

COMMON LOCKBOX RULES FOR THE ST. CLOUD AREA ASSOCIATION OF REALTORS®

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The Electronic Keybox System is a service of the St. Cloud Area Association of REALTORS® MLS. Supra is the Electronic Keybox System vendor. The MLS has adopted the following Electronic Keybox System Rules to be administered by the MLS.

Section 20.1 LOCK BOXES: No multiple listing service need use lock boxes and no listing broker need use a lock box on a property, but if the multiple listing service does offer the lock boxes, it must make them available to anyone who participates in the multiple listing service, whether an association member or not. Nothing shall prevent the owner's right to refuse to have a lock box on his property.

A lock box is a container affixed to property containing a device to gain access to the property being marketed by a participant in the MLS. Participants in the MLS or their salespersons (and licensed or certified appraisers affiliated with the participants) are authorized under certain conditions to open these lock boxes under terms specified by the listing broker. Cooperating brokers and sales licensees, whether functioning as subagents of the listing broker or as agents of potential purchasers, must contact the listing broker to disclose their agency status and to arrange appointments to show listed property even if the property has a lock box 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.

If an association or its multiple listing service elects to engage in the sale, rental, or distribution of lock boxes to its members or be involved in any way with the sponsorship or endorsement of a common lock box system, the lock box security requirements as established by the NATIONAL ASSOCIATION OF REALTORS® shall be the minimum security measures adopted and implemented in connection with such lock box system. Eligibility for coverage under the National Association's blanket errors and omissions insurance program is contingent on compliance with the lock box security requirements whether the system is operated by the association, its MLS, or on behalf of an association by a recognized lock box vendor.

Section 2 LOCK BOX SECURITY REQUIREMENTS:

Section 2.1 Every Association REALTOR® member or MLS Participant who is legally eligible for MLS access shall be eligible to hold a eKey or DisplayKey, subject to their execution of a lease agreement.

Section 2.2 Affiliate members of the Association, actively engaged in a recognized field of real estate practice or related field, may lease a DisplayKey, provided a lease agreement is signed by the DisplayKey holder and by a principal, partner, or corporate officer of the Keyholder's firm.

Section 2.3 The Electronic Keybox System includes two types of Keys 1) REALTOR® Display and eKeys that provide access to all Electronic Keyboxes in the service with the use of a personal pin number and 2) Affiliate DisplayKeys that provide access to all Electronic Keyboxes with the use of a personal pin number.

Section 2.4 No member of the Association is required to subscribe to the Electronic Keybox System. Each member who wishes to subscribe to the System must sign a lease agreement, which outlines the obligations to Supra and to the Association. Lockbox lease agreements shall spell out the responsibilities of the parties and shall by reference incorporate any applicable rule or other governing provisions of the Multiple Listing Service or the Association that relates to the operation of the Electronic Keybox System.

Section 2.5 When a DisplayKey, or eKey holder, whether an Association member or Affiliate member decides to A) no longer participate in the Electronic Keybox System B) no longer remain an active licensed sales associate or C) transfer to a different firm, the Keyholder is responsible for notifying the Association of record that leased the

Key of such action. In the case of discontinuing the service, the Key holder is responsible for turning in the DisplayKey or eKey, and fulfilling any other terms agreed to in the lease agreement

Section 2.6 Electronic Keyboxes may not be placed on a property without the written authority of the seller. This authority may be established in the listing contract or in a separate document created for that purpose. Inclusion in MLS compilations cannot be required as a condition of placing a lock boxes on listed property.

Section 2.7 A Key holder may not use the Key to access an Electronic Keybox without first calling the listing office to ascertain the availability of the property, schedule a showing, and obtain other showing instructions from the listing office, unless instructed otherwise in writing by the listing broker. Violations of this rule will result in significant penalties, including but not limited to a fine of up to \$5,000 for each violation of this rule and/or suspension from use of the Electronic Keybox System for a specified period of time. **Section 2.8** Key holders shall not allow their Key to be loaned, given or used by other persons at any time. Violations of this rule will result in significant penalties, including but not limited to a fine of up to \$1,000 for each violation of this rule and/or suspension from use of the Electronic Keybox System for a specified period of time. The only exception to this rule is the temporary loaning of a Key to another authorized Key holder as a result of the electronic failure of the second keyholder's Key (not including battery failure as a result of not placing the key on the cradle or failing to have key updated as a result of not placing the key on the cradle). Both Key holders must be affiliated with the same broker. The Key holder temporarily borrowing a Key due to the failure of a Key and the Keyholder who is loaning the key, must notify the Association in writing within 72 hours that the Key is defective, that the defective Key is being returned to the Association for replacement with this written notice, and that a Key was borrowed from [name of Association member] who is affiliated with the same broker. The defective Key must be returned to the Association for replacement within 72 hours.

