

## **LOCKBOX RULES AND REGULATIONS**

### **REALTORS ASSOCIATION OF YORK & ADAMS COUNTIES, INC.**

#### **I. PURPOSE**

The Lockbox system of the REALTORS Association of York & Adams Counties, Inc shall be a service of the association. The purpose of these Rules and Regulations is to provide for the efficient and safe operation of the system which shall be available to:

- A. All REALTORS who are members of the REALTORS Association of York & Adams Counties (hereinafter referred to as "RAYAC") or REALTOR members of other Boards/Associations.
- B. Licensees affiliated with member Brokers/Designated REALTORS
- C. Owners/principals of affiliated businesses or authorized employees of affiliate companies who are members of RAYAC.

#### **II. TYPE OF LOCKBOX SYSTEM**

The Lockbox System utilized by RAYAC shall be the electronic lockbox system known as "Sentrilock." The devices used to access the Lockbox System shall be referred to as the key cards which shall include but shall not be limited to access cards or any other device, but in any event shall be non-duplicative. Leasees of the key cards shall be referred to as key holders.

#### **III. LOCKBOXES – GENERAL**

- A. Leasing of Lockboxes shall not in any way convey ownership to lessee. Leases may be made directly to Designated Realtors. Leases may also be made directly to real estate licensees and certified appraisers with permission of their Designated Realtor.
- B. In the event the Designated Realtor wants to provide permission to real estate licensees and certified appraisers affiliated with their office, to lease Lockboxes directly from the association or to sublease Lockboxes from the Designated Realtor, the Designated Realtor shall immediately notify the Association by completing the form "**Permission to Lease or Sub-Lease Lockboxes from Designated REALTOR,**" Appendix 7.
- C. RAYAC through Sentrilock shall keep a detailed inventory of the Lockboxes, listing the name of each real estate licensee or certified appraiser to whom the boxes have been leased, and the quantity and Serial numbers of the boxes.

#### **IV. ISSUANCE OF LOCKBOXES**

Lockboxes shall be leased upon payment of lease fees to RAYAC.

**V. PERMISSION OF PROPERTY OWNER FOR USE OF LOCKBOX**

- A. Prior to the placing of any Lockbox on any property, leasees or key card holders must obtain the written consent of the property owner to hold RAYAC free and harmless from any damages, injuries or liability resulting from the negligence, loss or misuse of the lock box.
- B. See **Lockbox Approval and Hold Harmless Agreement**, Appendix 8.
- C. Property owner acknowledges that property should be secured by the key card holder before leaving the property, i.e. doors will be locked unless otherwise specified in showing instructions.

**VI. RETURN OF LOCKBOXES**

- A. All leasees must agree to return the Lockboxes within forty- eight (48) hours of receipt of a request to do so by RAYAC or within five (5) days of any of the following events:
  - 1. Termination of Designated REALTOR as an active Member of RAYAC or Membership in another Board/Association.
  - 2. Final determination by the Board of Directors of RAYAC that the leasee is guilty of the misuse of the Lockboxes, as set forth in these Rules and Regulations, either by himself/herself or by others with or without his/her permission.

**VII. REIMBURSEMENT FOR LEGAL PROCEEDINGS**

The leasee must agree to reimburse RAYAC for any and all expenses incurred by RAYAC's attempt to recover the Lockboxes from the leasee as a result of the failure of leasee to surrender the Lockboxes. In the event RAYAC commences legal proceedings against leasee to recover the Lockboxes, leasee must agree to pay all costs incurred by RAYAC, together with any reasonable attorney's fees as determined by the Court, both at trial and on appeal, if any.

**VIII. KEY CARDS – GENERAL**

- A. Key cards shall be provided by RAYAC and leased to key card holders, provided that they consent to obey all of the Rules and Regulations of RAYAC's Lockbox System.
- B. The Designated REALTOR shall provide RAYAC with written authorization for issuance of any key cards. Designated REALTOR shall notify RAYAC promptly should the key card holder terminate the relationship with him/her for whatever purpose.

- D. RAYAC at its discretion may issue key cards with limited functionality to affiliated businesses. Owners/Principals of such business shall provide RAYAC with written authorization for issuance of any key cards by execution of **Lockbox Security Agreement for Affiliate Members of the REALTORS Association of York & Adams Counties**, Appendix 6.
- E. RAYAC shall keep a detailed inventory of the key cards, through Sentrilock, listing the name of each key card holder, to whom a key card has been leased, as well as the serial number of that key card, the date leased, and the number of times the key card has been lost by, stolen from or misused by key card holders.

#### **IX. ISSUANCE OF KEY CARDS**

- A. ONLY ONE KEY CARD shall be leased to each participating key card holder, provided they submit to RAYAC a properly executed **Key Lease Authorization** (Appendix 1) the annual fee, and attend a lockbox training session that must be scheduled in advance.
- B. RAYAC shall refuse to provide lockbox access to anyone convicted of a felony or misdemeanor which may put clients, customers and other real estate professionals at risk.
- C. RAYAC may suspend system rights of lockbox key card holders following their arrest and prior to conviction for any felony or misdemeanor which may put clients, customers and other real estate professionals at risk.

