

GREATER AUGUSTA ASSOCIATION OF REALTORS, INC.

RULES AND PROCEDURES

SUPRA eKEY and iBox BT Lockbox System

The Supra eKEY and iBox BT Lockbox System (Lockbox System) shall be an activity of the Greater Augusta Association of REALTORS, Inc.(GAAR). Supra eKEYs shall be provided by GAAR and leased from Supra, a UTC Fire & Security Americas Corporation(UTCFS) per the eKEY Keyholder Agreement (Keyholder Agreement) provided by GAAR. Title and ownership of the keys are the sole property of UTCFS.

Eligibility. Every MLS Participant, non-principal broker, sales licensee, licensed, registered or certified appraiser shall be eligible to hold a Supra eKEY, subject to their execution of a Keyholder Agreement with UTCFS. Use of the Lockbox System is entirely voluntary for MLS members and Sellers. The Keyholder Agreement shall be signed by the Keyholder.

Administration. The Lockbox System shall be under the supervision of the Lockbox Committee. The Lockbox Committee shall draw and the Board of Directors shall adopt written reasonable and appropriate Rules and Procedures for the use of the Lockbox System, which may include appropriate fines, not to exceed \$1,000. All Keyholders shall agree, as a condition of the Keyholder Agreement, to be bound by the rules and procedures governing the operation of the Lockbox System.

GAAR shall maintain records as to Supra eKEYs and Lockboxes issued and in inventory.

- a) If an inventory is taken annually, or during a spot check, and a Keyholder refuses or is unable to produce an eKEY within their physical control, then the KEY will be considered unaccounted.
- b) Association staff may conduct a spot audit at any time to insure proper control of a KEY by a Keyholder. The eKey must be in the possession of the Keyholder and must be shown at the time of the spot audit.

Obligations. GAAR shall charge Keyholders and their co-signatories with the joint obligation of immediately reporting lost, stolen or otherwise unaccountable KEYS and Lockboxes to GAAR. Upon receipt of notice, the Board of Directors shall take any steps deemed necessary to re-secure the system.

Default: If Keyholder fails to observe, keep or perform any provision of the Keyholder Agreement as to the Key or Lockbox system required to be observed, kept or performed by Keyholder, GAAR shall have the right to exercise any one or more of the following remedies:

- a) To take possession of the KEY with or without demand or notice, wherever it may be located, and with or without any court order or other process of law, Keyholder hereby waives any and all damages occasioned by such taking of possession. Any said taking of possession shall not constitute termination of the Keyholder Agreement as to any or all items unless GAAR expressly so notifies Keyholder in writing.
- b) To assess a fine of up to \$1,000.00.
- c) To terminate the Keyholder Agreement as to the eKEY.
- d) To pursue any other remedy at law or in equity. Any such remedies are cumulative and may be exercised concurrently or separately.

Noncompliance with Rules: For failure to pay any services charges or fees as of the date due, all KEY access shall be suspended and remain suspended until all service charges or fees are paid in full.

The Association/MLS service may refuse to lease KEYS, may terminate existing Keyholder Agreements, and may refuse to activate or reactivate any KEY held by an individual convicted of a felony or misdemeanor, if the crime in the determination of the Association relates to the real estate business or put clients, customers, or other real estate professionals at risk.

Factors that can be considered in making such determination include, but are not limited to:

- a) The nature and seriousness of the crime.
- b) The relationship of the crime for the purposes for limiting Lockbox accesses.
- c) The extent to which access (or continued access) might afford opportunities to engage in similar criminal activity.
- d) The extent and nature of past criminal activity.
- e) Time since criminal activity was engaged in.

Termination of KEY service: A Keyholder may terminate the Keyholder Agreement at any time by notifying the GAAR office. The Keyholder, for the use of the System previously paid, shall forfeit any unused portion of any fee.

Acknowledgement: Keyholder acknowledges that neither the Lockboxes, nor the ekey, nor any other Supra product used in connection with the Lockbox System is a security system. This Lockbox System is a marketing convenience

and key control system, and as such, any loss of KEYS or disclosure of PINs compromises the integrity of the Lockbox System. Keyholders shall use best efforts to insure the confidentiality and integrity of ALL components of the Lockbox System. Neither UTCFS nor GAAR shall be liable for any lost business or direct, incidental, or consequential damages or any other claim arising out of or relating to the use or inability to use the Lockbox System for any reason whatsoever.

Access by unauthorized persons: In no event may the Supra eKEY or Lockbox System be utilized by anyone not eligible for access to the MLS, or authorized by the Lockbox Committee and the Board of Directors of GAAR. Noncompliance of this rule will result in a maximum fine of \$1,000.00 paid by the unauthorized user.

Safety of shackle codes: Participants and Subscribers are responsible for safeguarding the shackle codes of Supra Lockboxes to prevent theft.

