



## REGIONAL RULES AND REGULATIONS FOR THE SENTRILOCK LOCKBOX SYSTEM

### I. Definitions:

- A. “Association(s)” refers individually and collectively to the REALTORS® Association of Prince William, Greater Piedmont Area Association of REALTORS®, Northern Virginia Association of REALTORS®, the Dulles Area Association of REALTORS®, the Fredericksburg Area Association of REALTORS®, and the Blue Ridge Association of REALTORS®.
- B. “Lockbox” refers to a container offered by SentiLock which may be affixed to a property to allow Holders access to the property.
- C. “Key” refers to Smart Card and Mobile App.
- D. “Smart Card” refers to SentiCard® or any future product introduced by SentiLock.
- E. “Mobile App” refers to SentiSmart™, SentiKey™, SentiConnect® or any future downloadable application introduced by SentiLock for use on mobile devices.
- F. “Holder” is any licensed real estate associate under the supervision of a Designated REALTOR®, licensed appraiser or certain Personal Assistant and Affiliate Members, who has executed the User Agreement.
- G. “Designated REALTOR®” (“DR”) is any principal broker or his/her designee or principal appraiser in accordance with National Association of REALTORS® (“NAR”) rules.
- H. “Affiliate Members” are individual affiliate members and Affiliate Member firms as described in the Associations’ bylaws. The Board of Directors of each Association shall in their sole discretion determine eligibility for the use of Keys by their respective Affiliate Members.
- I. “Personal Assistants” are unlicensed individuals who are employed or retained by a REALTOR® member of Associations. The Board of Directors of each Association shall in their sole discretion determine eligibility for the use of Keys by Personal Assistants of their respective REALTOR® Members.
- J. “Affiliate Key” refers to the SentiLock product used by the region’s Affiliate Members. Affiliate Keys are similar to Keys used by REALTOR® members except they are subject to additional rules and regulations set forth herein.
- K. “Personal Assistant Key” refers to the SentiLock product used by the regions’ Personal Assistants. Personal Assistant Keys are similar to Keys used by REALTOR® members except they are subject to additional rules and regulations set forth herein.
- L. “Call Before Showing (CBS) Code” is a code issued or distributions to Persons authorized by property owner(s) in writing to access the property with Key.
- M. “One Day Code” is a code issued or distributed to Persons authorized by property owner(s) in writing to access the property without Key.
- N. “User Agreement” is the SentiLock SentiCard® Authorized User Agreement.
- O. “Rules” means these Regional Rules and Regulations for the SentiLock Lockbox System.
- P. “Person” means an individual or entity.

**II. General Provisions:** Associations provide lockbox services to Association members and other authorized Holders. Associations have exclusive contracts with SentiLock, a vendor that provides Lockboxes and Keys which meet the minimum-security requirements specified by the NAR. Lockboxes are not intended or designed as security devices, but as a convenience to facilitate the showing of listed property. A listing broker/agent shall have written authorization of the owner of property to install or use Lockbox. Nothing shall prevent the owner's right to refuse to use Lockboxes and Keys to provide access to property.

**A. License to Use:** Upon execution of User Agreement, Holder will be granted a personal, revocable, non-exclusive and non-transferable license to use Lockboxes and Key in connection with Holder's normal and customary activities while acting as a real estate agent, appraiser, affiliate or personal assistant on the terms and conditions set forth in User Agreement. Association shall not issue more than one Key to any Person. Each Association's User Agreement shall require Holder to comply with Rules. For as long as Holder has an active Key, DR shall maintain supervisory authority over Holder.

**B. Refusal/Revocation of License:** Association may refuse to sell or lease Lockbox or Key, may terminate existing User Agreements and licenses, and/or may refuse to activate or reactivate Lockbox or Key to any Person:

1. Whose affiliation with an eligible DR has been terminated.
2. Who fails to comply with any of these Rules, User Agreement, or his/her Association's bylaws, rules, regulations, and policies.
3. Who is convicted of a felony or misdemeanor if the crime, at the sole determination of the Association's Board of Directors, relates to the real estate business or poses a potential risk to clients, customers, or other real estate professionals. Pending a hearing on refusal or revocation, the Association may suspend the right of a Holder to use Key following his/her arrest and prior to his/her conviction for any felony or misdemeanor which, in the sole determination of the Association's Board of Directors, relates to the real estate business or which poses a potential risk to clients, customers, or other real estate professionals. Any period of suspension prior to an opportunity for a hearing on this issue shall be kept to the minimum period of time deemed reasonably feasible by the Board of Directors in its discretion.

Factors that can be considered in making such determinations with respect to refusal or revocation include, but are not limited to:

- i. the nature and seriousness of the crime;
- ii. the relationship of the crime to the purposes for limiting System 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 use Key.

**C. Costs & Fees**

1. Each Association may assess an annual fee to be charged to each Holder ("User Fee"). Each Association may develop and maintain its own fee schedule and price schedule for new and used products subject to annual review and adjustment in the Association's discretion. Such fees may include, but are not limited to: User Fees, hardware costs, maintenance fees, warranty fees, administrative fees, late fees, and reactivation fees.