#### **X. USE OF KEY CARDS**

- A. Participating key card holder MUST keep the issued key card in their possession or in a safe place at all times and shall not loan key card to another person unless as provided for within with the use of the **Emergency Key Authorization Form** (Appendix 2). Such permission shall only be granted when key holder strictly adheres to the procedures on the above mentioned form.
- B. Prior to the use of the key card to gain access to any structure containing a Lockbox, the key card holder MUST contact the listing office for permission to open the Lockbox and use the key contained therein unless the listing broker has given specific permission through information published in the MLS to show the property without first contacting the listing broker.
- C. In the event the key card holder is unable to use their key card because it is damaged or defective the key card holder may borrow another key card holder's key with the use of the **Emergency Key Authorization Form** (Appendix 2). Such permission shall only be granted when key card holder strictly adheres to the procedures on the above mentioned form.

## **XI. FINANCIAL OBLIGATIONS OF KEY HOLDER**

- A. All key card holders shall pay their annual fees for the use of the Lockbox System within thirty (30) days of the date of invoice.
- B. If a key card holder fails to make payment of the annual fee within the above stated thirty (30) day period, in that event, the key card holder shall pay a late fee of \$20.00.
- C. Provided further, if the key card holder fails to make payment of the annual fee and late payment of \$20.00 within forty (40) days of the date of the initial invoice, the key card holder shall immediately be denied further access to the Lockbox System.

## **XII. MISUSE OF KEY CARDS**

- A. Prior to showing a property, key card holders must receive permission from the listing office or permission from the seller if MLS showing instructions so provide. If the key card holder shows a property by means of a key contained in a Lockbox without first receiving permission as above stated, the key card holder is in violation of the Lockbox Rules & Regulations and is subject to sanctions at the discretion of the Lockbox Committee or Professional Standards Hearing Panel in accordance with the **Step-By-Step Complaint Procedure Lockbox Rules & Regulation Enforcement** (Appendix 3) and **Sanctioning Guidelines** (Appendix 4).
- B. A key card holder shall not inscribe, write or attach their PIN number to their key card. Such action is a violation of the Lockbox Rules & Regulations and the key card holder is subject to sanctions at the discretion of the Lockbox Committee or Professional Standards Hearing Panel in accordance with the **Step-By-Step Complaint Procedure Lockbox Rules & Regulation Enforcement** (Appendix 3) and **Sanctioning Guidelines** (Appendix 4).
- C. If any key card holder lends a key card to any person, unless as provided for within the **Emergency Key Authorization Form** (Appendix II), the lending key card holder is in violation of the Lockbox Rules & Regulations and is subject to sanctions at the discretion of the Lockbox Committee or Professional Standards Hearing Panel in accordance with the **Step-By-Step Complaint Procedure Lockbox Rules & Regulation Enforcement** (Appendix 3) and **Sanctioning Guidelines** (Appendix 4).

If any key card holder borrows a key card from any other key card holder, unless as provided for within the **Emergency Key Authorization Form** (Appendix 2), the borrowing key card holder is in violation of the Lockbox Rules & Regulations and is subject to sanctions at the discretion of the Lockbox Committee or Professional Standards Hearing Panel in accordance with the **Step-By-Step Complaint Procedure Lockbox Rules & Regulation Enforcement** (Appendix 3) and **Sanctioning Guidelines** (Appendix 4).

- D. All key card holders shall secure the property before leaving the property, i.e. doors will be locked unless specified in showing instructions. If the key card holder does not secure the property before leaving, the key card holder is in violation of the Lockbox Rules & Regulations and is subject to sanctions at the discretion of the Lockbox Committee or Professional Standards Hearing Panel in accordance with the **Step-By-Step Complaint Procedure Lockbox Rules & Regulation Enforcement** (Appendix 3) and **Sanctioning Guidelines** (Appendix 4).
- E. If misuse of a key card is suspected, procedure must be followed by using **The Step- By-Step Complaint Procedure Form** (Appendix 3).
- F. If an appointment to show a property is set by a key card holder who is subsequently unable to keep that appointment, another member of his/her office may take key card holder's place however the substitute key cardholder must use his/her own key card.
- G. Compliance of sanctions or payment deadlines for fines assessed for violations shall be established by the Lockbox Committee or Professional Standards Hearing Panel. Failure of a key card holder to comply with sanctions or pay any assessed fines as above stated shall result in immediate termination of Lockbox privileges.

### **XIII. LOST STOLEN OR DAMAGED KEY CARDS**

- A. If a key card is lost or stolen key card holder shall notify RAYAC immediately, or if RAYAC office is closed, immediately when the office opens. The key card holder must complete the **Lost or Stolen Key Statement** form (Appendix V).
- B. Replacement of a lost, stolen or damaged key card shall incur a charge for a new key card.
- C. A problem with a key card must be reported to Sentrilock. The key card holder will receive a free replacement key card if the key card is determined to be defective by Sentrilock.

### **XIV. USE OF ONE DAY CODES**

- A. A key card holder should exercise the utmost caution in authorizing or distributing the One Day Showing Codes that can be used to open the Lockboxes. The indiscriminate use and distribution of these codes, effectively transforms this secure electronic lockbox into a combination box, with the entire security shortcomings characteristic of combination boxes.
- B. One Day Showing Codes are not to be disclosed or given to any person or client under any circumstances other than to a Pennsylvania Real Estate Licensee, a Pennsylvania Certified Appraiser, a contractor approved by seller, the property owner and/or any other person authorized by the seller.
- C. Key Card holders must adhere to the following procedures in issuing a One Day

Showing Code to a Pennsylvania Real Estate Licensee or Pennsylvania Certified Appraiser:

