



## REGIONAL RULES AND REGULATIONS FOR THE SENTRILOCK LOCKBOX SYSTEM REALTOR® Members

### I. Definitions:

- A. “Associations” refers to REALTORS® Association of Prince William, Greater Piedmont 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 Sentrilock System.
- C. SentiCard® refers to the Smart Card or any future product introduced by Sentrilock.
- D. SentiCard® Holder (“Holder” or “Cardholder”) is any licensed real estate associate or licensed appraiser under the supervision of a Designated REALTOR® or certain Affiliates as defined in the Personal Assistant and Affiliate Members addendum to these rules, who has executed the Sentrilock SentiCard® Authorized User Agreement (“SentiLock User Agreement”).
- E. Designated REALTOR® (“DR”) is any principal broker or his/her designee or principal appraiser in accordance with NAR rules.
- F. User Agreement is the Sentrilock User Agreement.
- G. Person means an individual or entity.

### II. Policies:

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

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 SentiCard®, and/or imposition of fines and/or charges under provisions as stated in Section 9. The Association reserves the right to deactivate the SentiCard® upon any complaint of a violation or potential risk to the safety of the lockbox system at the sole discretion of the Board of Directors. 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 deactivation prior to opportunity of the Cardholder for a hearing shall be kept to the minimum period of time deemed reasonably feasible by the Board of Directors in its discretion.

#### 1. Lockbox

The Associations will sell Lockboxes to Holders.

- a. The Associations will maintain a separate inventory of boxes sold.
- b. Receiver of the Lockbox will supply his/her Association with a copy of the “Bill of Sale” indicating the serial code of the Lockbox/Shackle Code for the Association’s files.

#### 2. License to Use

Upon execution of the “User Agreement” Holder will be granted a personal, revocable, non-exclusive and non-transferable license to use the SentiCard® 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 SentiLock User Agreement. Each

Association's User Agreement shall require the Holder to comply with these Regional Rules and Regulations.

### **3. Purpose**

- a. Holder shall use the SentiCard® 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 SentiCard® 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 SentiCard® for entry into the system shall be revoked or refused 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 SentiLock User Agreement or his/her Association's Bylaws, Rules and Regulations, and policies.
- c. The Associations may refuse to sell or lease Lockboxes or SentiCards®, may terminate existing Lockbox and/or SentiCard® lease agreements and licenses, and may refuse to activate or reactivate any SentiCard® held by an individual 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.
- d. The Association may suspend the right of a Holder to use a SentiCard® 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. 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 of the crime to the purposes for limiting lockbox 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 SentiCard®.

### **5. Security of SentiCard® and Property Key**

Upon execution of the SentiLock User Agreement, Holder acknowledges that it is necessary to maintain security of the SentiCard® and the property key to prevent his/her use by unauthorized persons. Upon execution of the SentiLock User Agreement, Holder agrees:

- a. To keep the SentiCard® in Holder's possession or in a safe place at all times;
- b. Not to allow Holder's PIN to be attached to the SentiCard®;
- c. Not to disclose Holder's PIN to any third party;
- d. Not to lend the SentiCard® to any person, or to permit the SentiCard to be used by any person, for any purpose whatsoever, other than actions which are administrative in nature;
- e. Not to lend the property key to any person, for any purpose whatsoever, or to permit the property key to be used for any purpose by any other person;
- f. Not to use another Holder's SentiCard® for purposes other than administrative in nature;
- g. Not to duplicate the SentiCard® or the property key or allow any other person to do so;
- h. Not to assign, transfer or pledge the SentiCard® or any other rights thereto, except as noted in Paragraph 16.
- i. 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.
- j. To return the property key(s) to the Lockbox when leaving the property.
- k. 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.
- l. In the event there is more than one Lockbox on the property, ensure that the proper property key is returned to the proper box.
- m. One Day Showing Codes, if applicable: 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 agent's name, phone number and company name and number
  2. Confirm that the agent is in fact a licensed agent with the company before leaving the code in the agent's mailbox or with his/her office. You can do this by contacting DPOR at the following address:  
<http://www.dpor.virginia.gov/regulantlookup>
  3. You are hereby advised not to leave a code if you are unable to verify the agent's status.
- n. One Day Showing Codes for contractors (GPR, BRAR and FAAR ONLY): These codes are intended to offer convenience to Users, however, a User should, when possible, be present when non-SentiCard® Holder contractors access the property. These codes are to be disclosed or given ONLY to a contractor after written approval from the seller. Before issuing a code to a contractor you must:
  - a. Ensure that it is only to be used for work activities such as home inspections; radon testing (including drop-off and pick-up of radon equipment); termite inspections; repairmen in vacant properties, and appraisers without a SentiCard®.
  - b. In the event the property is occupied you must coordinate with the owner or the tenant in advance.
  - c. Ensure that the contractor you are providing the code for is one that you know and are familiar with and has been approved by the seller.
  - d. In the event a cooperating agent is a non-SentiCard holder and requests access to the property for a contractor pursuant to the contract, the cooperating agent must obtain permission from the Seller.
- o. SentiSmart™ Mobile App: The SentiSmart™ Mobile App generates access codes. Such access codes can only be used by Holder in accordance with the rules applicable to the use by Holder of a SentiCard® and for purposes otherwise permitted under these rules.

