

Greater Capital Area Association of REALTORS®

Rules and Regulations for the Sentrilock Lockbox System for REALTOR® Members

I. Definitions:

- A. Lockbox refers to the Sentrilock System.
- B. Sentricard® refers to the entry card or any future product introduced by Sentrilock
- C. Sentricard® Holder (“Holder” or “Cardholder”) is any licensed real estate associate or licensed appraiser under the supervision of a Designated REALTOR®.
- D. DR (“Designated REALTOR®”) is any principal broker or his/her designee or in accordance with the National Association of REALTORS® (NAR) rules.
- E. GCAAR is the Greater Capital Area Association of REALTORS®.
- F. User Agreement is the “Sentrilock User Agreement”
- G. Person means an individual or entity.

II. Policies:

The policies governing the Lockbox and Sentricard® systems are as follows:

- A. Upon execution by the Cardholder of the Sentrilock User Agreement, the Holder agrees to all the terms and conditions of that Agreement. Violation of any of such terms and conditions may constitute grounds for termination of the agreement and deactivation of the Sentricard®, and/or imposition of fines and/or charges under provisions as stated in Section 9.

1. Lockbox

GCAAR will sell Lockboxes to Holders.

- a. GCAAR will maintain a separate inventory of boxes sold.
- b. The lockbox system is an activity of the Greater Capital Area Association of REALTORS®, and every REALTOR® (and REALTOR-ASSOCIATE®, if applicable) and every non-principal broker, sales licensee and licensed or certified appraiser affiliated with a REALTOR®, shall be eligible to hold a key subject to their execution of a User Agreement with the association.

2. License to Use

Upon execution of “User Agreement” Holder will be granted a personal, revocable, non-exclusive and non-transferable license to use the Sentricard® and Lockbox in connection with the Holder’s normal and customary activities while acting as a real estate agent or appraiser on the terms and conditions set forth in the referenced Sentrilock User Agreement.

3. Purpose

- a. Holder shall use the Sentricard® only for the purposes of gaining authorized entry into real property on which a system Lockbox has been installed pursuant to an agreement with the owner(s) of such real property. Use of a Sentricard® to gain entry to a property for any

purpose other than the exercise of authority or responsibility derived from the agency, sub-agency or other legally recognized brokerage relationship granted by the owner in the listing agreement or offer of cooperation by the Agent, or from an appraisal relationship with the owner or contract buyer, is specifically forbidden.

- b. Utilization of information derived from viewing properties shall not be used or conveyed to anyone for any purpose other than to facilitate the sale or lease of real property.

4. Revocation/Refusal of License

Holder's license to use the Sentricard® for entry into the system shall be revoked immediately upon the happening of any one or more of the following events:

- a. Termination of Holder's affiliation with an eligible DR
- b. Failure of Holder to comply with any of the terms and conditions set forth herein, including but not limited to, the provisions for security in paragraph 5 below, or the provisions of the Sentrilock User Agreement or the GCAAR Bylaws, Rules and Regulations, and policies.
- c. GCAAR may refuse to sell or lease Lockboxes or Sentricards®, may terminate existing Lockbox and/or Sentricard® lease agreements and licenses, and may refuse to activate or reactivate any Sentricard® held by an individual convicted of a felony or misdemeanor if the crime, at the sole determination of the GCAAR Board of Directors, relates to the real estate business or poses a potential risk to clients, customers, or other real estate professionals.
- d. GCAAR may suspend the right of a Holder to use a Sentricard® following his/her arrest and prior to his/her conviction for any felony or misdemeanor which, in the sole determination of the GCAAR Board of Directors relates to the real estate business or which poses a potential risk to clients, customers, or other real estate professionals. In exercising this right the Board of Directors shall afford such due process as it deems in its discretion fair and feasible in light of the circumstances; and any period of suspension prior to an opportunity for a hearing on the issue of whether Cardholder engaged in the conduct for which Cardholder was arrested and if so whether that conduct relates to the real estate business or poses a potential risk to clients, customers or other real estate professionals, shall be kept to the minimum period of time deemed reasonably feasible by the Board of Directors in its discretion.
- e. Factors that can be considered in making such determinations with respect to (c) and (d) above include, but are not limited to:
 - i. the nature and seriousness of the crime;
 - ii. the relationship to the crime to the purposes for limiting lock box access;
 - iii. the extent to which access (or continued access) might afford opportunities to engage in similar criminal activity;
 - iv. the extent and nature of any prior convictions;
 - v. time since criminal activity was engaged in;
 - vi. evidence of rehabilitation while incarcerated or following release;and

- vii. evidence of present fitness to hold a Sentricard®.