1. Written permission from the seller must be obtained prior to issuing One Day Showing Codes.
2. Both the key card holder and the Pennsylvania Real Estate Licensee or Certified Appraiser need to complete and sign the **Sentrilock One Day Code Agreement**, Appendix 9.
3. The key card holder needs to verify the licensure of the individual at <http://www.licensepa.state.pa.us/> or by calling the licensee's or certified appraiser's company to confirm they are in fact licensed in Pennsylvania and associated with that company.
4. The key card holder shall not leave the one day code on an unidentified voice mail box.
5. The key card holder will return the executed **Sentrilock One Day Code Agreement**, Appendix 9, to the RAYAC office within 2 business days of issuing the one day code. Failure to return the agreement within 2 business days is a violation of the Lockbox Rules & Regulations and the key card holder is subject to sanctions at the discretion of the Lockbox Committee or Professional Standards Hearing Panel in accordance with the **Step-By-Step Complaint Procedure Lockbox Rules & Regulation Enforcement** (Appendix 3) and **Sanctioning Guidelines** (Appendix 4).
6. The Pennsylvania Real Estate Licensee or Pennsylvania Certified Appraiser requesting the One Day Showing Code will be charged a fee for the use of the code by RAYAC that must be paid within 30 days.

D. Key Card holders must adhere to the following procedures in issuing a One Day Showing Code to a contractor approved by seller, the property owner and/or any other person authorized by the seller, excluding real estate licensees and certified appraisers:

1. Written permission from the seller must be obtained prior to issuing One Day Showing Codes.
2. The key card holder shall complete and sign the **Sentrilock One Day Code Agreement for Contractors and Other Persons Authorized by the Seller**, Appendix 10. Failure to return the agreement within 2 business days is a violation of the Lockbox Rules & Regulations and the key card holder is subject to sanctions at the discretion of the Lockbox Committee or Professional Standards Hearing Panel in accordance with the **Step-By-Step Complaint Procedure Lockbox Rules & Regulation Enforcement** (Appendix 3) and **Sanctioning Guidelines** (Appendix 4).
3. The key card holder needs to inform the contractor/other authorized person that under no circumstances may they share the one day code to anyone. The contractor/other authorized person is informed to secure

the property before leaving, i.e. doors will be locked unless otherwise specified by seller.

4. The key card holder shall not leave the One Day Showing Code on an unidentified voice mail box.
  5. The key card holder will return the executed **Sentrilock One Day Code Agreement for Contractors Other Persons Authorized by the Seller**, Appendix 10, to the RAYAC office within 2 business days of issuing the one day code. Failure to return the agreement within 2 business days could result in the key card holder being found in violation of the Lockbox Rules & Regulations.
- E. Failure to comply with the policy and procedure set forth above is a violation of the Lockbox Rules & Regulations and the Pennsylvania Real Estate Licensee or Pennsylvania Certified Appraiser is subject to sanctions at the discretion of the Lockbox Committee or Professional Standards Hearing Panel in accordance with the **Step-by-Step Complaint Procedure Lockbox Rules & Regulations Enforcement** (Appendix 3) and **Sanctioning Guidelines** (Appendix 4).

#### **XV. INDEMNIFICATION**

- F. Designated REALTOR or owner/principal of Affiliated business shall be jointly and severally liable with key card holder for all duties, responsibilities, and undertakings of key card holder under the terms of the **KEY LEASE AUTHORIZATION** (Appendix 1).
- G. The Designated REALTOR, key card holder, or owner/principal of Affiliate business shall covenant and agree to indemnify and hold harmless from any and all liability, obligations or demands whatsoever against RAYAC arising from the loss, use, or misuse of the key card, or any other violation of the Lockbox Rules & Regulations including any and all liabilities, attorneys' fees, court costs and related expenses incurred by RAYAC as a result of personal injury or damage to premises or loss of property from premises resulting from the unauthorized use of the key card and entry into the property.

#### **XVI. PRINCIPALS' RESPONSIBILITIES**

Designated REALTOR and/or owner/principal of Affiliated business assumes responsibility to assist RAYAC in the enforcement of these Rules & Regulations with licensees/employees.

#### **XVII. CHANGES AND MODIFICATIONS OF THESE RULES AND REGULATIONS**

These Rules and Regulations can be changed or modified by RAYAC only by submitting such requests for changes or modifications to RAYAC, Board of Directors. Such changes and modifications shall take effect only upon final approval by majority of RAYAC, Board of Directors.

**REALTORS® Association of York & Adams Counties**  
**901 Smile Way, York, PA 17404 717-843-7891 Fax 717-854-0720**

**KEY LEASE AUTHORIZATION**

It is hereby agreed among the REALTORS® Association of York & Adams Counties, Inc., (RAYAC);

\_\_\_\_\_ of \_\_\_\_\_  
 Designated REALTOR®- BROKER Business Name

\_\_\_\_\_ and \_\_\_\_\_, as follows:

Office Branch / Location

Key Holder

1. **KEY CODE.** This is the code I would like to have for my key card \_\_\_\_\_
2. **KEY RECEIPT.** Holder hereby acknowledges receipt of Key # \_\_\_\_\_
3. **KEY TRAINING.** New keyholders with the association are required to complete a key training at RAYAC. These trainings are held regularly and depend on staff availability.
4. **PAYMENT.** Payment for service and key (if applicable) are due with this application. These payments are non-refundable.
5. **TITLE TO KEY.** Issuance of key shall not in any way convey ownership to holder.
3. **NO LOAN OF KEY.** Holder shall not loan their key to any person except as provided for within the Emergency Key Authorization Form. Nor shall a key holder borrow a key from another key holder except as provided within the Emergency Key Authorization Form.
4. **LOSS OF KEY.** In the event holder loses the key, holder shall notify RAYAC immediately and promptly thereafter provide a signed statement as to all the facts surrounding the loss. A new key shall be issued to holder only upon the payment of replacement costs.
5. **MISUSE OF KEY.** Holder acknowledges that if they show an occupied or vacant property using a key contained in a Lockbox without first receiving permission of the listing office or permission from the seller if MLS showing instructions so provide, holder is in violation of the Lockbox Rules & Regulations and is subject to sanctions.
6. **INDEMNIFICATION.** Holder covenants and agrees to indemnify and hold RAYAC harmless from any and all liability obligations, or demands against RAYAC including, but not limited to, any and all liability, including attorneys' fees, incurred by RAYAC as a result of damage or injury to premises or persons or loss of property from the premises arising out of the entry by holder or any other person into any premises by use of the key.
7. **DR RESPONSIBILITY.** Designated REALTOR shall notify RAYAC should the licensee/employee terminate his/her relationship for whatever reason. Designated REALTOR agrees that he/she is jointly and severally liable with holder for all duties, responsibilities, and undertakings of holder under this Agreement.
8. **ENTIRE AGREEMENT.** All parties agree to abide by and be bound by all of the Rules & Regulations of the Lockbox Program of the REALTORS® Association of York & Adams Counties, Inc. and acknowledge receipt of the Lockbox Rules & Regulations.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
 month year

\_\_\_\_\_  
 Key holder's Signature

\_\_\_\_\_  
 Key holder's preferred phone #

\_\_\_\_\_  
 Key holder's e-mail address

\_\_\_\_\_  
 Designated REALTOR (Broker)'s Signature



**REALTORS® Association of York & Adams Counties**  
**901 Smile Way, York, PA 17404 717-843-7891 Fax 717-854-0720**

**SENTRICARD LEASE AUTHORIZATION- AFFILIATE**

It is hereby agreed among the REALTORS® Association of York & Adams Counties, Inc., (RAYAC);

\_\_\_\_\_ of \_\_\_\_\_  
 Owner of Affiliated Business Business Name

\_\_\_\_\_ and \_\_\_\_\_, as follows:  
 Office Branch / Location Keycard Holder

1. **KEYCARD RECEIPT.** Holder hereby acknowledges receipt of SentiCard # \_\_\_\_\_
2. **TITLE TO KEYCARD.** Issuance of SentiCard shall not in any way convey ownership to lessee.
3. **PAYMENT.** Payment for service and key (if applicable) are due with this application. These payments are non-refundable.
4. **NO LOAN OF KEYCARD.** Holder shall not under any circumstances loan the SentiCard to any person. Violators are subject to a fine as stipulated in the most current version of the Lockbox Rules & Regulations.
5. **LOSS OF KEYCARD.** In the event Holder shall lose the SentiCard, Holder shall notify RAYAC immediately and promptly thereafter provide a signed statement as to all the facts surrounding the loss. A new SentiCard shall be issued to Holder only upon the payment of replacement costs.
6. **MISUSE OF KEYCARDS.** Holder acknowledges that if they show any property by means of a SentiCard without first receiving permission of the Listing Office, Holder shall be subject to a fine as stipulated in the most current version of the Lockbox Rules & Regulations.
7. **INDEMNIFICATION.** Holder covenants and agrees to indemnify and hold RAYAC harmless from any and all liability obligations, or demands against RAYAC including, but not limited to, any and all liability, including attorneys' fees, incurred by RAYAC as a result of damage or injury to premises or persons or loss of property from the premises arising out of the entry by Holder or any other person into any premises by use of the SentiCard.
8. **DR RESPONSIBILITY.** Business Owner shall notify RAYAC should the licensee/employee terminate his/her relationship for whatever reason. Business Owner agrees that he/she is jointly and severally liable with Holder for all duties, responsibilities, and undertakings of Holder under this Agreement.
9. **ENTIRE AGREEMENT.** All parties agree to abide by and be bound by all of the Rules and Regulations of the Lock Box Program of the REALTORS® Association of York & Adams Counties, Inc.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
 month year

\_\_\_\_\_  
 Keycard Holder's Signature

\_\_\_\_\_  
 Keycard Holder's preferred phone #

\_\_\_\_\_  
 Keycard Holder's e-mail address

\_\_\_\_\_  
 Business Owner's Signature

## Emergency Key Authorization Form (use only for Defective Keys or SentiLock System Failure)

If you are having difficulty with your Sentricard, the first step **must** be a call to SentiLock: 1-877-736-8745. RAYAC receives notice and information on these calls.

If your Sentricard is determined to be damaged or defective (**not terminated**), you may borrow a key from another key holder in your company only if this form is completed and returned to RAYAC **with the defective Sentricard within two business days of the call to SentiLock.**

**Name of Key Holder with Defective Key:**

\_\_\_\_\_  
(Please Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
**Company Name**

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
**Date key borrowed**

\_\_\_\_\_  
**Time**

**Name of Key Holder from whom you borrowed key:**

\_\_\_\_\_  
(Please print)

\_\_\_\_\_  
Signature

**Designated REALTOR®/Manager/Owner of Affiliated Business**

**Signature:** \_\_\_\_\_

**Failure to follow the above instructions by the key holders (borrower and/or lender) is a violation of the Lockbox Rules & Regulations of the REALTORS® Association of York & Adams Counties and is subject to sanctions at the discretion of the Lockbox Committee or Professional Standards Hearing Panel.**



901 SMILE WAY, YORK, PA 17404 • 717.843.7891 / FAX 717.854.0720 / WWW.RAYAC.COM

### **Step-By-Step Complaint Procedure Lockbox Rules & Regulation Enforcement**

Anyone can file a complaint and all complaints to be considered must be filed using the proper form within 60 days from the time the alleged violation occurred.