2. Holder, by executing User Agreement, agrees to pay the applicable User Fee.
3. If Holder has not paid the applicable User by the due date set by his/her Association, the Association may assess a late penalty and/or reactivation fee and deactivate Holder's Key until the fees and late penalty are paid in full.

### **III. Audit & Inspection by Association**

- A. Association reserves the right to conduct an audit of Keys at its discretion.
- B. Holder shall submit Key for inspection within a reasonable time at Association's office after receipt of a written notice of audit request. Key is unaccounted for if the Holder does not demonstrate to Association that Key is within Holder's physical control or fails to submit Key for inspection within a reasonable time.
- C. In the event of theft, Holder agrees to promptly report theft of Key to Association and an appropriate law enforcement agency.
- D. If Key is lost, stolen or otherwise unaccounted for, Holder agrees that Key shall be immediately deactivated by Association.
- E. Holder may request his/her Key Personal Identification Number ("PIN") by contacting his/her Association, which may require Holder to appear personally at the Association's office and/or produce appropriate identification consisting of: i) a valid driver's license; ii) or a valid picture ID and Virginia Real Estate License.
- F. Lockboxes may be sold or transferred between Holders.
- G. Holder may request a shackle code for Holder's Lockbox, Holder or DR may do so by calling his/her Association and providing Holder's PIN to Association staff. (DR are not be required to provide PIN). Staff may then release the shackle code via telephone. Staff may only release shackle codes for Lockboxes owned by Holder or DR. Since PINs are confidential, Holder and DR agree that Association assumes no responsibility for lost or stolen Lockboxes or contents.

### **IV. Security, Responsibilities & Prohibited Acts:** Upon execution of User Agreement, Holder acknowledges that it is necessary to maintain security of Keys to prevent use by unauthorized persons. Upon execution of User Agreement, Holder:

- A. Shall secure written authorization from property owner(s) prior to installing or using the Lockbox on property and shall provide his/her Association with a copy of the written authorization upon written request by Association.
- B. Shall, prior to installation and use of Lockbox, include in a listing agreement or some other agreement signed by the property owner(s) an acknowledgement by property owner(s) of the risk of using Lockbox and release of Associations, and the officers, directors, members, employees, independent contractors, and agents of Associations, from any and all liability in connection with Lockbox.
- C. Shall remove Lockbox within forty-eight (48) hours of settlement.
- D. Shall use Key only for the purposes of gaining authorized entry into real property pursuant to 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 listing agent, or from an appraisal relationship with the owner or contract buyer.
- E. Shall not use or convey information derived from viewing properties to anyone for any purpose other than to facilitate the sale or lease of real property.
- F. Shall keep Key in Holder's possession or in a safe place at all times.
- G. Shall not allow Holder's PIN to be attached to Key.

- H. Shall not disclose or provide Holder's PIN to any third party.
- I. Shall not lend or permit Key to be used by any other person.
- J. Shall not assign, transfer, pledge or duplicate Key or allow any other person to do so.
- K. Shall not duplicate the property key, lend the property key to any person or permit the property key to be used by any other person.
- L. Shall not allow anyone who has been admitted to the property by Holder to remain in the property after Holder has left the property without the consent of the property owner(s).
- M. Shall close and lock any windows or doors opened or unlocked by Holder or by anyone admitted by Holder prior to leaving the property.
- N. Shall ensure that the property key is replaced in Lockbox and Lockbox is properly closed when leaving a property.
- O. Shall ensure that the correct property key is returned to the proper Lockbox if there is more than one Lockbox on the property.
- P. Shall not issue or use CBS Code to access property without written permission of property owner(s).
- Q. Shall only issue or distribute One Day Code to licensed agents, brokers, inspectors, contractors or the property owner(s) and only with written permission from the property owner(s). Before issuing a One Day Code to an agent, broker, inspector, or contractor, Holder shall:
  1. Obtain the agent, broker, inspector, or contractor's name, phone number and company name and phone number; and
  2. Confirm that the agent, broker, inspector or contractor is licensed by the Commonwealth of Virginia. Licenses are searchable at <http://www.dpor.virginia.gov/regulantlookup>. One-Day Codes shall only be used for work activities such as showings; home inspections; radon testing (including drop-off and pick-up of radon equipment); termite inspections; repairs to the property; and appraisers.
  3. Coordinate with the owner or the tenant in advance if the property is occupied.
- R. Shall maintain a current real estate license or appraiser's license in any jurisdiction where they are using the Lockbox and/or Key and promptly notify his/her Association should they cease to hold a valid license.
- S. Shall notify his/her Association of any address changes within forty-eight (48) hours.
- T. Shall notify, by telephone or in writing, his/her Association within forty-eight (48) hours in the event Key is lost, stolen or otherwise unaccounted for.
- U. Shall inform their Association within forty-eight (48) hours of termination of employment of a Personal Assistant.
- V. Shall request a transfer of his/her Key within ninety (90) days of the date of transfer of primary membership to another Association and obtain a letter of good standing from the previous primary Association.
- W. Shall promptly notify his/her Association in writing upon transfer of ownership of Lockbox to another authorized individual, including the serial number/Shackle Code of the transferred Lockbox.
- X. Shall promptly comply with audit and inspection requests by Association and return all equipment, Lockboxes and Keys in Holder's possession to his/her Association upon demand as provided for in these Rules.

