

PALESTINE ASSOCIATION OF REALTORS®
LOCKBOX SYSTEM - RULES AND REGULATIONS

The PALESTINE Association of REALTORS® maintains a lockbox service as service to REALTORS®. All participants and lockbox key holders of the lockbox service must agree to abide by these rules and procedures.

1. Definitions

- A. “*Association*” means the Palestine Association of REALTORS®.
- B. “*Key holder*” means a person holding a lockbox key issued, sold, or leased by the Association.
- C. “*Lockbox*” means a locked container placed on a property into which a key to the property is placed. The term includes those lockboxes that are issued, sold, or leased by the Association to persons entitled to the lockbox service.
- D. “*Lockbox key*” means a special key, program, or other device, which opens a lockbox.
- E. “*Participant*” means an individual who: (1) is a REALTOR®; (2) is a principal of a firm participating in the lockbox service; (3) voluntarily participates and subscribes to the lockbox service by paying the required fees and complying with these rules; and (4) is responsible to the Association for compliance with these rules for himself and all Subscribers associated with the Participant.
- F. “*Principal*” means an owner, partner, corporate officer, or branch office manager acting on behalf of a principal.
- G. “*Subscriber*” means non-principal brokers, salespersons, licensees, and licensed or certified real estate appraisers affiliated with a Participant and who offices at the location the Participant’s office or branch office.

2. Eligibility of Participation

- A. Participants may hold a lockbox key if the Participant signs a lockbox key lease agreement with the Association and agrees to abide by these rules, as may be amended from time to time.
- B. Subscribers may hold a lockbox key if the Subscriber and the Subscriber’s Participant sign a lockbox key lease agreement, agree to abide by these rules, as may be amended from time to time, and agree that the Participant is responsible for the Subscriber’s compliance with these rules.

3. Obligations of Participants and Subscribers

- A. No person may duplicate or authorize another to duplicate a lockbox key.
- B. A Participant and Subscriber may not permit any person, including other Participants and Subscribers, to use a lockbox key that the Association issues or assigns to the Participant or Subscriber.
- C. Not later than 90 days after becoming a Participant or Subscriber, the Participant or Subscriber must complete a lockbox orientation class offered by the Association.

With the seller's approval, participants and subscribers must place type lockboxes designated or approved by the lockbox committee on any listing in the geographical area served by the Palestine Association of REALTORS.

- D. If a Subscriber transfers offices from one Participant to the another Participant, and the Subscriber wants to continue lockbox key privileges, the Subscriber and new Participant must sign a statement, as the Association may require, that states the new Participant and Subscriber agree to abide by these rules. The Subscriber and new Participant must sign the statement not later than 2 days after the date that the Subscriber becomes affiliated with the new Participant.
- E. The Participant is responsible for all fees and deposits that the Participant or any Subscriber affiliated with the Participant owes to the Association under these rules.
- F. The Association will conduct an annual audit of all lockboxes and lockbox keys. Participants and Subscribers must cooperate with the Association in its completion of the annual audit by accounting for lockbox keys and lockboxes when requested by the Association and signing a written statement that the lockboxes and-lockbox keys issued to the Participant or Subscribers are in the Participant's or Subscribers possession or control. If a Participant or Subscriber is unable to account for a lockbox key or lockbox when requested by the Association, the Association may declare the lockbox or lockbox key lost and the Participant shall forfeit any deposit for the lockbox or lockbox key to the Association.
- G. Participants and Subscribers must immediately return to the Association all lockbox keys and lockboxes in their possession if the Association determines, in its sole discretion, (1) that such action is necessary to protect the safety or integrity of the lockbox system; (2) that member of the Palestine Association has not paid Association dues for the current year or that a non-member subscriber has failed to pay applicable fees for the current year.
- H. Before a Participant or Subscriber may show a property listed by another REALTOR®, the Participant or Subscriber must first contact the listing broker's firm to: (1) notify the listing agent of the approximate time the Participant or Subscriber desires to show the

property; (2) ascertain any special instructions; and (3) obtain permission to show the property. Unless otherwise authorized to do so by the listing broker, a Participant or Subscriber may not access another broker's listing without first contacting the listing broker's firm as provided in this provision.