- Step 1 The Association Executive Officer or staff member is notified of a possible violation of the Lockbox Rules and Regulations.
- Step 2 Staff sends a copy of the Complaint Form, Lockbox Rules and Regulations, and the General Instructions and Procedures for Filing Complaints regarding the Lockbox System to the Complainant.
- Step 3 When the complaint is received, the respondent is sent a copy of the complaint by the Professional Standards Administrator. The Respondent is required to submit the Lockbox Rules and Regulation Response Form to the RAYAC office within 20 days of its receipt.
- Step 4 The complaint and response are reviewed by the Lockbox Committee to determine if there is a violation of the Lockbox Rules & Regulations. If the Lockbox committee determines there is a violation, a sanction will be imposed by the committee and a copy of the decision is mailed to both the complainant and respondent. The respondent is also sent an appeal form of the Lockbox Rules & Regulations.
- Step 5 The Respondent submits the Appeal Form of the Lockbox Rules & Regulations Violation to the RAYAC office within 20 days of its receipt. If the Respondent acknowledges the violation the sanction shall be discharged within the time frame imposed by the Lockbox Committee. If a request for a hearing is filed by the Respondent, the Professional Standards Administrator will appoint a Hearing Panel to conduct a full Hearing regarding the alleged violation.
- Step 6 The hearing is conducted in accordance with the NAR Code of Ethics and Arbitration manual.
- Step 7 A decision is rendered by the Hearing Panel and forwarded to the RAYAC Board of Directors in accordance with the NAR Code of Ethics and Arbitration Manual.
- Step 8 Action of the Board of Directors will be forwarded to the Complainant and Respondent within 10 days of its approval by the Board of Directors.

### **Sanctioning Guidelines for Lockbox Rules & Regulations Violations**

The Lockbox system of the REALTORS Association of York & Adams Counties, Inc shall be a service of the association. The purpose of these Rules and Regulations is to provide for the efficient and safe operation of the system which shall be available to:

- All REALTORS who are members of the REALTORS Association of York & Adams Counties (hereinafter referred to as "RAYAC") or REALTOR members of other Boards/Associations.
- Licensees affiliated with member Brokers/Designated REALTORS
- Owners/principals of affiliated businesses or authorized employees of affiliate companies who are members of RAYAC.

RAYAC has the awesome responsibility of fostering awareness, understanding, and appreciation for the duties and obligations the Lockbox Rules & Regulations imposes on those who accept it. A corollary duty of RAYAC is to receive and resolve complaints alleging potential violations of the Lockbox Rules & Regulations.

RAYAC is firmly committed to comprehensive education of key holders and the public about the Lockbox System and the protections it affords, and also to vigorous, fair, and uniform enforcement when complaints are brought against key holders. The *Code of Ethics and Arbitration Manual* (Manual) details policies and procedures governing enforcement efforts.

The Lockbox Rules & Regulations enforcement achieves a number of goals. Where key holders are wrongly or mistakenly charged with Lockbox violations, the hearing process provides personal and professional vindication. Where violations are determined, the hearing process educates members about their professional obligations and serves as a meaningful deterrent to future violations. The Lockbox Rules & Regulations enforcement is educational in that it raises the consciousness of key holders to the meaning and significance of the rules and regulations and that many violations occur inadvertently or through ignorance, and the hearing procedure serves as an effective educational tool.

Allegations of Lockbox violations are often understandably viewed by respondents as threats to their professional and personal reputations. This can result not only in the mounting of vigorous defenses but also, at times, to threats of legal challenge should a violation be determined and discipline imposed. Given that membership confers valuable rights, RAYAC needs to strictly adhere to their established procedures when considering potential Lockbox violations. This caution ensures that the rights of the parties will be observed and that legal exposure of RAYAC will be minimized.

At the same time, well-founded caution should not be confused with reservation, reluctance, or hesitancy. The Lockbox Rules & Regulation duties become aspirations at best, and potentially meaningless, if not enforced, and enforced with vigor and determination.

Fundamental to fair and consistent enforcement is reasonable and judicious use of discipline, as both an educational device and as punishment. RAYAC authorizes a wide variety of sanctions that may be imposed for violations. These range from simple letters of warning to expulsion from Lockbox membership. Between these extremes are mandatory attendance at remedial educational sessions, fines, probation, and suspension.

The RAYAC Board of Directors does not recommend specific discipline for certain offenses, or for violations of particular sections of the Rules and Regulations. This is in deference to the wisdom and autonomy of Hearing Panels privy to the details of complaints coming before them; in recognition of the fact that no two complaints are identical; and in view of the fact that the details of each hearing, including the experience of respondents, their history of prior violations, and mitigating or extenuating circumstances, may all come into play in determining an appropriate penalty. At the same time, there are key points to be considered with respect to discipline.