Section 2.9 Electronic Key holders acknowledge that it is necessary to maintain security of the Key and its personal identification number (PIN) to prevent use by unauthorized persons. Key holders agree to the following security rules:

- a. To keep the Key in a safe place at all times.
- b. To never attach the PIN number to the Key.
- c. To never duplicate the Key or allow another to do so.
- d. To never assign or transfer the Key or Keybox to another person.
- e. To never destroy, alter, modify, disassemble, or tamper with the Key.
- f. To notify the Board Office immediately but no later than 48 hours of the loss or theft of the Key.
- g. To follow any additional security procedures specified by Supra or the MLS.

Violation of any portion of Rule 9 could result in a fine of up to \$1,000 for each violation and/or suspension from use of the service for a specified period of time.

Section 2.10 The Association may refuse to sell or lease Keys, may terminate existing Key lease 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 puts or threatens to put clients, customers, or other real estate professionals at risk.

The Association may suspend the right of Key holders to use Keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the Association, relates to the real estate business or which puts or threatens to put clients, customers, or other real estate professionals at risk.

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

- The nature and seriousness of the crime
- The relationship of the crime to the purposes for limiting keybox access
- The extent to which access (or continued access) might afford opportunities to engage in similar criminal activity
- The extent and nature of past criminal activity

- Time since criminal activity was engaged in
- Evidence of rehabilitation while incarcerated or following release and
- Evidence of present fitness.

Section 2.11 The following Electronic Key programming changes may be made by staff at the Association.

- a. Reprogramming personal identification numbers (PIN) provided that the number requested has not been assigned by the computer to another user.
- b. Reprogramming the Electronic Keybox shackle code based on a written request from the lessee of the Keybox.
- c. Reprogramming the Electronic Keybox for hours other than the pre-determined timed access currently in the Electronic Keybox. Each keybox holder may turn on or off the pre-determined timed access on each keybox, using the Electronic Key. When the timed access is turned off, the Electronic Keybox may be entered 24 hours a day.

Section 2.12 The listing participant shall remove the Electronic Keybox from the property within 48 hours after the listing expires, results in a closed sale or property rental, or whenever notified by the MLS or the Association to remove the Electronic Keybox.

Section 2.13 If a Key holder accesses an Electronic Keybox and finds the property key missing, or the property is unlocked or damaged, the Key holder is required to notify the listing office immediately.

Section 2.14 Any Key holder, party to a Supra lease agreement or any other authorized users of the Electronic Keybox System may be assessed penalties, including fines for violations of these Electronic Keybox System Rules. Penalties may include a letter of reprimand, suspension from use of the Electronic Keybox System for a period of time, and/or a fine up to \$1,000.

Section 2.15 A Key holder and/or responsible person/entity, shall be required to pay damages to offset all of the costs in re-establishing the security of the overall Supra Electronic Keybox System if it is determined the security has been compromised through the negligence or fault of the Key holder.

Section 2.16 All alleged unauthorized entry complaints must be sent in writing by the Broker to the SCAAR Board of Directors for review within 60 days of when the alleged violation occurred.

Section 3 LOCK BOX KEY DEPOSITS: Any funds accepted by a member association or association MLS as deposits for lock box keys shall be retained by the association or its MLS in a separate account so that the funds will be available to be refunded to depositors upon return of the lock box key to the association or its MLS. The funds deposited are to be retained for this purpose only and are not to be utilized in any other manner. The separate fund may be an interest bearing account with the interest retained by the association or association MLS unless as a requirement of law, or at the discretion of the association or association MLS, such interest shall be paid to the depositors.