assigned, entered into a computer database, used as part of or in connection with a mailing list, or otherwise utilized, in any form or manner or by any means, except for the Participant’s individual, personal, and confidential reference. Notwithstanding the foregoing an Exclusive Broker, Exclusive Agent and/or Participant may make statistical information derived from the contents of the RLS available to prospective Buyers/Tenants, and/or Owners in connection with the marketing of the Exclusive Broker and/or Participant’s brokerage services. 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 the RLS must clearly demonstrate the period of time over which such information is based and must include the following, or substantially similar, notice:

“Based on information from the REBNY Listing Service for the period (date) through (date). The REBNY Listing Service makes no representations or warranties with respect to the accuracy or completeness of such information and shall not be held liable for any omission or inaccuracy of such information thereof.”

ARTICLE IX.

AMENDMENTS

Section 1. Amendment of Rules and Regulations. The powers to alter, amend, or repeal these Rules and Regulations is vested in the RBD Board of Directors, subject to review and approval by the Board of Governors of REBNY.

ARTICLE X.

OWNERSHIP

Section 1. Ownership of Exclusive Listings. By the act of submitting any Exclusive Listing to the RLS, the Exclusive Broker represents and warrants that he or she owns all right, title and interest in the Exclusive Listing, has obtained necessary consents to comply with these Rules and Regulations, if any, from any third-party to any materials included in such Exclusive Listing, and is authorized to grant, and thereby does grant, the RLS (and its service providers and licensees) an irrevocable, worldwide, paid-up, royalty-free, right and license to include the Exclusive Listing in the RLS, including but not limited to, any statistical report or comparables, the creation of any copyrighted RLS compilation and to use it and authorize its use for any purpose consistent with the facilitation of the sale, lease and valuation of real property or such other use.

Section 2. Ownership of RLS Compilations. All rights, title and interest in each copy of every RLS Compilation created and copyrighted by the RLS and/or REBNY, shall at all times remain vested in the RLS and/or REBNY, as applicable. As used here, an RLS Compilation shall be construed to include any format in which Listing Information is collected and disseminated to the Participants, including but not limited to bound book, computer data-base or any other format.

ARTICLE XI.

PENALTIES FOR VIOLATIONS OF RULES AND REGULATIONS

Section 1. Penalties. The following penalties are illustrative and not exhaustive, and shall be made payable to the RLS. The penalties may be imposed and appealed pursuant to the procedures set forth herein. The Exclusive Broker shall be responsible for the payment of any penalties issued pursuant to any violation of these Rules and Regulations committed by any Participant associated with the Exclusive Broker.

A. Penalties for Violations of RLS Procedures. Penalties for violations described in Article VI, Section 2 are as follows:

(i) First Offense - \$500.00.

(ii) Second Offense within any twelve (12) month period - \$2,000 and notice of second offense shall be posted on REBNY's website.

(iii) Third Offense within any twelve (12) month period - \$5,000 and if there is a pattern of violations of Article 12A of the New York Property Law, a complaint will be filed with the Department of State of New York.

(iv) Fourth Offense within any twelve (12) month period - Exclusive Broker shall be suspended from, and not have access to, the RLS for a period of thirty (30) days and notice of the fourth offense shall be posted on REBNY's website. Any further violation after the fourth offense within a twelve (12) month

period by any Exclusive Broker may cause the Exclusive Broker to be subject to expulsion from the RLS and/or REBNY.

(v) If such penalties are not paid within sixty (60) days of notice by the Exclusive Broker, the Exclusive Broker shall be notified (a “RLS Procedures Violation Notice”) and have thirty (30) days to make such payment. Failure to make payment within fifteen (15) days of receipt of an RLS Procedures Violation Notice shall result in suspension of that Exclusive Broker’s access to the RLS, and any additional punishment as determined by the Violations Subcommittee. Failure to make payment within thirty (30) days of receipt of an RLS Procedures Violation Notice may subject the Exclusive Broker (and/or the Participant, if applicable) to expulsion from the RLS and/or REBNY.

