

SUBSCRIBER LOCKBOX and KEYCARD LEASE FORM

This lease agreement made this date _____ by and between The Reelfoot Regional Association of REALTORS®, Inc. (RRAR) and _____ herein referred to as Subscriber, and _____ herein referred to as Participant.

Section 16 LOCK BOXES

- A. The Lock Box Security Requirements of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended, are hereby adopted and made a part of these Rules and Regulations. (Adopted 09/02, Amended 03/18)

Section 16.1 MLS COMMITTEE

- A. The MLS Committee enforces these rules and administers the lockbox system. The committee may make recommendations related to its purpose to the Board of Directors, including but not limited to amending these rules and purchasing new equipment.

Section 16.2 DEFINITIONS

- A. "Association" means the Reelfoot Regional Association of REALTORS®.
- B. "Keycard holder" means a person issued SentiKEY® access, SMARTCARD® access, or leased application by the Association. (Amended 07/28/2021)
- C. "Lockbox" means a locked container placed on a property into which a key to the property is placed. The term includes those lockboxes that are issued or leased by the Association to persons entitled to the lockbox service
- D. "Lockbox keycard" means a special keycard, program, or other device, which opens a lockbox.
- E. "Participant" means an individual who: (1) is a REALTOR®; (2) is a principal of a firm participating in the lockbox service; (3) voluntarily participates and subscribes to the lockbox service by paying the required fees and complying with these rules; and (4) is responsible to the Association for compliance with these rules for himself and all Subscribers associated with the Participant.
- F. "Principal" means an owner, partner, corporate officer, or branch office manager acting on behalf of a principal.
- G. "Subscriber" means non-principal brokers, salespersons, licensees, and licensed or certified real estate appraisers affiliated with a Participant and who offices at the location the Participant's office or branch office or Affiliate Member (ie. Certified Appraisers, Licensed Home Inspectors or Pest Control Inspectors).

Section 16.3 ELIGIBILITY OF PARTICIPATION

- A. Participants may hold a lockbox keycard if the Participant signs a lockbox keycard lease agreement with the Association and agrees to abide by these rules, as may be amended from time to time. (Amended 07/28/2021)
- B. Subscribers may hold a lockbox keycard if the Subscriber and the Subscriber's Participant sign a lockbox keycard lease agreement, agree to abide by these rules, as may be amended from time to time, and agree that the Participant is responsible for the Subscriber's compliance with these rules. (Amended 07/28/2021)

Section 16.4 OBLIGATIONS OF PARTICIPANTS AND SUBSCRIBERS

- A. No person may duplicate or authorize another to duplicate a lockbox keycard.
- B. A Participant and Subscriber may not permit any person, including other Participants and Subscribers, to use a lockbox keycard that the Association issues or assigns to the Participant or Subscriber.
- C. Participants and subscribers shall not place a lockbox on a property without written authority from the seller and occupant, if other than the seller. (Amended 07/28/2021)
- D. If a Subscriber transfers offices from one Participant to the another Participant, and the Subscriber wants to continue lockbox keycard privileges, the Subscriber and new Participant must sign a statement, as the Association may require, that states the new Participant and Subscriber agree to abide by these rules. The Subscriber and new Participant must sign the statement not later than 10 days after the date that the Subscriber becomes affiliated with the new Participant. (Amended 07/28/2021)
- E. The Participant is responsible for all fees and deposits that the Participant or any Subscriber affiliated with the Participant owes to the Association under these rules.
- F. The Association will conduct a quarterly audit of all lockboxes and keycard access. Participants and Subscribers must cooperate with the Association in its completion of the quarterly audit by accounting for lockbox keycard access and lockboxes when requested by the Association and signing a written statement that the lockboxes and keycard access issued to the Participant or Subscribers are in the Participant's or Subscribers possession or control. If a Participant or Subscriber is unable to account for lockbox(s) when requested by the Association, the Association may declare the lockbox lost and the Participant shall be responsible for replacement. (Amended 07/28/2021)
- G. Participants and Subscribers must immediately return to the Association all lockboxes in their possession if the Association determines, in its sole discretion, (1) that such action is necessary to protect the safety or integrity of the lockbox system; (2) that member of the Reelfoot Regional Association has not paid association dues for the current year or that a non-member subscriber has failed to pay applicable fees for the current year. (Amended 07/28/2021)
- H. Before a Participant or Subscriber may show a property listed by another REALTOR®, the Participant or Subscriber must first contact the listing broker's firm to: (1) notify the listing agent of the approximate time the Participant or Subscriber desires to show the property; (2) ascertain any special instructions; and (3) obtain permission to show the property. Unless

otherwise authorized to do so by the listing broker, a Participant or Subscriber may not access another broker's listing without first contacting the listing broker's firm as provided in this provision.

