

## **Pagosa Springs Area Association of REALTORS®**

### **SENTRILOCK SYSTEM AGREEMENT**

Pagosa Springs Area Association of REALTORS® (PSAAR) has entered into an Agreement dated November 11, 2004 with SENTRILOCK, LLC, an Ohio limited liability company (the "SentriLock System Agreement") through which PSAAR shall make available the SentriLock lockbox system, which is a recording lockbox system consisting of SmartCards and lockboxes, as a membership service. PSAAR does not represent or warrant that the lockbox system may not be compromised or circumvented or that the system will prevent any loss by burglary or otherwise.

#### **A. ELIGIBILITY**

Every MLS Participant (Managing Broker) and User (Broker Associate, Affiliate Member, MLS Only Member) and who is legally eligible for MLS access shall be eligible to purchase a Card UtilityReader and use a SmartCard upon payment of the requisite fees and execution of this contract. All use of SmartCards and the SentriLock system is subject to the provisions of the SentriLock System Agreement. Each SmartCard holder is prohibited from selling, assigning, distributing, providing access to, reverse engineering, decompiling, modifying, disclosing, or otherwise transferring the SentriLock system or any portion or element thereof. SmartCards may not be used under any circumstance by anyone other than the SmartCard holder and/or their designated assistants.

#### **B. INVENTORY**

PSAAR shall maintain current records and perform annual audits of all SmartCards and SentriLock lockboxes issued. The MLS Participant shall verify the lockbox inventory by January 30<sup>th</sup> of each year via the SentriLock database "audit log report" procedure found in Exhibit "A" of SentriLock Agreement. If at time of inventory a lockbox is unaccounted for, the Participant shall be responsible for replacement of the lockbox and its associated cost. In case of a dispute, the PSAAR lockbox inventory shall prevail.

#### **C. LOST, STOLEN OR DAMAGED LOCK BOXES AND SMARTCARDS**

Any lost, stolen or damaged lockbox shall be reported and/or returned to PSAAR immediately. A replacement lockbox shall be issued to the Participant upon payment of the current replacement cost plus shipping and handling.

SmartCard holders shall not tamper with or attempt to modify the SmartCards, and acknowledge that any tampering or attempted modification of the SmartCards or data contained therein will result in permanent Card deactivation, and that SentriLock cannot repair Cards that have been so deactivated.

Any lost, stolen or damaged SmartCards shall be reported to PSAAR immediately. A replacement SmartCard shall be issued to the Participant/User upon payment of current replacement cost plus shipping and handling.

#### **D. SECURITY**

The SmartCard holder shall keep the SmartCard in a safe place, shall not in any manner attach the holder's access number to the card and shall not divulge the SmartCard access number to anyone except their personal assistants or employees. Written notification shall be submitted by the SmartCard holder to PSAAR upon resignation from the association. PSAAR has the right to disable the SmartCard upon termination from PSAAR for breach of this agreement and/or MLS Rules and Regulations.

**E. OWNERSHIP**

The SentiLock lockboxes shall at all times remain the sole and exclusive property of PSAAR and the lockbox holder shall have no right, title or interest thereto. The Pagosa Springs Area Association of REALTORS® may take action by law to retrieve the SentiLock lock boxes should the Participant not return them upon request.

All SmartCards are and shall remain the property of SentiLock, and shall be returned to SentiLock, or exchanged, as may be required under the terms of the SentiLock System Agreement.

The SentiLock system (a) is subject to the proprietary rights of SentiLock or its licensor, and is a trade secret and confidential information of SentiLock or any third party from whom SentiLock licensed any portion of the system, and (b) is a work in which SentiLock or its licensor has rights, including, but not limited to, patent, copyright, and trademark rights.

**F. USERS CHANGING MANAGING BROKERS**

Lockboxes will remain with the Participant and will not be transferred from one office to another regardless of listing status.

**G. INDEMNIFICATION AND RELEASE**

Each SmartCard holder shall release, indemnify, defend, and hold harmless, including but not limited to the payment of any cost of defense, the Pagosa Springs Area Association of REALTORS®, their agents, officers, Directors, and employees, from and against any and all actions, claims, demands, lawsuits, losses, liabilities, damages, expenses (including but not limited to attorney fees), and other harm, of whatever kind or character, suffered or incurred directly or indirectly in connection with or as a result of (a) action by third parties, including but not limited to action by owners of property upon which a SentiLock lock box is located for property damages, personal injuries, or other losses suffered by the third parties from burglaries, premises liability, or other torts on the property upon which the SentiLock lock box is located, and/or (b) any breach by the SmartCard holder of the provisions of this contract or the SentiLock System Agreement.

**H. ADDITIONAL LOCKBOXES**

In order for Participant to request and receive additional lockboxes, Participant must verify current lockbox inventory with PSAAR using the procedures outlined in Exhibit "A" herein.

I have read the above and agree to abide by this contract set forth by the Pagosa Springs Area Association of REALTORS® .

Name \_\_\_\_\_

Company \_\_\_\_\_

Signature \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT “A”

### Annual Lockbox Inventory Procedures & Request for Additional Lockboxes

- 1) Using SentiLock software, perform an “audit log report” of all existing boxes both assigned and unassigned. That is, active onsite or inactive in your possession. In order to include the inactive boxes in the report, broker must insert smart card in unassigned boxes and upload into the system with no location prior to running “audit log report”.
- 2) Participant should view report, validate through a fiscal inspection and/or internal log. Any lockbox with 60 days or more of inactivity and which is still active in the MLS should be verified.
- 3) Participant can call SentiLock to obtain the last recorded location of any given lockbox.
- 4) Participant shall submit the inventory report to PSAAR for verification in order to request additional lockboxes and to satisfy annual inventory provision.

Note: It is imperative that all Principals and Users enter and maintain MLS information for each and every active lockbox. This will, in the end, make the audit process run smoother and ensure accurate results.