Remedies for breach of rules: If the Keyholder breaches these Rules and Procedures or the Rules of the Lockbox System, the Lockbox Committee or Board of Directors of GAAR may (a) deactivate the eKEY; (b) take legal action against the Keyholder to recover all damages incurred by UTCFS or GAAR resulting from such default and/or improper use of the KEY; (c) demand the return of all KEYS; and/or (d) pursue any other remedy at law or in equity. A maximum fine of \$1,000 will be assessed against the Keyholder. Any claim or dispute arising out of the Keyholder Agreement shall be resolved solely by arbitration. The prevailing party shall be entitled to recover any fees of the arbitrator, reasonable attorney's fees, costs and expenses of the arbitration.

Keyholder Agreement Responsibilities: The Keyholder Agreement shall state the responsibilities and shall incorporate by reference any applicable rules or other governing provisions of the MLS that relates to the operation of the Lockbox System.

Discretion of Board of Directors: All issuing fees, recurring fees, other administrative costs, or rules and procedures shall be established by UTCFS and may be changed at their discretion.

Modification by Board of Directors: The Board of Directors may at any time modify or cancel the Lockbox System with 60 days' notice to the Keyholders; at the end of 60 days, all eKEYs will be deactivated.

Purpose: A Lockbox System is a means by which authorized MLS Participants place Lockboxes on a listed property, and lease eKEYs to access the Lockboxes.

Access Numbers: GAAR will issue eKEYs and Access numbers to Keyholders. In order to enhance the integrity and security of the system, Access Numbers will be known only to GAAR and the Keyholder to whom they are assigned. Each Keyholder will be required to sign a Keyholder Agreement. Participant (Broker) agrees to be bound by and comply with all terms and conditions of the Keyholder Agreement signed by each licensee employed by or affiliated with a Participant. This applies to authorized Appraiser Keyholders as well.

Liability: Participant (Broker) acknowledges and accepts joint and several liability with any licensee affiliated with the Participant for any noncompliance with either the provisions of this agreement or any Keyholder Agreement executed.

Keyholders leaving the business: Any Keyholder leaving the real estate business or discontinuing their membership in the GAAR MLS must notify the GAAR Office immediately and the eKey will be deactivated.

Recall/Repossess: Keyholder acknowledges that title and ownership of the KEYS are the sole property of UTCFS and that UTCFS or GAAR reserves the right to recall or repossess eKEYs for any reason. In the event of a recall or repossession, all eKEYs will be deactivated by GAAR.

Participant's Default:

A. GAAR shall have the option to terminate the Participant's rights under these Rules and Procedures for default. Likewise, if the Participant defaults under the separate KEY Rules, GAAR can terminate the Participant's rights.

B. Participant agrees to return all KEYS and other information concerning the Lockbox System in the possession of the Participant or any licensee employed by or affiliated with the Participant to GAAR immediately upon default, or upon demand by GAAR.

C. If Participant fails to return all KEYS, or information about the Lockbox System to GAAR as provided herein, GAAR shall be entitled to an injunction restraining Participant and every licensee employed by or affiliated with the Participant from utilizing any eKEY or Supra Lockbox, or information concerning the Keys and Lockbox System for any purpose whatsoever, and requiring the immediate return of all KEYS and information of GAAR. GAARs'

right to an injunction shall be in addition to any other remedies available to GAAR under the terms and conditions of this Agreement, at law or in equity.

D. Keyholder shall be responsible for losses, damages, or expenses incurred as a result of the default.

Indemnification: Participant agrees to indemnify, hold harmless, and defend GAAR, its Directors, officers, employees, and agents, from and against any and all liability obligations, damages, claims, or actions arising out of or as a result of Participant's, or any licensee employed by or affiliated with the Participant's, use of any eKEY or Supra Lockbox or information concerning the Lockbox System or Participant's default under this agreement, and all expenses and costs including attorneys' fees, resulting therefrom or incident thereto.

Subject to Rules: Operation of the Lockbox System shall at all times be subject to the Supra eKEY and iBox BT Lockbox Rules and Procedures, Keyholder Agreement, eKEY Rules, MLS Rules, or any other policies adopted by GAAR as amended from time to time.

eKEY RULES GREATER AUGUSTA ASSOCIATION OF REALTORS

Definition: eKEY is the software issued for the purpose of accessing Supra iBox BT Lockboxes.

Ownership: eKEYs are the property of the UTCFS, not the Greater Augusta Association of REALTORS, Inc. (GAAR). Keyholders are responsible for reasonable care and maintenance of these items.

Authorized Keyholders: GAAR has chosen to make the KEYs and Lockbox System available to all MLS Participants (*Designated Realtor*), MLS Subscribers, including certified Appraisers.

Violation of KEY Possession: KEYs must not be lent, transferred or assigned to another person, nor shall the PIN code be affixed to the KEY or divulged to anyone other than the Keyholder. If Keyholder defaults on any of these terms and conditions of lease, the violation shall be a maximum fine of \$1,000.00.