5. Security of SentriCard(R) and Property Key

Upon execution of the Sentrilock User Agreement, Holder acknowledges that it is necessary to maintain security of the Sentricard® and the property key to prevent their use by unauthorized persons. Upon execution of the Sentrilock® User Agreement, Holder agrees:

- a. To keep the Sentricard® in Holder's possession or in a safe place at all times;
- b. Not to allow Holder's PIN to be attached to the SentriCard(R);
- c. Not to disclose Holder's PIN to any third party;
- d. Not to lend the Sentricard® or property key to any person, for any purpose whatsoever, or to permit the Sentricard® or property key to be used for any purpose by any other person;
- e. Not to duplicate the SentriCard(R) or property key or allow any other person to do so;
- f. Not to assign, transfer or pledge the Sentricard® or any other rights thereto, except as noted in paragraph 16;
- g. Not to allow anyone who has been admitted to the property by Holder, to remain in the property after the Holder has left the property without the consent of the property owners;
- h. To return the property key(s) to the Lockbox when leaving the property; and to assure that the Lockbox has been securely closed before leaving the property.
- i. Prior to leaving the property, close and lock any windows or doors opened or unlocked by the Holder or by anyone admitted by the Holder;
- j. One Day Showing Codes: These codes are to be disclosed or given ONLY to an agent, a broker or inspector or contractor. Before issuing a code to an agent or broker you must:
 - 1. Obtain the caller's name and phone number, and the company name and phone number.
 - 2. Confirm that the agent is in fact a licensed agent with the company before leaving the one day code, with the office or in the agent's voice mailbox. (NEED DLLR and D.C. sites
You are strongly advised not to leave the code, if the phone number called simply puts you into a personal or unidentified voice mail box, without allowing you to confirm the agent's status with the company.
- k. To follow all additional security procedures as specified by GCAAR, from time to time amended.

6. Lost or Stolen SentriCard(R)

In the event a Sentricard® is lost, stolen, or otherwise unaccounted for, Holder shall notify GCAAR with in forty-eight (48) hours by telephone and in writing. The Holder shall promptly report any such theft to the appropriate law enforcement agency.

- a. If the Sentricard® is lost or stolen, the Holder agrees that the Sentricard® will immediately be deactivated by GCAAR.

7. Audit/Inspection

- a. GCAAR reserves the right to conduct an audit of all SentiCard(R)s at its discretion.
- b. Holders shall submit the SentiCard(R) for inspection within a reasonable time at GCAAR's office after receipt of a written notice.
- c. The SentiCard(R) shall be deemed unaccounted for if the Holder does not demonstrate that the SentiCard(R) is within the Holder's physical control and Holder shall be subject to appropriate fines and/or penalties and deactivation of SentiCard(R).

8. Failure to Comply and Violation

Any failure to comply with any of the terms herein or of the User Agreement or the Bylaws, Rules and Regulations, and policies of GCAAR shall constitute an event of default.