- I. Participants and Subscribers must agree to follow the listing broker's showing instructions which include leaving a business card inside the property if instructed, securing the property and leaving lights, heating and air thermostats as instructed or as set when agent entered property. Participants and subscribers agree to report immediately to listing agent or other authorized person any condition or situation which constitutes a potential hazard and/or needs attention. Participants and subscribers also must agree to report immediately the cancellation of any scheduled showing appointment.

Section 16.5 ISSUANCE PROCEDURES

- A. Before Keycard access will be issued, a Subscriber affiliated with the Participant shall sign a written agreement with RRAR stipulating the responsibilities and liabilities of both the Subscriber and the Participant. An annual lease fee of \$100 is required to be paid at the time the keycard access is issued or billed to the office. In an agent transfer situation, the agent will retain their original keycard access pursuant to the terms set out in the lease contract. (Amended 07/28/2021)
- B. Before a lock box will be issued, the Participant shall sign a written agreement with RRAR stipulating the responsibilities to maintain a record of the location of each lock box and liabilities should boxes be lost or otherwise unaccounted for. Such liability is established at current cost of lock boxes plus shipping and handling, however, RRAR reserves the right to adjust this amount in accordance with cost adjustments by the supplier. Lock boxes will be available on a lease basis to Participants. Distribution will be in an amount equal to each office's RRAR active and pending residential, commercial/industrial, and multi family plus 20%, with a minimum of two boxes per office. Lock boxes in stock will be issued by written request made by the Participant accompanied by documentation that all boxes currently issued to that office are being used. The documentation must show the serial number and location of each box. Should RRAR Lockbox inventory fall below 10% total lockboxes, the board reserves the right to request the return of lock boxes not in use. The staff reserves the right to limit the number of lock boxes issued, taking into consideration lock boxes already issued to an office, number of active, pending, qualified listings, and availability of lock boxes in stock. RRAR will charge the Participant \$110.00 for each lock box not returned 5 days after an audit. Lock boxes are to be returned clean and in good repair. RRAR may charge a cleaning fee of \$10.00 per lock box if cleaning and shackle code is needed when lock boxes are returned to RRAR office. (Amended 05/26/2021)

Section 16.6 FEES AND SERVICE CHARGES

- A. Usage Lease Fees: The annual Lockbox Usage Fee shall be \$100.00 and the annual Lockbox Keycard Usage Fee shall be 100.00 for users participating in the Lockbox program. Payment of such fees shall be made on or before the first day of each calendar quarter. (Amended 07/28/2021)
- B. Service Charges: The Participant shall be responsible for all costs incurred in the replacement of any stolen, lost or damaged associated equipment. (Amended 06/24/2015, Amended 07/28/2021)