- I. Participants and Subscribers must agree to follow the listing broker's showing instructions which include leaving a business card inside the property if instructed, securing the property and leaving lights, heating and air thermostats as instructed or as set when agent entered property. Participants and subscribers agree to report immediately to listing agent or other authorized person any condition or situation which constitutes a potential hazard and/or needs attention. Participants and subscribers also must agree to report immediately the cancellation of any scheduled showing appointment.

4. Fees and Deposits

- A. Deposit: At the time an application is made for a lockbox key, the Participant must pay the Association a deposit of \$25.00 for each key issued to a Participant and for each key issued to a Subscriber affiliated with the Participant. The Participant shall forfeit the deposit if the lockbox key is stolen or lost, or damaged for any reason. The Participant shall be responsible for all costs incurred in the replacement of any stolen, lost or damaged keys and associated equipment. The Participant must pay a deposit of \$75.00 to obtain a replacement key for the first replacement and a deposit of \$100.00 for any subsequent replacement if the key is lost or stolen. Failure to present part(s) of damaged or broken keys will be considered lost or stolen. The deposit for damaged keys shall be \$75.00. The Association will return the deposit to the Participant only after the Participant has returned the lockbox key for which the deposit is made, has accounted to the Association for all outstanding lockboxes, and is current on all financial obligations owed to the Association. No interest is paid to the subscriber on the deposit.

5. Lockbox Committee

- A. The MLS Committee enforces these rules and administers the lockbox system. The committee may make recommendations related to its purpose to the Board of Directors, including but not limited to amending these rules and purchasing new equipment.

6. Enforcement

- A. The MLS Committee will review any complaint filed against a Participant or Subscriber for a violation of these rules provided that such complaint is in writing and signed. The committee may not initiate a review based on an anonymous complaint unless it has reasonable cause to believe that failure to do so will jeopardize the safety or public confidence of the lockbox system.
- B. If a Participant or a Subscriber affiliated with the Participant fails to timely pay any amount due the Association under these rules, the committee shall send written notice of

the delinquency to the Participant and notify the Participant that the Participant is responsible for all amounts the Participant or any Subscriber affiliated with the Participant owes the Association. The committee may further assess an administrative late fee of not more than 10% of the delinquent amount. If the delinquency and any late fee remains unpaid for a period of fifteen (15) days after the committee sends the Participant notice of the delinquency and any late fee, the committee shall terminate the lockbox services to the Participant and all Subscribers affiliated with the Participant. A Participant that disputes an amount owed to the Association may file a request for an appeal to the Association of Directors before the date before which the amount must be paid. In the event of such an appeal, the termination of the lockbox service shall be stayed until the Association of Directors hears the appeal.

- C. If the committee determines that a Participant or Subscriber violated these rules, other than for a failure to pay fees under these rules, the committee may direct the imposition of a sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Association in accordance with the Association's bylaws within twenty (20) days following receipt of the decision. Sanctions for violations may include: (a) a letter of warning; (b) a reprimand; (c) a fine not to exceed \$250 for each violation; (d) suspension of the Participant's or Subscriber's access to the lockbox service; (e) termination of the Participant's or Subscriber's access to the lockbox service; or (f) a combination of (a) – (e).
- D. The committee may refuse to sell or lease lockbox keys or lockboxes, may terminate existing lockbox services, and may refuse to activate or reactivate any lockbox key held by a person who is convicted of a felony or misdemeanor if the crime, in the determination of the committee relates to the real estate business or puts clients, customers, or other real estate professionals at risk.
- E. The committee may suspend the right of Participants and Subscribers to use lockbox keys or lockboxes following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the committee, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk.
- F. Factors that the committee may consider when making determinations under 6D or 6E include, but are not limited to: (1) the nature and seriousness of the crime; (2) the relationship of the crime to the purposes for limiting lockbox access and services; (3) the extent to which access or continued access might afford opportunities to engage in similar criminal activity; (4) the extent and nature of past criminal activity; (5) time since criminal activity was engaged in; (6) evidence of rehabilitation while incarcerated or following release; and (7) evidence of present fitness.