- p. To follow all additional security procedures as specified by the Association, from time to time amended.

## **6. Lost or Stolen SentiCard®**

- a. In the event a SentiCard® is lost, stolen, or otherwise unaccounted for, Holder shall notify his/her Association within forty-eight (48) hours, by telephone and in writing. The Holder shall promptly report any such theft to the appropriate law enforcement agency.
- b. If the SentiCard® is lost or stolen, the Holder agrees that the SentiCard® will immediately be deactivated by the Association.

## **7. Audit/Inspection**

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

## **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 the Association 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 the association party to such User Agreement.
- 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 his/her Association.
- c. If the alleged default is an alleged violation of the Security Provisions contained in II (5) of these Rules and Regulations it will be processed according to the ethics enforcement procedures of the NAR Code of Ethics and Arbitration Manual. The complaint will be reviewed by the Holder's association's 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 (which shall be of Holder's association) 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 National Association of REALTORS® the sanctions for any ethics violations will be determined by a Hearing Panel of Holder's association 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 (which shall be of Holder's association) 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® procedures may result in the deactivation of SentiCard®. The Association will not be obligated to re-activate SentiCards® unless and until holder again becomes authorized to utilize the System.
- h. Failure to pay appropriate Association dues and fees will result in deactivation of SentiCard®. A reactivation fee will be charged.

## **9. Fines and Penalties**

In the event a complaint is forwarded to a Professional Standards Hearing and the Hearing Panel (which shall be of Holder's association) determines that a member is in violation of any Article of these Rules and Regulations, the following sanctions may be imposed against the member.

- a. First Offense: The Holder will be assessed a fine of no more than \$1,000 per offense. If the fine is not paid within ten (10) days after the receipt of the final action, the Association will de-activate the Holder's SentiCard® until the fine is received by the Association. Upon receipt of the fine, the Association will re-activate the Holder's SentiCard.
- b. Second Offense: The Holder will be assessed a fine of no more than \$5,000 and will receive a 30-day deactivation of his/her SentiCard® privileges. If after 30 days following the deactivation date of the SentiCard®, the Holder has not paid the fine, the Holder's will SentiCard® will remain deactivated until the fine is paid.
- c. Third Offense: The Association shall permanently terminate SentiCard® system subscription.
- d. All Regional Participating Associations will be notified of all violations.

### **10. Designated REALTORS® and Holder's Responsibilities**

For as long as Holder shall have an activated SentiCard®, the Designated REALTOR® 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. Designated REALTOR® and Holder shall maintain current real estate licenses or appraiser's licenses in the jurisdiction where they are using the Lockbox and SentiCard® systems.
- b. By executing the User Agreement, Holder agrees that Holders are liable for all duties, responsibilities, and obligations consistent with use of the SentiCard®.
- c. Holder shall promptly notify his/her Association should they cease to hold a valid license.
- d. Holder must comply with all these Rules and Regulations.
- e. Holder must keep his/her Association advised in writing of the current address at all times. Address changes must be reported to his/her Association within forty-eight (48) hours.
- f. In the event Holder transfers his or her primary membership to another Association, Holder must request a transfer of his or her SentiCard® within ninety (90) days of the date of transfer.
- g. For DAAR Members: Should Holder transfer ownership of the Lockbox(es) to another authorized individual, Holder will immediately notify DAAR in writing, of the transfer and identify by serial number/Shackle Code of the box(es) involved.
- h. Holder must attend an instructional training program on the operation and use of the SentiCard® and Lockbox.

