



R A C I

REALTORS® Association of Central Indiana, Inc

SentriLock Lockbox System Authorized User Agreement

This agreement is made and entered into by REALTORS® Association of Central Indiana (RACI) and the Participant and Subscriber identified in this agreement.

1. **Purpose:** The parties have entered into the agreement because:
 - a) RACI will provide access to its lockbox system;
 - b) If the Subscriber agrees to the terms in this agreement; and
 - c) If the Participant makes certain commitments on the Subscriber's behalf.
2. **Definitions and Usage:** For the purpose of this agreement, the following terms shall apply:
 - a) **RACI;** shall mean REALTORS® Association of Central Indiana (RACI).
 - b) **Participant;** shall mean the Managing Broker, Broker Owner of a Real Estate Company, Licensed or Certified Appraiser who is also the owner of their appraisal company and a REALTOR® member in good standing with RACI or an Affiliate Member of RACI that is either a licensed inspector or a licensed pest inspector that is in good standing with RACI.
 - c) **Subscriber;** shall mean the Associate Broker, Licensed or Certified Appraiser or Trainee Appraiser associated with a Participant and be a member in good standing with RACI.
3. **Eligibility Requirements:** RACI REALTOR® members and approved Affiliate members who are Participants or Subscribers are eligible to participate in the RACI lockbox system.
4. Participants and Subscribers agree that a lockbox is a container affixed to property as a device to gain access to the property being marketed for sale by a Participant in RACI. Participants and their Subscribers are authorized under certain conditions to open these lockboxes under terms specified by the listing broker. Participants and their Subscribers, functioning as Licensees of potential purchasers, must contact the listing broker's office and arrange appointments to show listed property, even if the property has a lockbox affixed to it, unless the listing broker has given specific permission entered on the MLS system under agent remarks indicating that no appointment is required.
5. **Lockbox System and Equipment:** Participant and Subscriber acknowledge that the SentriLock system, lockboxes, keycards, and anything associated with the lockbox service is the sole property of RACI, and Participant and Subscriber shall return all such property as required by RACI. Participant shall return all lockboxes, keycards, card readers and other equipment associated with the lockbox system immediately upon termination of the REALTOR® membership, RACI participation, termination of lockbox services due to the Participant's failure to pay all fees associated with the service and/or reimbursements for lost equipment as required, or affiliation with an eligible participant. Failure to return said equipment shall result in the Participant being charged all costs associated with replacement of the equipment. If such costs and unpaid fees are not paid within 30 days of the billing date, RACI shall have the right to file suit against the Participant for the full amount due plus statutory interest, court costs, attorney's fees and other costs of litigation.

- 6. Lockbox Review Committee:** Participant and Subscriber shall submit to a disciplinary tribunal of RACI Board of Directors in the event either is accused of a breach of the RACI policies relating to the lockbox system. The tribunal will be a Lockbox Review Committee consisting of members from the RACI Board of Directors who are not directly involved in the disciplinary hearing. The committee shall conduct all tribunals in accordance with the Bylaws and Rules of RACI. All such tribunals shall have at their disposal every sanction available to them under the RACI policies, including forfeiture of the Subscriber's keycard and/or withdraw of Participant's and Subscriber's rights to possess a keycard. In cases of significant breach of RACI policies, a disciplinary tribunal may revoke all the keycards in a Participant's office, not just the one issued under this agreement. The fees and fines for violations listed in **Lockbox Fees and Penalties** shall be levied and assessed by the Executive Vice President of RACI.
- 7. Term of Agreement:** This agreement has the following conditions:
- a) The term of this agreement begins on the date of the execution of this agreement and ends on the date of any of the following events:
 - i) Termination of the Participant or Subscriber for any reason.
 - ii) Failure of the Participant or Subscriber to perform in accordance with any and/or all terms and conditions herein set forth, or as modified, including, but not limited to, the provisions of security outlined in the agreement.
 - b) Participant acknowledges that by signing this agreement, he/she is granted permission to use the SentiLock keycard, card reader, applicable software under the terms of this agreement.
 - c) Subscriber acknowledges that by signing this agreement, he/she is granted permission to use the SentiLock keycard, card reader, applicable software under the terms of this agreement.
- 8. Participant Obligations:**
- a) **Guaranty and liability for Subscriber conduct.** Participant is guarantor of Subscriber's performance under this agreement. Participant is jointly and severally liable to RACI for all damages and costs RACI sustains as a result of Subscriber's misuse of the keycard, up to and including the last date Subscriber has access to the lockbox system by virtue of the SentiLock keycard issued under this agreement, even if Subscriber is no longer affiliated with Participant at the time of the wrongful conduct.
 - b) **Participant warranties.** Participant warrants that (1) Participant is a licensed real estate broker, licensed or certified appraiser or licensed inspector or licensed pest inspector and member of RACI; and (2) Subscriber possesses a real estate license and is associated with the Participant as a licensee actively seeking to sell real estate or Subscriber is a licensed or certified appraiser affiliated with Participant.
 - c) **Subscriber transfers.** Participant shall notify RACI in writing within 24 hours after Subscriber's transfer of license. If the Subscriber has transferred to a firm which is not participating in the RACI, or if the Subscriber's license is inactivated or sent back to the state, Participant agrees to make its best efforts to obtain the transferred Subscriber's keycard. Participant acknowledges that it shall be liable for periodic lockbox service fees, if any, for disassociated Subscriber until the next billing cycle after the keycard has been returned. If Participant cannot obtain return of the keycard, it shall supply RACI with copies or written correspondence attempting to obtain the keycard return.
 - d) **Cosign agreement with Subscriber.** Participant shall cosign any lockbox agreement executed by a Subscriber affiliated with the Participant.
- 9. Key Card Update:** The Participant and Subscriber acknowledge that the SentiLock keycard must be updated for access every three (3) days.