B. Unauthorized Use. REBNY, the RLS, Exclusive Brokers and all Participants agree that it may be difficult to quantify damages in connection with any breach of these Rules and Regulations and that because damages may not fully compensate REBNY/RLS for its losses in connection with a breach of these terms and conditions, REBNY/RLS may obtain injunctive relief to prevent the breach of any of these terms and conditions, and may obtain such injunctive relief without posting a bond.

C. Duty to Correct and Cooperate. Except for any violations of the RLS Listings Data Compliance Policy, any Exclusive Broker whose firm is found to have violated any of the Rules and Regulations must take appropriate measures to correct any such violation within two (2) business days of the ruling issued by any panel convened pursuant to these Rules and Regulations. Failure to correct any such violation within the two (2) business day period set forth here may subject the Exclusive Broker (and if applicable, Exclusive Agent) to further punishment under these Rules and Regulations, including but not limited to expulsion from the RLS.

Section 2. Notice of Penalties. The Exclusive Broker, and any Participant, if applicable, involved with any violation of these Rules and Regulations shall receive notice of all penalties, fines, and/or punishments issued in connection with such violation.

Section 3. Appeal of Penalties. An appeal of the penalty of suspension of an Exclusive Broker or a Participant’s access to the RLS may be filed with a designated RLS Staff person within five (5) business days after the receipt of written notification suspending that Exclusive Broker and/or Participant’s access to the RLS. The merits of such an appeal shall be determined by a panel comprised of members of the RBD Board of Directors and the REBNY Residential Ethics Committee. The determination of the appellate panel shall be final and non-appealable.

ARTICLE XII.

INDEMNIFICATION

Section 1. No Representation or Warranty. REBNY and the RLS make no representation or warranty, whether explicit or implied, with respect to the completeness,

inaccuracy, or misrepresentation of any information contained in the RLS. In no event shall REBNY, the RLS, or any associated organization be held liable by a Participant, Seller, Landlord, Owner, Buyer or Tenant for any incompleteness, inaccuracy, misrepresentation, or other mistake in any information contained in the RLS. The sole remedy or recourse for any damages arising from such mistakes in information shall be against the Exclusive Broker or Exclusive Agent who listed such information. Each Exclusive Agent, and the Exclusive Broker, shall indemnify and hold REBNY, the RLS, the RBD, and each of their respective licensees, harmless against any and all loss, cost, expense or liability, including, without limitation, attorneys' fees and disbursements, arising from any claim brought against REBNY, the RLS, the RBD and/or each of their respective licensees arising from, arising out of or relating to the incompleteness, inaccuracy or other mistake in any Listing Information, including but not limited to the display of any photographs or other media, transmitted over the RLS or through the syndication program operated by REBNY and the RLS.

Section 2. Extent of Liability of Exclusive Broker. The Exclusive Broker shall have no liability to any Co-Broker or to any Buyer or Tenant procured by the Co-Broker for: (i) any act, error, omission, misrepresentation or default by the Owner of the Exclusive Property, (ii) any prior sale or lease of the Exclusive Property, or (iii) the withdrawal of the Exclusive Property from the sale or rental market by the Owner, as applicable.

Section 3. Indemnification by Co-Broker. If a sale or lease of the Exclusive Property is consummated with a Buyer or Tenant procured by a Co-Broker, such Co-Broker shall indemnify and hold the Exclusive Broker and the Owner of the Exclusive Property harmless against any and all loss, cost, expense or liability, including, without limitation, attorneys' fees and disbursements, arising from any other broker or salesperson claiming to have dealt with the Co-Broker or the Buyer or Tenant in connection with the Exclusive Property. Any liability under this indemnification shall be limited to the amount of any commission received by the Co-Broker pursuant to the Exclusive Listing.