### **11. Requirement of Identification**

Should Holder need to obtain Holder's PIN number, his/her Association shall require Holder to appear personally at the Association's office or produce appropriate identification as identified in the User Agreement.

- a. Appropriate identification shall consist of a valid Virginia Driver's License or in the absence thereof a valid picture ID and Holder's Virginia Real Estate License.
- b. The Association 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 his/her Association and giving Holder's SentiCard® 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. Since PINs are confidential, the Association will assume no responsibility for lost or stolen Lockboxes or their contents since the owner of their

Lockboxes would have revealed the PIN to someone else in order for staff to have given out the shackle code.

## **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 member's Association, in any court holding jurisdiction over the geographic location of the Association's business address, 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 his/her Association with a copy of the written authorization from the owner, should such be requested by the Association.
- b. Holders shall include in a listing agreement or some other agreement signed by the owners of such property prior to installation and use of this system a provision whereby the owners acknowledges the risk of using the system and releases the Association, and the other REALTOR® Associations participating in the Lockbox system covered hereby, and the officers, directors, members, employees, independent contractors, and agents of the Associations and of such other REALTORS® Associations, from any and all liability in connection with the system.

## **14. Costs and Fees**

- a. Each Association shall assess an annual fee to be charged to each Holder ("User Fee") each year. Each Association shall develop and maintain its own fee schedule. Each Association also shall develop and maintain a price schedule for new and used products.
- 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 Lockboxes**

Lockboxes may be sold or transferred between Cardholders, subject to Section 10 (f) above.

## **16. Holder's Termination of the User Agreement**

Upon written notice to his/her Association, Holder may terminate the User Agreement at any time. Reporting of a SentiCard® lost, stolen, or otherwise unaccounted for shall not be construed as Notice of Termination. **Upon termination all equipment shall be returned to his/her Association.**

## **17. Proper Use of Sentrilock System**

- a. SentiCards® and Lockboxes may be used on properties listed with Designated REALTORS® in Prince William, Greater Piedmont, Northern Virginia, Dulles, Fredericksburg Area and the Blue Ridge Area, and must be used on the property when so indicated on the published listing.
- b. Lockboxes are normally programmed to exclude entry between 9:00 pm and 7:00 am EST. 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.

- c. Lockboxes that have been programmed for CBS (Call Before Showing) 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 on a case by case basis according to the needs of the specific transaction.
- d. Lockboxes that have been programmed for restricted hours should be so indicated in one of the remarks sections of the MLS.
- e. One Day Showing Codes, if applicable: The use of one day showing codes are governed by Paragraph (II)(5)(m) herein.
- f. When leaving a property it is the responsibility of the Holder 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 Holder should contact the 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.
- g. Care should be taken when entering a property by use of a SentiCard®. 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.
- h. Lockboxes shall be removed within 48 hours of settlement.

#### **18. Allocation of SentiCards®:**

The Association will not issue more than one SentiCard® per Holder.

#### **19. Various Fees**

The Associations reserve the right to invoke a variety of fees and/or price schedule and may, at their respective discretion, alter these fees and prices as each association sees fit on an individual Association basis.

Hardware Costs: Lockbox and SentiCards®

Maintenance Fees: Annual maintenance Fees for SentiCards®

Warranty Fees: For Lockboxes and SentiCards®

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

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

Reactivation Fee: For reactivating a terminated SentiCard®

#### **20. Miscellaneous**

If any provision of the SentiLock 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 by written consent of all participating associations. No association shall adopt any Bylaws provision, or any other rule or regulation or policies, any of which are in conflict with these Rules and Regulations, without the written consent of all associations.