10. Security: These lockbox rules are subject at all times to the lockbox security requirements of the National Association of REALTORS® (NAR), presently set out as part Two: Policies, H. Lockbox/key Repositories, Section 1 of the NAR Handbook on Multiple Listing Policy, which is incorporated in these rules by reference.

The Participant and Subscriber agree that it is necessary to maintain security of the SentiLock system to prevent its use by an unauthorized person. Consequently, Participant and Subscriber agree;

- (a) To keep the SentiLock keycard in the Participant's or Subscriber's possession or in a safe place at all times.
- (b) To not allow his/her personal identification number (PIN) to be kept with, attached to, or written on the keycard.
- (c) To not duplicate the SentiLock keycard or allow any person to do so.
- (d) To not assign, transfer, or pledge the rights of the SentiLock lockboxes, keycard or card readers.
- (e) To notify RACI immediately in writing, with a statement of the circumstances surrounding the loss or theft of a keycard or any other associated equipment.
- (f) To follow the guidelines outlined in this agreement.
- (g) To recognize the responsibility to ensure the security of properties accessed through the use of the lockbox system.
- (h) To notify SentiLock when a lockbox fails to release from a property. Only SentiLock is authorize to order a lockbox to be removed or cut off a property because the lockbox fails to release.

11. Indemnification: Participant and Subscriber agree to indemnify and hold RACI and their respective officers, directors and employees harmless from any and all loss, cost, expense, claims or demand whatsoever by or against RACI resulting from loss, use or misuse of the SentiLock, including but not limited to, any and all liabilities including attorneys fees incurred by them as a result of damage or injuries to property or persons arising out of entry by any person into any premises by use of the SentiLock.

12. Issuance of Lockboxes: Lockboxes initially will be issued to Managing Brokers who are RACI members. Lockboxes shall be issued based on 110% of the Managing Broker's office active and pending listings, excluding lots and land. The Managing Broker shall be responsible for the lockboxes.

13. Placement of Lockboxes: Lockboxes must not be placed on any property without the written authority of the seller. This authority may be established in the listing agreement or in a separate document created specifically for this purpose.

14. Lockboxes Not a Security System: Participant and Subscriber acknowledge that the SentiLock lockboxes, keycard, and other components of the lockbox system are not a security system; they are a marketing convenience and control system. Participant and Subscriber hold RACI harmless against any claims that the lockbox system failed, for whatever reason, to prevent or grant admission to any property.

15. Provision for a Replacement SentiLock Keycard: RACI shall issue a replacement keycard to the Participant or Subscriber provided the Participant or Subscriber has (1) complied with this agreement and the RACI policies with respect to lockboxes; and (2) paid the fee established by RACI to replace a keycard that is lost, stolen or damaged.

16. Lockbox System Fees: REALTOR® members of RACI who use the lockbox system will be assessed a user fee, based on the system they are using, as established by the Board of

Directors of RACI. However no REALTOR® member will be required to use the lockboxes, keycard or other equipment associated with the lockbox service on their listed properties.