Improper use of eKEYs or Lockboxes: All improper use should be reported to the Association Office **IN WRITING**. Improper use will result in the following action:

1st offense \$75 fine and letter of reprimand

2nd offense \$150 fine, letter of reprimand, deactivate eKEY for 30 days

3rd offense surrender of eKEY

******ABOVE ACTION TO BE TAKEN AFTER PERSONAL INTERVIEW BY LOCKBOX COMMITTEE AND REVIEW AND APPROVAL BY BOARD OF DIRECTORS. ******

Additional Improper Usages: Keyholders shall use extreme care to ensure that all doors to the listed property are locked and that the Lockbox is properly stored and secure. **IF YOU ACCESS A LOCKBOX AND FIND THE PROPERTY'S KEY MISSING, OR THAT THE LOCKBOX HAS NOT BEEN PROPERLY STORED, OR THAT THE PROPERTY IS UNLOCKED OR DAMAGED, YOU ARE REQUIRED TO NOTIFY THE LISTING OFFICE IMMEDIATELY (within 2 hours) TO AVOID ANY APPEARANCE THAT THESE ACTIONS OCCURRED DURING YOUR VISIT AND TO GIVE THE LISTING OFFICE THE OPPORTUNITY TO CORRECT THE PROBLEM AND SAFEGUARD THE PROPERTY.** (Properly stored indicates that the Lockbox where the property's key is located has been stored back inside the Lockbox and is secure.)

Damaged, Lost, Stolen, or Unaccountable KEY:

1) Damaged/Stolen/Lost/Unaccountable – \$249.00 per incident (*which includes a new key*). A stolen, lost, or unaccountable KEY must be reported to the Association within 48 hours. However if stolen, a signed affidavit will be required **before** another KEY will be issued. Keyholder, **prior to reissuing another KEY to the Keyholder**, must sign a new Keyholder Agreement.

Possession: No Keyholder shall possess more than one activated eKEY at any time.

Validity: The invalidity or unenforceability of any particular provision of the Keyholder Agreement shall not affect the other provisions hereof, and shall be construed in all respects as if such invalid or unenforceable provision were omitted.

The Keyholder Agreement sets forth the written understanding between the parties with respect to the use of any part of the Lockbox System and there are no promises, conditions, agreements, understandings, or representations, oral or written, express or implied, between the parties with respect to the use of any part of the Lockbox System, other than as set forth herein.

The Rules of and Leases related to the Lockbox System shall be construed and enforced in accordance with the laws of the State of Virginia.

Any notice under the terms of the Rules of or the Leases related to the Lockbox System shall be in writing and shall be deemed accepted when mailed to a Keyholder at the address on file with the Greater Augusta Association of REALTORS®, or when delivered in person.

SUPRA LOCKBOX RULES GREATER AUGUSTA ASSOCIATION OF REALTORS

Definition: The Supra Lockbox is a box that is placed on a listed property for the purpose of accessing the property in the owner's absence. Supra Lockboxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or in separate document created specifically for this purpose. The Keyholder agrees to disclose to the property owner or tenant that the Supra Lockbox is not designed or intended as a security device.

Use of Supra Lockboxes: All Keyholders are authorized under certain conditions to open the Supra Lockboxes under terms specified by the listing broker. Cooperating brokers and sales licensees, whether functioning as the listing broker or as agents of the broker, must contact the listing broker to disclose their agency status and to arrange appointments to show listed property even if the property has a Supra Lockbox affixed to it, unless the listing broker has given specific permission (through information published in the MLS or otherwise) to show the property without first contacting the listing broker.

The Supra Lockbox System is strictly voluntary.

Supra Lockboxes that are assigned to Greater Augusta Association of REALTORS may not be sold or placed on any listings of any other Association of MLS.

Lockbox Rules and Regulations: The Keyholder Agreement shall incorporate by reference any applicable rules and other governing provisions of the MLS that relates to the operation of the Lockbox System.

Security of shackle codes: Participants are responsible for safeguarding the shackle codes of their Lockboxes to prevent theft.

Privilege information to law enforcement officials: Law enforcement officials may have access to the information held within the Lockboxes on properties where a Supra Lockbox was on the property and criminal activity is suspect. Access will only be allowed with Greater Augusta Association of REALTORS' Board of Directors written approval.

Responsibilities: Participants will:

- 1) Be responsible to pay for any repairs or replacement, if not covered under warranty.
- 2) Not remove the serial number or damage or cover the serial number or Bar Code on the Lockbox.
- 3) Be charged the replacement cost per Lockbox if the serial number has been altered, damaged, covered or if it is missing from the Lockbox.

I hereby acknowledge receipt of the Rules and Procedures and have read and understood my obligations and responsibilities.

_____ Please Print: _____
Keyholder Date

_____ Please Print: _____
Participant/Broker Date

Company: _____