**V. Specific Rules Applicable to Affiliate Members & Personal Assistants:** Affiliate Members and Personal Assistants agree to abide by these Rules. In addition to the rules in Section IV above, Affiliate Members & Personal Assistants holding Keys are subject to the following rules and procedures:

- A. **Affiliate Members:** An employee of an Affiliate Member firm must be an individual Affiliate Member to be authorized to use an Affiliate Key. Affiliate Members shall only use Affiliate Key to access a property after having first obtained authorization to enter a property from the property owner or listing agent. Affiliate Members shall obtain a CBS Code from the listing agent in order to use Affiliate Key to access a property. Affiliate Members shall return their Affiliate Key promptly upon termination of affiliate membership with an Association. The principal owner of an Affiliate Member firm shall be liable for the actions of their employees.
- B. **Personal Assistants:** Personal Assistants shall only use Personal Assistant Keys to administer listings online and to operate Lockboxes owned by a Holder who has added the Personal Assistant to their team/brokerage. Personal Assistants shall not use Personal Assistant Keys to open or operate any Lockboxes that are not owned or leased by Holder who has added the Personal Assistant to their team/brokerage. Holders shall be liable for the actions of their Personal Assistants. Personal Assistants shall return their Personal Assistant Key promptly upon termination of employment by a Holder who has added the Personal Assistant to their team/brokerage.
- C. **Procedures:** Affiliate Members and Personal Assistant acknowledge, accept and waive protest under these Rules that they are subject to the ethics enforcement procedures of the NAR *Code of Ethics and Arbitration Manual*, Citation System (attached as **Appendix A**) and any supplemental procedures adopted by the Association that issued their Affiliate or Personal Assistant Key.

**VI. Default, Enforcement & Termination:** Any failure to comply with any of these Rules, User Agreement or the Bylaws, Rules and Regulations and polices of Association shall constitute default by Holder (“Default”).

- A. Holder’s Association may terminate Holder’s User Agreement in the event of Default by Holder.
- B. Holder may terminate User Agreement by written notice to his/her Association at any time.
- C. Reporting of Key as lost, stolen, or otherwise unaccounted for shall not constitute written notice of termination of User Agreement by Holder.
- D. Alleged violation(s) of Sections IV and V of these Rules and/or the NAR *Code of Ethics* may be processed according to the ethics enforcement procedures of the NAR *Code of Ethics and Arbitration Manual*, Citation System (attached as **Appendix A**) and any supplemental procedures adopted by the Holder’s Association.
- E. Holder’s failure to comply with all SentiLock rules or procedures may result in the deactivation of Holder’s Key. Association shall not be obligated to reactivate Holder’s Key unless and until SentiLock authorizes Holder to utilize the SentiLock system.
- F. Failure by Holder to pay appropriate Association dues and fees may result in deactivation of Holder’s Key. In the event of deactivation, Association may charge a reactivation fee according to its fee schedule.

**VII. Fines and Penalties:** If Holder is found in violation these Rules through his/her Association’s Citation System and/or by a Professional Standard Hearing Panel, the following sanctions may be imposed against Holder:

- A. **First Offense in Three (3) Years:** Holder may be assessed a fine of not more than \$2,500 per offense. If Holder does not pay the fine within ten (10) days after the delivery of the final action, the Association may deactivate Holder’s Key until the fine is paid to the Association. Upon delivery of payment of the fine, the Association shall promptly reactivate Holder’s Key.
- B. **Second Offense in Three (3) Years:** Holder may be assessed a fine of no more than \$5,000 per offense and the Association may deactivate Holder’s Key for up to ninety (90) days. If Holder

does not pay the fine within thirty (30) days following deactivation of Holder's Key, the Holder's Key may remain deactivated until delivery of the payment of the fine.

- C. Third Offense in Three (3) Years: Association may permanently terminate User Agreement and deactivate Holder's Key.
- D. Any Association that finds a Holder in violation of these Rules may notify the other Associations.

### **VIII. Miscellaneous**

- A. **Action to Enforce:** Any action for the enforcement of the User Agreement or these Rules may be made in the name of the member's Association, in any court holding jurisdiction over the geographic location of the Association's business address and the Association shall be entitled to recover from Holder, in addition to other damages assessed, reasonable collection fees, court costs and attorneys' fees.
- B. **Governing Law:** These Rules shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.
- C. **Severability:** If any provision of the User Agreement or these Rules shall be held to be invalid, illegal, or unenforceable, such holdings shall not affect the validity, legality or enforceability of the remaining provisions.
- D. **Amendments:** These Rules shall include any and all amendments thereto which may be adopted from time to time by written consent of all participating associations.