**ACKNOWLEDGEMENT OF RLS UNIVERSAL CO-BROKERAGE
AGREEMENT/RULES AND REGULATIONS**

Name of Firm: _____

Address: _____

Telephone: _____ **Fax:** _____

E-Mail Address: _____

Broker A Member: _____

Policy Contact: _____ **Email:** _____

Technical Contact: _____ **Email:** _____

Listing Technology Provider: RealPlus OLR RealtyMX
 Nestio Perchwell BrokersNYC

The undersigned represents that it: (i) is a duly licensed real estate broker under the laws of the State of New York; (ii) has received a copy of the RLS Universal Co-Brokerage Agreement/Rules and Regulations; and (iii) the execution of this acknowledgement has been duly authorized.

On behalf of my firm, _____, and all of its real estate brokers, associate real estate brokers and salespersons, we agree to abide by the terms and conditions set forth in the RLS Universal Co-Brokerage Agreement/Rules and Regulations.

Dated: _____

(Name of Residential Member of REBNY)

By: _____
Name:
Title:

EXHIBIT A

MANDATORY INFORMATION TO BE CONTAINED IN EXCLUSIVE LISTINGS TO BE TRANSMITTED OVER THE RLS

Unless otherwise specified, exclusive Listing must be disseminated via the RLS and transmitted to all other Participants in the RLS simultaneously with any public dissemination of such Exclusive Listing. (See Article I, Section 5)

Listing Information

Board Approval Required (Y/N)	Listing Type (Co-Exclusive, etc...)
Borough	Listing URL
Co-Broke Agreement Type (for New Developments- REBNY/Non-REBNY/Other)	Number of Bathrooms
Co-Broker's Commission	Number of Baths Full
Exclusive Agent(s)	Number of Baths Half
Exclusive Agent(s) E-mail Address	Number of Bedrooms
Exclusive Agent(s) Telephone Number	Number of Rooms
Exclusive Firm	Open House(s)
Exclusive Listing Expiration Date (Hidden Field)	Price
First Showing Date (needs to be defaulted to the date the listing is entered)	Sort Order (Photo Sort Order)
Showing Instructions	Unit Number
IDX Entire Listing Display (Y/N)	VOW Entire Listing Display (Y/N)
Listing Date	VOW Address Display (Y/N)
Listing Status	VOW Consumer Comment (Y/N)
	VOW Automated Valuation (Y/N)

Condo/Coop Information:

Apartment Number	Max Financing
Flip Tax	New Development (Y/N)
Maintenance or Common Charges	Ownership Type (Condo/Co-op/Condop)
Percent of Common Elements	Washer/Dryer Allowed Y/N

Townhouse Information:

Garage
Number of Units
Property Width
Townhouse Block & Lot
Total Legal Rooms

Rental:

Available Date/Time
Commission for Rentals
Commission Type (Collect Your Own
Fee/Owner Pays/Co-broke)
New Development (Y/N)
Furnished Rent Price
Furnished/Un-Furnished (Min / Max Leased
Months)

Lease Term
Owner Pays
Free Rent
Bonus
Concessions
Washer Dyer Allowed Y/N
Pet Policy

Building Information:

Building Ownership / Type
Block & Lot
County
Elevator
Garage (Y/N)
Lobby Attendant (FT; PT or Y/N)
Number of Floors
Number of Units
City
State
Street Name

Street Number
Street Suffix
Borough
Neighborhood
Sub-let Policy for Building (Y/N)
Zip Code
Pet Policy
Latitude (Provided by Listing Vendor)
Longitude (Provided by Listing Vendor)

After Contract Signed:

Contract Date
Contract Signed Status

After Closing / Lease Signed:

Closing Price (See Definition D) or Rental Price
Sold or Leased Date

As set forth in Article I, Section 5, no personal information, such as the Exclusive Agent's name, the Exclusive Agent's contact information or other personal information can be included in any property description, comments and/or Internet remarks regarding the Exclusive Listing; the Exclusive Agent's name and contact information must appear only in the mandatory fields set forth for such information.

