

SECTION I. ADMINISTRATIVE/MANAGEMENT: ITEM 12.

Lockboxes and Keys.

A lockbox is a container affixed to a property containing a device to gain access to the property being marketed by a REALTOR®. Other REALTORS® are authorized under certain conditions to open these lockboxes under terms specified by the listing broker. Cooperating brokers and sales licensees, functioning in any type of legal brokerage relationship with potential purchasers, must contact the listing broker to disclose their brokerage relationship status and to arrange appointments to show the listed property even if the property has a lockbox affixed to it, unless the listing broker has given specific permission (through information published in a multiple listing service or otherwise) to show the property without first contacting the listing broker. Lockboxes are not security devices but are a convenience by which to expedite the showing of property. Nothing shall prevent the owner's right to refuse to have a lockbox on their property.

The key system provided by RALSC is a member service offered to REALTORS® who are members of RALSC and who are actively engaged in a recognized field of real estate practice. RALSC has an exclusive contract with the vendor for the systems. RALSC members must agree to comply with all the provisions of key holder and lockbox contractual vendor agreements and leases and with the rules, policies and security requirements for lockbox use established thereunder and by RALSC and the National Association of REALTORS®, as thereafter modified and amended. Violation of these rules, policies or security requirements shall result in fines or in loss of the privilege of using a lockbox key or the lockbox system.

Neither the service, nor the lockbox nor any other product to access a property is a security system. The service is a marketing convenience key control system, and as such, any loss of keys or disclosure of personal identification numbers compromises the integrity of the service and any REALTOR® or other party utilizing the system agrees that it will use its best efforts to insure the confidentiality and integrity of all components of the service.

1. Lockbox keys are issued by RALSC to an individual under a lease with the respective vendor. Under no circumstances shall anyone other than the key holder have use of the key. Keys are not to be shared, loaned, or given to any other person to use to enter a property.
2. To be issued a key, members must be in good standing with RALSC, read and execute a lease agreement, pay the required fees, and attend training on the use of the key.
3. RALSC will refuse to lease lockbox keys, may terminate existing key lease agreements, and will refuse to activate or reactivate any key held by an individual convicted of a felony or misdemeanor if the crime, in the determination of RALSC, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.
4. No member shall be required to lease a lockbox key from RALSC. Leasing a lockbox key is on a voluntary basis.
5. Keys shall be deactivated by RALSC for non-payment of fees or membership dues. Keys may be deactivated for noncompliance with Code of Ethics sanctions or sanctions for violations of membership duties. Lost, stolen or missing keys will be deactivated when reported to the Association.

Lockbox Procedures to Enter a Property. Procedures for using the lockbox system for access to property. All members who use a lockbox key must insure compliance with the following, in addition to any other terms and provisions set forth in the leasing agreement with the vendor:

1. Contact the listing broker unless given other specific instructions, whether in a multiple listing service or otherwise.
2. Disclose their brokerage relationship or other status to the listing broker.
3. Arrange an appointment to show or enter the property. *Note:* The fact that a property has a lockbox available for use does not authorize any key holder to enter or show the property without first contacting the listing broker.
4. All property keys or other entry devices must be returned to the lockbox container. Under no circumstances are property keys or entry devices to be given to anyone at any time. They are available to enter the property as specified in these rules only.

Lockbox Breach of Security. The lockbox security requirements of the National Association of REALTORS®, as from time to time amended, are hereby adopted and made a part of these Administrative Procedures. Fines, not exceeding \$500 per violation, and termination of lockbox key privileges until the fine is paid will be assessed for the following violations:

1. Giving the property keys or access devices obtained from the lockbox container to any individual whatsoever.
2. Placing the Personal Identification Number (“PIN”) on the key.
3. Leaving the PIN in the key pouch.
4. Writing the PIN on the instruction card.
5. Writing the PIN where it is accessible if lost or stolen.
6. Allowing anyone (spouse, significant other, team member, personal assistant, etc.), other than key holder to use the PIN or key.
7. Failure to replace the property key or other access device back in the lockbox.

Suspensions & Fines. Any violation of the vendor lease or the Administrative Procedures, as recited herein, reported to RALSC shall subject the violating REALTOR® to reprimands, fines and/or suspension. All violations shall be reported to the CEO or the CEO’s designee. The CEO shall serve as the reviewing officer for the violation. The CEO or the CEO’s designee shall obtain written statements from the reporting individual and REALTOR® accused of the violation. Within 30 days of receipt of a reported violation, the CEO shall conduct an investigation of the incident and issue a decision. The investigation may include reviewing statements of the reporting individual(s) and REALTOR®, interviews with any other party having information related to the alleged violation, and review of any documentation gathered by and/or presented to the CEO related thereto. Based on an investigation of the incident, the CEO shall render a decision, and should a REALTOR® be found in violation by a preponderance of the evidence, the CEO shall render a written decision setting forth the CEO’s decision and imposition of a reprimand, fine and/or suspension as hereafter set forth. CEO shall advise the Executive Committee as to the action taken.

A first time offense of the following shall result in a written reprimand and imposition of a fine of \$500 for each offense against the violator, and repeat offenders shall result in a fine of \$1,000 for each offense, written reprimand and 90 day suspension at the discretion of the CEO:

1. Giving the property keys or access devices obtained from the lockbox container to any individual whatsoever.
2. Placing the Personal Identification Number (“PIN”) on the key.
3. Leaving the PIN in the key pouch.
4. Writing the PIN on the instruction card.
5. Writing the PIN where it is accessible if lost or stolen.
6. Allowing anyone (spouse, significant other, team member, personal assistant, etc.), other than key holder to use the PIN or key.
7. Failure to replace the property key or other access device back in the lockbox.
8. Knowingly accessing a property without proper authorization under these Administrative Procedures or lease agreement governing use of the lockbox or key systems.
9. Knowingly violating or being complicit with a REALTOR® violating these Administrative Procedures or provisions of the lease agreement when accessing a property.
10. Any other violation not enumerated above of these Administrative Procedures or provisions of the lease agreement with the vendor when accessing a property.

All fines shall be payable by the violator to RALSC within 30 days of entry of the decision by the CEO, unless such decision is appealed to the Executive Committee. Notwithstanding the foregoing, all fines assessed by the CEO must be paid by the violator by no later than 30 calendar days following the Executive Committee’s denial of an appeal. Any fine not timely paid shall result in the automatic suspension of membership in RALSC. Any fine(s) remaining unpaid for a period of 60 calendar days after payment of the fine(s) is due shall result in the automatic termination of membership in RALSC. No past violator shall be permitted to re-apply for membership while a fine(s) remain due and payable.

Any member found in violation by the CEO, as enumerated above, shall have the right to appeal the CEO’s decision, which decision must be submitted in writing to the Executive Committee within 15 calendar days of entry of the CEO’s decision. Any appeal of the CEO’s decision must state with specificity the grounds for appealing and reasons challenging the decision of the CEO. Within 10 calendar days of receipt of a timely appeal, a panel of 3 members of the Executive Committee (“Review Panel”) shall convene to review the appeal. Based on the record of the investigation, findings and decision of the CEO, as preserved by the CEO, and the written statement of appeal submitted by the violator, the Review Panel shall either uphold, overturn or modify the decision and/or imposition of fines, reprimand and/or suspension rendered by the CEO. The Review Panel is granted complete and unfettered discretion when rendering a decision on an appeal. The decision of the Review Panel is final, and no further appeals shall be permitted.