- a. Upon the occurrence of any such event of default, the User Agreement may be terminated in accordance with these Rules and Regulations by GCAAR.
- b. Holder shall be subject to loss of access to the system, fines, and other penalties as determined by the Bylaws, rules and regulations, and policies of GCAAR.
- c. If the alleged default is an alleged violation of the Security Provisions contained in II (5) of these Rules and Regulations the violation will be processed according to the ethics enforcement procedures of the National Association of REALTORS[®] (NAR) Code of Ethics and Arbitration Manual. The complaint will be reviewed by the GCAAR Grievance Committee and either dismissed or forwarded to Professional Standards for a Hearing.
- d. If a violation of these Rules and Regulations is determined by a Hearing Panel sanctions are imposed as listed in II (9) of these Rules and Regulations.
- e. If the alleged default involves an alleged violation of the Code of Ethics and Standards of Practice of the NAR the sanctions for any ethics violations will be determined by a Hearing Panel in accordance with the procedures of the NAR Code of Ethics and Arbitration Manual.
- f. If the alleged default involves an arbitration claim the Arbitration Hearing will be held first in a separate Hearing by a different Hearing Panel from the Arbitration Committee and processed according to arbitration procedures of the NAR Code of Ethics and Arbitration Manual.
- g. Failure to comply with all SentiCard(R) procedures may result in the deactivation of SentiCard(R). GCAAR will not be obligated to re-activate SentiCard(R)s unless and until holder again becomes authorized to utilize the System.
- h. Failure to pay appropriate GCAAR dues and fees will result in deactivation of SentiCard(R).

9. Fines and Penalties

In the event a complaint is forwarded to a Professional Standards Hearing and the Hearing Panel determines that a member is in violation of any Article of GCAAR's Rule and Regulations for Lockboxes and SentiCard(R)s for REALTORS[®], the

following sanctions may be imposed against the member:

- a. First Offense: Within ten (10) days of receipt of the Final Action of the Board of Directors, the member must pay a fine of not more than \$1,000. If the fine is not paid within ten (10) days, GCAAR will disable the member's ability to update his SentiCard(R) until the fine is received by GCAAR. Upon receipt of the fine, GCAAR will reinstate the member's ability to update his SentiCard(R).
- b. Second Offense: The member must pay a fine of no more than \$5,000 and will receive a 30-day suspension of his SentiCard(R) privileges. Upon receipt of the Final Action of the Board of Directors, the member will be denied the ability to update his SentiCard(R) until 30 days after the expiration date of the SentiCard(R). If after 30 days following the expiration date of the SentiCard(R) the member has not paid the fine, the member will continue to be denied the ability to update his SentiCard(R) until the fine is paid.
- c. Third Offense: GCAAR shall permanently terminate SentiCard(R) System subscription.
- d. All Regional Participating Associations will be notified of all violations.

10. Designated REALTORS[®] (DR) and Holder's Responsibilities

For as long as Holder shall have an activated SentiCard(R), the DR shall maintain supervisory authority over Holder. Holder shall be actively engaged in the real estate profession as defined by the National Association of REALTORS[®].

- a. DR and Holder shall maintain current Maryland or District of Columbia real estate licenses or appraisers' licenses.
- b. By executing the User Agreement, Holder agrees that they are liable for all duties, responsibilities, and obligations consistent with use of the SentiCard(R).
- c. Holder or the DR shall promptly notify GCAAR should the Holder cease to hold a valid license.
- d. Holder must comply with all GCAAR Rules and Regulations and Policies for use of Lockbox and SentiCard(R).
- e. Holder must keep GCAAR advised in writing of their current address at all times. Address changes must be reported to GCAAR within forty-eight (48) hours.
- f. Should Holder transfer ownership of the Lockbox(es) to another authorized individual, Holder will immediately notify GCAAR in writing, of the transfer and identify by serial number/shackle code of the box(es) involved.

11. Requirement of Identification

Should Holder need to obtain Holder's PIN number, GCAAR shall require Holder to appear personally at the GCAAR office or call the office but Holder must provide some form of appropriate identification to verify ownership.

- a. Appropriate identification shall consist of a valid Maryland or District of Columbia Driver's License (or in the absence thereof a valid picture I.D.) and Holder's Maryland or District of Columbia Real Estate License (Pocket Card).

- b. GCAAR shall maintain an accurate accounting of all information disseminated under this provision. Should a Holder need to obtain a shackle code for Holder Lockbox, Holder or DR may do so by calling GCAAR and giving Holders SentiCard(R) PIN to the staff. (DR's shall not be required to provide the PIN code). Staff may then release the shackle code via telephone. Staff may only release shackle codes for Lockboxes owned by the caller or the DR of the owners.