Section 16.7 ENFORCEMENT

- A. The MLS Committee will review any complaint filed against a Participant or Subscriber for a violation of these rules provided that such complaint is in writing and signed. The committee may not initiate a review based on an anonymous complaint unless it has reasonable cause to believe that failure to do so will jeopardize the safety or public confidence of the lockbox system.
- B. If a Participant or a Subscriber affiliated with the Participant fails to timely pay any amount due the Association under these rules, written notice of the delinquency will be sent to the Participant and notify the Participant that the Participant is responsible for all amounts the Participant or any Subscriber affiliated with the Participant owes the Association. An administrative late fee of 10% will be assessed. If the delinquency and any late fee remains unpaid for a period of fifteen (15) days after the committee sends the Participant notice of the delinquency and any late fee, the committee shall terminate the lockbox services to the Participant and all Subscribers affiliated with the Participant. A Participant that disputes an amount owed to the Board may file a request for an appeal to the Board of Directors before the date before which the amount must be paid. In the event of such an appeal, the termination of the lockbox service shall be stayed until the Board of Directors hears the appeal.
- C. If the board of directors determines that a Participant or Subscriber violated these rules, other than for a failure to pay fees under these rules, the board of directors may direct the imposition of a sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Association in accordance with the Association's bylaws within twenty (20) days following receipt of the decision. Sanctions for violations may include: (a) a letter of warning; (b) a reprimand; (c) a fine not to exceed \$250 for each violation; (d) suspension of the Participant's or Subscriber's access to the lockbox service; (e) termination of the Participant's or Subscriber's access to the lockbox service; or (f) a combination of (a) – (e).
- D. The board of directors may refuse to lease lockbox keycard access or lockboxes, may terminate existing lockbox services, and may refuse to activate or reactivate any lockbox keycard held by a person who is convicted of a felony or misdemeanor if the crime, in the determination of the board of directors relates to the real estate business or puts clients, customers, or other real estate professionals at risk. (Amended 07/28/2021)
- E. The board of directors may suspend the right of Participants and Subscribers to use lockbox keycard access or lockboxes following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the committee, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk. (Amended 07/28/2021)
- F. Factors that the board of directors may consider when making determinations under 6D or 6E include, but are not limited to: (1) the nature and seriousness of the crime; (2) the relationship of the crime to the purposes for limiting lockbox access and services; (3) the extent to which access or continued access might afford opportunities to engage in similar criminal activity;

(4) the extent and nature of past criminal activity; (5) time since criminal activity was engaged in; (6) evidence of rehabilitation while incarcerated or following release; and (7) evidence of present fitness.

- G. In the event of an unauthorized entry to a property, the listing agent may file a complaint with RRAR against the cooperating agent. The procedure is as follows:
- a. First Complaint – Fine
 1. Complaint must be received by RRAR within fourteen (14) days of the unauthorized lock box entry date in question.
 2. Documentation (complaint in writing plus lock box read-out) must be received from the listing agent.
 3. Letter from board office sent to the showing agent and their Principal Broker.
 4. Showing agent may choose to respond in person or by letter to the Board of Directors at their next scheduled meeting to request the fine be waived or pay the fine.
 5. If the showing agent chooses to respond, the listing agent may also appear in front of the Board of Directors at their next scheduled meeting or may let the documentation provided stand alone.
 6. \$50 fine levied in showing agents name on monthly billing statement or fine dismissed. Documentation put in showing agents file.
 - b. Second Complaint – Fine
 1. Complaint must be received by RRAR within fourteen (14) days of the unauthorized lock box entry date in question.
 2. Documentation (complaint in writing plus lock box read-out) must be received from the listing agent.
 3. Letter from board office sent to the showing agent and their Principal Broker.
 4. Showing agent may choose to respond in person or by letter to the Board of Directors at their next scheduled meeting to request the fine be waived or pay the fine.
 5. If the showing agent chooses to respond, the listing agent may also appear in front of the Board of Directors at their next scheduled meeting or may let the documentation provided stand alone.
 6. \$100 fine levied in showing agents name on monthly billing statement or fine dismissed. Documentation put in showing agents file.
 - c. Third Complaint - Keypad privileges revoked file.
 1. Complaint must be received by RRAR within fourteen (14) days of the unauthorized lock box entry date in question.
 2. Documentation (complaint in writing plus lock box read-out) must be received from the listing agent.
 3. Letter from board office sent to the showing agent and their Principal Broker.
 4. Showing agent may choose to respond in person or by letter to the Board of Directors at their next scheduled meeting to request the revoking of entry keycard privileges be waived or lose entry keycard privileges.
 5. If the showing agent chooses to respond, the listing agent may also appear in front of the Board of Directors at their next scheduled meeting or may let the documentation provided stand alone.
 6. Entry keycard privileges revoked/user fee forfeited or complaint dismissed. Documentation put in showing agents file.

Subscriber and Participant hereby agree that he/she has read, understands and is bound by this agreement, and the Rules and Regulations of RRAR.

KeyCard User

Subscriber

Dated

Participant or Managing Broker (co-lessee)

Dated

Lockbox User

Subscriber

Dated

Participant or Managing Broker (co-lessee)

Dated