EXHIBIT B

DRAFT RLS Owner Opt-Out Form (Article I, Section 5)

[insert Date of Letter]

REBNY Listing Service
570 Lexington Avenue
New York, New York 10018
Attn: RLS Staff

To the RLS Staff:

I, *insert Owner's Name*, have discussed with my Exclusive Broker/Agent that should I elect to not want my Exclusive Property (address below) disseminated to other firms participating in the REBNY Listing Service ("RLS"), then my property cannot appear on the Internet.

After thorough discussion with my Exclusive Broker/Agent, I have advised my broker or sales agent that I do not want my Exclusive Property disseminated to other firms participating in the RLS, and thus it cannot be displayed on the Internet.

I understand and acknowledge that by not sharing my Exclusive Property with other brokers through the RLS, the level of exposure that Exclusive Property receives may be affected, which may ultimately affect the price at which it is sold. I further understand and acknowledge that if I have selected to not have my Exclusive Property be displayed on the Internet, then consumers who conduct searches for property listings on the Internet will not see information about my Exclusive Property. I also understand and acknowledge that, if I have selected to not have my Exclusive Property co-brokered over the RLS to other participating brokerage firms, then it may take longer to sell my Exclusive Property than if it had been shared with other brokers participating in the RLS.

Signature of Owner

Address of the Exclusive Property

[insert the address here]

Important Instructions for Exclusive Brokers:

- 1) **Original of this document must be sent to the RLS, RLScompliance@rebnyc.com within forty-eight (48) hours of the execution of the Exclusive Listing Agreement is executed. (See Article I, Section 5).**

- 2) **The Exclusive Broker should retain a copy of this document for its files.**

EXHIBIT C

RLS LISTINGS DATA COMPLIANCE POLICY



RLS LISTING DATA COMPLIANCE POLICY

January 2019

1. Introduction and Policy Statement

Submission of high-quality listing data to the RLS is vital to the RLS brokerage community and consumers of RLS Listing Content. Listing Information must always be both accurate and current, and should be entered correctly at the time the Exclusive Listing is executed. Accordingly, the RLS has implemented this listing data compliance policy that will help to ensure the accuracy and quality of the listing information in the RLS.

The various violations and fines set forth here are subject to change by the REBNY Board of Directors. Furthermore, this listing data compliance policy is in addition to, and does not in any way replace, the other provisions of the RLS Universal Co-Brokerage Agreement/Rules and Regulations (the “UCBA”).

This policy sets forth the RLS data compliance requirements, the potential fines and violation procedures and other information regarding the RLS. Indeed, it is the responsibility of all Exclusive Agents and Exclusive Brokers to ensure that data concerning their Exclusive Listings is input accurately and maintained throughout the life of the Exclusive Listing. Having accurate data will also improve the syndication process to all third-party portals.

All capitalized terms not defined here shall have the same meaning as in the UCBA.

2. Definitions

2.1. Listing Content

Includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

2.2. Duplicate Listing

Active listing submitted multiple times with the same building, address and/or unit number.

2.3. Mandatory Fields

Those fields set forth in Exhibit A to the Universal Co-Brokerage Agreement/Rules and Regulations.

3. Scope

This policy applies to all RLS Participants (Exclusive Brokers and Exclusive Agents). Failure to follow the requirements of this policy and the UCBA may result in fines and/or suspension of access to the RLS.

4. RLS Listing Data

4.1. Accurate Listing Content

All Exclusive Listings entered into the RLS must include all Mandatory Fields and adhere to all other RLS data standards. Listings submitted to the RLS shall contain all disseminated information related to listing property.

4.2. Timely Dissemination of Updates to Listing Content

Listing Content must be disseminated to all other Participants via the RLS in accordance with the terms and conditions of Article I, Section 5 of the UCBA.

In the event of any change to the Listing Content, information must be updated: 1) simultaneous with any change made over any public website or portal (including, but not limited to, any RBD Member's website); or 2) within twenty-four (24) hours (not including weekends and postal holidays) after the authorized change is received by the Exclusive Agent.