17. Annual Audit of Lockboxes: RACI shall maintain current records as to all SentiLock lockboxes, keycards and other equipment issued and in inventory. There shall be an audit, at least annually, of all SentiLock lockboxes and keycards, whether issued or in inventory. A fine of \$25.00 per lockbox will be assessed to each Participant who is audited and fails to return unused lockboxes within 48 hours. The Participant shall reimburse RACI for the total cost to replace any SentiLock lockbox unaccounted for within 30 days of being invoiced by RACI. If the Participant fails to reimburse RACI by the specified date, the Association Executive Vice President shall deactivate and terminate all of the Participant's and their Subscriber's keycard and access to RACI lockbox service until the Participant has paid the total amounts owed, including all service fees.

18. Authority to Modify Rules, Fees and Fines: RACI shall retain the right to modify the SentiLock Authorized User Agreement, rules, user fees and fines associated with the RACI lockbox service, from time to time as deemed necessary by the Board of Directors of RACI.

19. Termination:

- a) Participants and Subscribers may terminate the use of the service by returning their SentiLock lockboxes, keycards, card reader and anything associated with the lockbox service to REALTORS® Association of Central Indiana. Non-renewal of RACI membership requires immediate return of SentiLock lockboxes, keycards, card reader and anything associated with the lockbox service to RACI.
- b) RACI may refuse to activate or reactivate any keycard held by an individual convicted of a felony or misdemeanor if the crime, in the determination of the Board of Directors or MLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.
- c) RACI may suspend the right of Participant or Subscriber to use SentiLock keycard following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the Board of Directors, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk.

20. Lockbox Fees and Penalties:

- a) A user fee may be assessed, per REALTOR® member or approved Affiliate member, for the lockbox service and is set by the RACI Board of Directors. New member's fee will be prorated monthly.
- b) A deposit of \$60.00, as set by the RACI Board of Directors, will be established for a new Participant or Subscriber. If at any time, a SentiLock keycard is unaccounted for, or if a SentiLock keycard holder is unable to demonstrate that the keycard or card reader is within their physical control, then the lockbox equipment will be considered unaccounted for and any funds on deposit will be forfeited to the Association.
- c) SentiLock keycards may not be used by anyone other than the individual to whom the keycard has been assigned. Allowing anyone other than an authorized SentiLock cardholder to use their keycard may result in a \$250.00 fine.
- d) Any individual who shows a property containing a SentiLock lockbox must call the listing agent's office and establish a showing appointment (unless specific instructions have been entered on the MLS system under agent remarks indicating no appointment is required). Failure to adhere to this requirement may result in a \$100.00 fine.
- e) Loss of the keycard will result in a fee of \$25.00 for the first replacement keycard and a \$50.00 fee for each subsequent keycard issued.
- f) Loss of a card reader will result in a fee of \$25.00 for the first replacement card reader and a \$50.00 fee for each subsequent card reader issued.

- g) Defective keycard or card reader will be replaced by RACI at no cost provided that the defective keycard or card reader is returned to the Association office and verified to be defective.
- h) Failure to appropriately protect the SentiLock lockbox will result in an assessment equal to the total cost of repairing or replacing the lockbox. There will be a charge of \$99.00 for each lost, stolen or misplaced lockbox. If the lockbox is found, within 180 days of payment of the box, the \$99.00 fee less 10% will be refunded. If there is an extenuating circumstance in the loss of the lockbox, the member may make a written appeal to the REALTORS® Association of Central Indiana for consideration of the above charges.
- i) Failure to retrieve a SentiLock lockbox within five (5) days from a no longer active listing which has been placed in the MLS as an active listing by a different office may result in a \$100.00 fine.
- j) A new Participant office will be charged an activation fee of \$250.00 and will receive a supply of lockboxes and one card reader per member, at the Association discretion upon signing the approved SentiLock Lockbox System Authorized User Agreement.
- k) A new Participant Appraisal Office or approved Affiliate will be charged an activation fee of \$100.00 and will receive one card reader, and one keycard, upon signing the approved SentiLock Lockbox System Authorized User Agreement. No lockboxes will be issued.
- l) A new member will be charged an activation fee of \$100.00 and will receive a SentiLock keycard and card reader upon signing the approved SentiLock Lockbox System Authorized User Agreement.
- m) The Participant shall pay any fees associated with the lockbox service within 30 days of being invoiced by RACI. If the Participant fails to pay RACI by the specified date, the RACI Executive Vice President shall deactivate and terminate all of the Participant's and their Subscriber's keycard and access to RACI lockbox service until the Participant has paid the total amounts due, including all service and reinstatement fees.

Company Name: _____

Signature of Subscriber – Agent

Date

Signature of Participant – Managing Broker

Date

Signature of RACI Executive Vice President

Date