- Discipline that can be imposed is strictly limited to those forms authorized in the Code of Ethics and Arbitration Manual.
- Discipline should be commensurate with the offense. Violations occurring because of knowing disregard for the Lockbox Rules & Regulations and its duties should result in greater emphasis being placed on the punitive nature of discipline. Unintentional or inadvertent violations should result in penalties designed to educate respondents as to the conduct expected of them as key holders. Only authorized forms of discipline may be utilized.
- Discipline should be progressive. The disciplinary emphasis on violations by new key holders or by longstanding key holders with no history of violations should be primarily educational. Repeated or subsequent violations should be addressed with more serious forms of discipline including substantial fines, suspension, and termination of membership.
- A “gray area” can exist with respect to “first time violations” that are clearly not the result of ignorance or mistake but rather demonstrate flagrant disregard for the Lockbox Rules & Regulations. While the educational aspect of enforcement cannot be disregarded, the fact that the Lockbox Rules & Regulations exists to protect the public must also be seriously considered in determining commensurate discipline.
- Mitigating or extenuating circumstances should be considered in determining appropriate discipline. The fact that a respondent recognized or acknowledged inappropriate use of the Lockbox system, or took steps to remediate or minimize harm or injury that may have resulted from the respondent’s conduct, should be considered in determining appropriate discipline.
- Respondents’ records of earlier violations (or, conversely, the fact that they have not violated the Lockbox Rules & Regulations in the past) can be considered in determining appropriate discipline. Hearing Panels cannot consider past violations in deciding whether the conduct currently complained of violated the Lockbox Rules & Regulations.

Crafting appropriate, meaningful discipline can challenge panels that have concluded that the Lockbox Rules & Regulations have been violated. This discussion is offered as guidance, rather than as a hard and fast template, to assist panels in meeting their key role in ensuring the Lockbox Rules & Regulations viability and vitality through vigorous and evenhanded enforcement. Suggested guidelines can be found in “Disciplinary Guidelines.”

## **Disciplinary Guidelines**

Lockbox Rules & Regulations enforcement achieves a number of important goals. Where key holders have been wrongly or mistakenly charged with unethical conduct, the hearing process provides personal and professional vindication. Where violations are determined, the hearing process and resulting discipline educates key holders about their professional obligations and serves as a meaningful deterrent to future violations.

Determining that a violation of one or more sections of the Lockbox Rules & Regulations has occurred is only a part of a Hearing Panel's job. Equally important is crafting discipline commensurate with the offense. Panels will want to consider that many violations occur due to lack of familiarity with the Lockbox Rules & Regulations and its obligations, inexperience, oversight, or as unintentional mistakes. In such cases, the primary purpose of discipline should be educational to ensure that similar violations do not occur in the future. In other cases, violations can occur because of knowing disregard for the Lockbox Rules & Regulations and its duties. In such cases, greater emphasis will be placed on the punitive nature of discipline.

Factors Hearing Panels should consider in determining appropriate discipline include, but are not necessarily limited to:

- (1) The nature of the violation.
- (2) Harm caused by the violation. Was the violation a minor mistake causing little or no harm or, alternatively, was a client, customer, member of the public, or another REALTOR<sup>®</sup> harmed?
- (3) Was the violation inadvertent or unintentional or, conversely, was it the result of knowing disregard for the Lockbox Rules & Regulations obligations?
- (4) How much real estate experience did the violator have? Did he/she, or should he/she, have known better?
- (5) Has the violator been found in violation of the Lockbox Rules & Regulations previously? How often? How recently? Is the current violation related or similar to earlier violations?
- (6) Are there mitigating or extenuating circumstances that should be considered in determining appropriate discipline?
- (7) Did the violator acknowledge the violation? Did the violator express remorse or contrition?
- (8) Are there other factors that ought to be considered?

With these questions in mind, panels can be guided by (but are not bound by) the following guidelines:

***First violation example #1*** (or first violation within three [3] years):

- violation considered relatively minor, or
- little or no harm or injury caused to others, or
- violation resulted from ignorance or misunderstanding

*Possible discipline:*

- letter of warning
- fine of \$200 or less
- attendance at relevant education session
- any combination of the above

***First violation example #2*** (or first violation within three [3] years):

- violation considered relatively serious, or
- some harm or injury caused to others, or
- violation resulted from disregard for the Lockbox Rules & Regulations obligations

*Possible discipline:*

- letter of reprimand
- fine of \$1,000 or less
- attendance at relevant education session(s)
- any combination of the above

***First violation example #3*** (or first violation within three [3] years):

- violation considered very serious, or
- substantial harm or injury caused to others, or
- violation resulted from knowing disregard of the Lockbox Rules & Regulations obligations

*Possible discipline:*

- letter of reprimand
- fine of \$2,000 or less
- attendance at relevant education session(s)
- probation\*
- suspension for ninety (90) days or less
- any combination of the above

***Repeat violations example #1*** (within three [3] years):

- current violation considered relatively minor, or
- little or no harm or injury caused to others, or
- violation resulted from ignorance or misunderstanding

*Possible discipline:*

- attendance at relevant education session(s) or course
- fine of \$1,000 or less
- probation for three (3) months or less

***Repeat violations example #2*** (within three [3] years):

- current violation considered relatively serious, or
- some harm or injury caused to others, or
- violation resulted from disregard for the Lockbox Rules & Regulations obligation

*Possible discipline:*

- attendance at relevant education session(s) or course
- fine of \$2,000 or less\*
- probation for six (6) months or less\*\*
- suspension for three (3) months or less\*
- any combination of the above

***Repeat violations example #3*** (within three [3] years):

- violation considered very serious, or
- substantial harm or injury caused to others, or
- violation resulted from knowing disregard for the Lockbox Rules & Regulations obligations

*Possible discipline:*

- attendance at relevant education session(s) or course
- fine of \$3,500 or less\*
- probation for one (1) year or less\*\*
- suspension for six (6) months or less\*
- any combination of the above

**Important Note:** These are not sentencing rules or requirements, but rather simply suggestions to guide Hearing Panels in determining appropriate discipline based both on the current violation and the violator's previous record.