4.3. Listing Data Violation and Fines

Any Listing Information submitted to the RLS that fails to meet the requirements set forth in the UCBA and/or this Policy must be corrected in accordance with this Policy, and may result in the imposition of a fine and/or other penalty. Any fine imposed on an Exclusive Agent/Exclusive Broker must be paid within the timeframe(s) set forth in this Policy (and on any Violation Notice issued by the RLS). Failure to pay any fine in accordance with this Policy will result in increased fines and/or termination of access to the RLS.

The Exclusive Broker shall reassign the Exclusive Listing associated with any Exclusive Agent whose access to the RLS is either terminated and/or suspended because of any failure to comply with this Policy, including but not limited to the non-payment of any fines imposed on the Exclusive Agent. Suspended or terminated Exclusive Agents will not have the ability to either update, modify and remove any current listing on the RLS, nor will they have the ability to input any new Exclusive Listings to the RLS. The Member whose access is terminated will not be able to update, remove or post any new listings until the listing data is corrected and payment of all applicable fines are paid.

4.4. Failure to Correct a Violation

4.4.1. Failure to correct a violation within the applicable correction period may also subject a non-conforming listing to removal by the RLS from active display. New violations may be issued for any remaining uncorrected violations.

4.4.2. When violations are not corrected and/or fines remain unpaid by either the Exclusive Agent or the Exclusive Broker a formal complaint shall be filed by RLS staff to the RLS Violation Subcommittee.

4.4.3. Violation Type and Associated Fines:

FOR SALES TRANSACTIONS

Violation type	Violation description	Days to correct and / or pay fine	Fine amount(s)
Fair Housing Act and/or NYC Human Rights Law, Title 8	Listing description that includes words and/or phrases that violates the aforementioned Federal and State Laws	1st Notification - Two (2) business days	0.5% of the List Price, up to a maximum of \$10,000.00
		2nd Notification - Termination of RLS access	0.5% of the List Price, up to a maximum of \$10,000.00
UCBA and/or Listing Data Quality Policy	Data contained in listings that are non-compliant with RLS requirements	1st Notification - Three (3) business days	\$0
		2nd Notification - Two (2) business days	0.5 % of the List Price, up to a maximum of \$10,000.00
		3rd Notification - One (1) business day	0.5 % of the List Price, up to a maximum of \$10,000.00
		4th Notification - Termination of RLS access	No additional fine

FOR RENTAL TRANSACTIONS

Violation type	Violation description	Days to correct and / or pay fine	Fine amount(s)
Fair Housing Act and/or NYC Human Rights Law, Title 8	Listing description that includes words and/or phrases that violates the aforementioned Federal and State Laws	1st Notification - Two (2) business days	\$1,200.00
		2nd Notification - Termination of RLS access	\$2,000.00
UCBA and/or Listing Data Quality Policy	Data contained in listings that are non-compliant with RLS requirements	1st Notification - Three (3) business days	\$0
		2nd Notification - Two (2) business days	\$1,200.00
		3rd Notification - One (1) business day	\$2,000.00
		4th Notification - Termination of RLS access	No additional fine.

4.5. Quarterly Reviews for Firms: The RLS will perform four (4) quarterly reviews per year. If a participating brokerage firm has more than 5% of the listings it submits to the RLS during any given quarter rejected and/or with data compliance violation(s), the RLS shall impose a monetary fine of \$10,000.00 against the participating firm. Such fine must be paid within three (3) days of the imposition of the fine.

A. If a participating firm is fined three times in a calendar year (i.e., more than 5% of listings submitted are rejected and/or not in compliance for 3 quarters of that year), the RLS shall recommend to REBNY that the participating firm be suspended from the RLS for a period of thirty (30) days, after which the firm can apply for reinstatement to the RLS, and must demonstrate to the satisfaction of the RLS the measures and procedures it has implemented to prevent future non-compliance.

4.6. Waiver of Violations

All violations and fines will be waived if notice of the violation occurs more than one hundred eighty (180) days after the listing has been sold, canceled or expired.

Please direct all questions regarding this policy to RLScompliance@rebny.com.