12. Action to Enforce

Any action for the enforcement of these Rules and Regulations or of the User Agreement may be made in the name of the Greater Capital Area Association of REALTORS[®], in any court holding jurisdiction over the geographic location of GCAAR's business addresses, and shall include payment of collection fees and attorney's fees by Holder.

13. Authorization

Prior to installing or using the Lockbox on any property, the Holder shall secure written authorization from the owner of such property.

- a. Holder shall be obligated to supply GCAAR with a copy of the written authorization from the owner, should such be requested by GCAAR.
- b. Holder shall include in a listing agreement or some other agreement signed by the owner(s) of such property prior to installation and use of this system a provision whereby the owner(s) acknowledge(s) the risk of using the system and releases GCAAR, the other REALTOR[®] Associations participating in the Lockbox system covered hereby, and the officers, directors, members, employees, independent contractors, and agents of GCAAR and of such REALTOR[®] Associations, from any and all liability in connection with the system.

14. Costs and Fees

- a. GCAAR shall assess an annual fee to be charged to each Holder ("User Fee") each year.
- b. Holder, by executing the "User Agreement" agrees to pay the annual fee.
- c. If Holder has not paid the annual fee by the due date, the Association may assess a late penalty and/or reactivation fee, and de-activate Holder's Senticard[®] until the fees and late penalty are paid in full.
- d. The User Fee shall be reviewed annually and adjustment made as necessary.

15. Repurchase/Resale of Electronic Lockboxes

Lockboxes may be transferred between Senticard[®] holders, subject to Section 10(f) above.

16. Holder's Termination of the User Agreement

Upon written notice to GCAAR, Holder may terminate the User Agreement at any time. Reporting of a SentiCard(R) lost, stolen, or otherwise unaccounted for shall not be construed as Notice of Termination. **Upon termination all leased equipment shall be returned to GCAAR.**

17. Proper Use of Lockbox System

- a. Lockboxes are normally programmed to exclude entry between 9:00p.m and 9:00a.m. Properties listed in MLS that are programmed for 24 hours entry should have "24 HR" as the leading entry in line one of the remarks in the computer system.
- b. Lockboxes that have been programmed for Call Before Showing (CBS) should be so indicated in the computer. In no case shall CBS codes be published or distributed. CBS codes are confidential and should only be provided by the listing agent on a case-by-case basis according to the needs of the specific transaction.
- c. Lockboxes that have been programmed for restricted hours should be so indicated in one of the remarks sections of the MLS.
- d. One Day Showing Codes: The use of one day showing codes are governed by Paragraph (11) (5) (j) herein.
- e. When leaving a property it is the responsibility of the Agent to ensure that the property key is replaced in the Lockbox and that the Lockbox is properly closed. If a Lockbox is found not properly closed, the agent should contact Listing Broker immediately. The listing Broker/Agent should read the Lockbox. The last person found to have entered the property (provided this was not the agent to report the violation) will be held responsible.
- f. Care should be taken when entering a property by use of a SentiCard(R). The property should be left in the same condition in which it was found. It is common courtesy for an agent (even when previewing) to leave a business card in the property. Should an agent find a property left in an unsatisfactory condition it should be reported to the Listing Broker immediately.
- g. Lockboxes shall be removed within 48 hours of settlement.

18. Various Fees

GCAAR reserves the right to invoke a variety of fees and/or price schedule and may at its discretion, alter these fees and prices as it sees fit.

Hardware Costs: Lockbox

Maintenance Fees: Annual maintenance Fees for SentiCard(R)s

Warranty Fees: For Lockboxes and SentiCards®

Administrative Fees: For lost/stolen SentiCards®, return of replacement cards.

Late Fees: For late payment of any of the above.

19. Allocation of SentiCards®

GCAAR will not issue more than one SentiCard® per holder.

20. Miscellaneous

If any provision of the Sentrilock User Agreement or these Rules and Regulations shall be held to be invalid, illegal, or unenforceable, such holdings shall not affect the validity, legality or enforceability of the remaining provisions. These Rules and Regulations shall include any and all amendments thereto which may be adopted from time to time.