\*More serious forms of discipline (including fines of up to \$5,000, suspension from membership for up to one [1] year, or termination of membership for up to three [3] years) may be appropriate in cases of very serious violations or in cases of repeated violations. (Revised 5/02)

\*\*Probation means that another form of discipline recommended by the Hearing Panel will be held in abeyance for a stipulated period of time which may not exceed one (1) year. Any subsequent finding of a violation of the Lockbox Rules & Regulations during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline shall be considered fulfilled, and the record shall reflect the fulfillment.





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## LOST OR STOLEN KEY STATEMENT

\_\_\_\_\_ of \_\_\_\_\_  
(Key holder's name - please print) (Company name)

Key number \_\_\_\_\_.

The above Key:

- Has not been voluntarily transferred or given to any other party.
- Has been lost or stolen and despite diligent search has not been recovered.

The Key was lost or stolen due to the following circumstances:

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Holder Signature

Date

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**LOCK BOX SECURITY AGREEMENT FOR AFFILIATE MEMBERS OF THE  
REALTORS ASSOCIATION OF YORK & ADAMS COUNTIES**

AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between \_\_\_\_\_, an Affiliate Member of the Realtors Association of York & Adams Counties, hereinafter called "Affiliate", and The Realtors Association of York & Adams Counties, hereinafter called "Association".

Background

The Association provides a Lock Box Program to its members and affiliates which offers secure access to properties that are listed for sale or lease through Realtor members of the Association.

Affiliate desires to participate in this Lock Box Program in order to facilitate services it may provide to REALTOR members in conjunction with the sale and leasing of properties as hereinabove referenced.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the Affiliate and the Association agree as follows:

1. Affiliate access to listed properties through the use of the Association Lock Box Program will only be available to those Affiliates whose access to the property is, in the sole discretion of the Association, reasonably necessary to carry out real estate settlement related services offered by such Affiliate, and which services include appraisers, professional contractors, home inspectors, engineers, architects and other properly licensed or otherwise qualified professionals.
2. Affiliate's participation in the Association Lock Box Program is further conditioned and contingent upon the following requirements being met:
  - a) All home inspectors must be full members in good standing of a National Home Inspection Association.
  - b) All contractors must provide proof of licensure as required by the Commonwealth of Pennsylvania.
  - c) Affiliate should provide, if available, proof of bonding for themselves and all of their agents, servants, and employees who may gain access to a property through the Lock Box Program.
  - d) Alternatively, if not bonded, Affiliate shall provide to the Association a criminal background check for themselves and all of their agents, servants, and employees who may gain access to a property through the Lock Box Program.

- e) All Affiliates must agree to participate and comply with the Mediation Rules and Procedures of the Homesale/Homebuyer Dispute Resolution System as administered by the Association.
- f) All Affiliates must attend the training program for the Lock Box Program of the Association.
- g) All Affiliates must abide by all rules, regulations and enforcement procedures of the Lock Box Program as administered by the Association.

IN WITNESS WHEREOF and intending to be legally bound hereby, the parties set their hands and seals the day and date first above written.

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_(SEAL)  
Affiliate

ATTEST: REALTORS ASSOCIATION OF  
YORK & ADAMS COUNTIES

\_\_\_\_\_ By: \_\_\_\_\_(SEAL)



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### Permission to Lease or Sub-Lease Lockboxes from Designated REALTOR

Office

Designated REALTOR

\_\_\_\_ All real estate licensees or certified appraisers associated with the office referenced above, may directly lease lockboxes from RAYAC.

\_\_\_\_ The following real estate licensees or certified appraisers associated with the office referenced above, may directly lease lockboxes from RAYAC.

\_\_\_\_ All real estate licensees or certified appraisers associated with the office referenced above may sub-lease lockboxes from the Designated REALTOR. Lockboxes may be assigned to the real estate licensee or certified appraiser by RAYAC. In the event a real estate licensee or certified appraiser is no longer associated with this office the lockbox assignment and lockboxes shall return to the Designated REALTOR.

\_\_\_\_ The following real estate licensees or certified appraisers associated with the office referenced above, may sub-lease lockboxes from the Designated REALTOR. Lockboxes may be assigned to the licensee or certified appraiser by RAYAC. In the event a real estate licensee or certified appraiser is no longer associated with this office the lockbox assignment and lockboxes shall return to the Designated REALTOR.

Signature of Designated REALTOR

Date



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### LOCKBOX APPROVAL AND HOLD HARMLESS AGREEMENT

By listing your property with a member of RAYAC, there are many services available to you. One of these services is the use of a "lockbox." To help you understand how this service works, we have prepared the following information.

#### **What is a lockbox?**

A lockbox is an electronically operated metal box that a REALTOR® can attach to your property. It often is placed on the doorknob. The lockbox holds your house key and is opened by a special electronic key.

This key is an electronic device which requires the use of a PIN number and a weekly renewal. Keys are issued to members of the REALTORS® Association of York & Adams Counties as well as to REALTORS® from surrounding areas. All prospective key holders must sign an agreement to abide by the rules and regulations of RAYAC's lockbox program.

#### **How is it used?**

Realtor firms attach a lockbox on all or most of the homes for sale in the area and place the house key inside. Then qualified members of RAYAC are issued a key that opens all of the lockboxes. When an agent has a prospective buyer for the home, the agent can use the lockbox to enter the home and to show it to the prospective buyer.

Use of a lockbox is not mandatory. However, its use provides greater accessibility to the property by those authorized to use a lockbox. It provides greater exposure of your home to prospective buyers because your house key will always be available to authorized agents.

In addition to agents making use of the lockbox, with the permission of the seller, authorized affiliates may also gain access to the property.

#### **Is it secure?**

A small risk may be inherent in any home which is for sale, whether or not a lockbox is used. Agents and authorized affiliates who participate in the lockbox system have been specially educated in the use of lockboxes in an effort to provide the greatest amount of security to each property. To eliminate any undue risk, whether or not your home has a lockbox, you are requested to keep all valuables out of sight and put away - preferably in a safe deposit box.

#### **One Day Showing Codes**

Most REALTORS have an electronic key. There are some agents who do not. The lockbox allows the listing agent to create a one day showing code for those agents, appraisers and contractors who do not have an electronic key to open the lockbox. The one day code expires at midnight on the day it was created. The use of a one day showing code on a property can be a higher risk of security as anyone who obtains the code will be able to open the lockbox on the day it was created.

\_\_\_\_\_(Sellers Initials), By initialing this paragraph the seller understands the risks of using a one day showing code and authorizes their listing agent to generate one day showing codes following the procedures outlined in RAYAC's Lockbox Rules and Regulations.

#### **How can I protect my privacy?**

Each listing contains specific showing instructions. Each Realtor has been educated to follow these instructions and other procedures to provide the greatest amount of privacy. Before showing or gaining access to your property, agents and authorized affiliates are required to contact the listing office which, in turn, will contact you.

**RAYAC only endorses SentiLock lockboxes. Photos of these boxes are shown below.**



Seller hereby authorizes the use of the lockbox as above-referenced. Seller hereby releases the Realtors Association of York & Adams Counties from all damages or losses that may result from any negligence, loss or misuse of the lockbox, including, without limitation, the use or misuse of the One Day Showing Codes.

**Seller's Signature:** \_\_\_\_\_ **Date** \_\_\_\_\_

**Seller's Signature:** \_\_\_\_\_ **Date** \_\_\_\_\_

**REALTORS® Association of York & Adams Counties**  
901 Smile Way, York, PA 17404 (717) 843-7891 Fax (717) 854-0720

**SentriLock One Day Code Agreement For Real Estate Licensees and Certified Appraisers**

**This Section to be Completed by Listing Agent**

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First Name	MI	Last Name
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Preferred Phone #	Email Address
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Address of Property

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Serial Number of Lockbox

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Time and date of requested showing

By my signature below, I hereby acknowledge that I have received the seller's permission to issue a one day code on the property and have taken steps to verify the use of the code is by a Pennsylvania Real Estate Licensee or PA Certified Appraiser.

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SentriCard Holder's Signature	Date
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**This Section to be Completed by Buyer's Agent or Certified Appraiser**

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First Name	MI	Last Name
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Preferred Phone #	Email Address
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PA License #	Association/Board of which you are a primary member
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Company Name

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Company Address

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Company Phone Number

(continue onto second page)

1. NO SHARING OF ONE DAY CODE. I shall not under any circumstances share the one day code to any person. Violators are subject to a fine as stipulated in the most current version of the Lockbox Rules & Regulations.
2. SECURING PROPERTY: I shall secure the property before leaving the property, i.e. doors will be locked unless specified in showing instructions. Violators of this provision are subject to a fine as stipulated in the most current version of the Lockbox Rules & Regulations.

By my signature below, I hereby acknowledge and understand that I must abide by the lockbox rules and regulations of the REALTORS® Association of York & Adams Counties and will pay the **\$20 per day fee** plus tax for the use of this one day code.

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Buyer's Agent or Certified Appraiser Signature

Date

*Please note the cost of obtaining a Sentrilock Lockbox Key Card is \$150 plus tax for primary and secondary RAYAC members and \$225 plus tax for non-RAYAC members annually. Real Estate Licensees and Certified Appraisers can also purchase a one month access Lockbox Key Card for \$40 plus tax.*

Completed forms must be sent to the RAYAC office within 2 business days of showing. Forms can be faxed to 717-854-0720 or emailed to Doug@rayac.com.

**REALTORS® Association of York & Adams Counties**  
**901 Smile Way, York, PA 17404 (717) 843-7891 Fax (717) 854-0720**

**SentriLock One Day Code Agreement For Contractors and Other Persons Authorized by Seller**

*This form shall not to be used for Pennsylvania Real Estate Licensees or Certified Appraisers*

**This Form to be Completed by Listing Agent**

\_\_\_\_\_  
 First Name MI Last Name

\_\_\_\_\_  
 Preferred Phone # Email Address

\_\_\_\_\_  
 Address of Property

\_\_\_\_\_  
 Serial Number of Lockbox

\_\_\_\_\_  
 Time and date of requested opening

**Contractor/Authorized Person Information**

\_\_\_\_\_  
 First Name Last Name

\_\_\_\_\_  
 Preferred Phone # Email Address

\_\_\_\_\_  
 Company Name HIC License # (if applicable)

\_\_\_\_\_  
 Company Address

\_\_\_\_\_  
 Company Phone Number

By my signature below, I hereby acknowledge that I have received the seller's permission to issue a one day code on the property to the individual referenced above. I have informed the individual that under no circumstances may they share the one day code to any person. The individual was informed to secure the property before leaving, i.e. doors will be locked unless otherwise specified by seller.

\_\_\_\_\_  
 SentriCard Holder's Signature Date

Completed forms must be sent to the RAYAC office within 2 business days of use of code. Forms can be faxed to 717-854-0720 or emailed to Doug@rayac.com.