

**SMARTCARD USER AGREEMENT
GRAND COUNTY BOARD OF REALTORS®**

Brokerage Firm: _____
SmartCard User: _____
Contract Date: _____

Grand County Board of Realtors (GCBOR) has entered into an Agreement dated March 1, 2007 with SENTRILOCK, LLC, an Ohio limited liability company (the "SentryLock System Agreement") through which GCBOR shall make available the SentryLock lockbox system, which is a recording lockbox system consisting of SmartCards and lockboxes. GCBOR and the Managing Broker and SmartCard User named above agree as follows:

A. ELIGIBILITY AND RULES

Every MLS Participant (Managing Broker) and SmartCard User (Broker Associate or MLS Only Member) who is legally eligible for MLS access shall be eligible to purchase a Card Utility Reader and use a SmartCard upon payment of the requisite fees and execution of this contract. All use of SmartCards and the SentryLock system is subject to the provisions of the SentryLock System Agreement, a copy of which is on file with GCBOR, and each User agrees to abide by all SmartCard rules that are adopted by GCBOR and provided to the User.

B. RESPONSIBILITY

1. SMARTCARD RECEIPT: User acknowledges receipt of a SentryLock SmartCard.

2. TITLE TO SMARTCARD: The SmartCard shall be the sole property of SentryLock and shall be returned as required by SentryLock or GCBOR.

3. CARD EXCHANGE BY SENTRILOCK OR MLS: SentryLock may at its discretion require GCBOR to replace the SmartCards with SmartCards compatible with the system. The SentryLock System Agreement provides that SentryLock will exchange SmartCards at no cost to the User unless the exchange is necessary due to User negligence or use that is prohibited by this Agreement.

4. CURRENT UPDATE: The SmartCard system requires periodic updates, and the User code will expire at intervals determined by GCBOR or SentryLock. User agrees to take such steps as are prescribed by GCBOR to update the SmartCard by placing the SmartCard in the Card Utility Reader or to use any other authorized method to update the User's SmartCard.

5. TERM OF AGREEMENT: The term of this agreement begins on the date shown at the top of this page and ends on the date the Authorized SmartCard User terminates Membership with the MLS. This agreement may be terminated sooner by the User or the Managing Broker by giving not less than 30 days written notice to GCBOR. This agreement may be terminated by GCBOR upon 30 days notice to the Managing Broker and User of a breach of this agreement, unless such breach is cured to the satisfaction of GCBOR.

6. RETURN OF SMARTCARD: User agrees to return the SmartCard to GCBOR within the earlier of (1) 48 hours of receipt of a request to do so by GCBOR or SentryLock or (2) within five working days after occurrence of any of the following events:

- a. Termination of a Managing Broker as a Participant in the MLS.
- b. Termination of User's association with the Managing Broker for any reason.
- c. Termination of this agreement.

7. SECURITY OF SMARTCARDS: Managing Broker and User acknowledge that it is necessary to maintain security of the SmartCard to prevent its use by unauthorized persons. Consequently, User agrees:

- a. To keep the SmartCard in User's possession or in a secure place at all times.
- b. To not allow his/her personal identification number (PIN) to be attached to the SmartCard or disclose to any third party the User's PIN.

- c. TO NOT LOAN THE SMARTCARD TO ANY PERSON FOR ANY PURPOSE WHATSOEVER OR TO PERMIT THE SMARTCARD TO BE USED FOR ANY PURPOSE BY ANY OTHER PERSON.
- d. To not duplicate, reverse engineer, decompile, or modify the SmartCard or allow any other person to do so.
- e. To not assign, transfer or pledge User's rights to the SmartCard.
- f. To notify the MLS within three days of the loss or theft of a SmartCard. The User shall sign and deliver a statement to the MLS with MLS may charge User for the replacement of lost or stolen SmartCards.
- g. To follow all additional security procedures required by GCBOR.

8. REPLACEMENT SMARTCARDS: Replacement SmartCards will be issued to Users who:

- a. have complied with this Agreement and the policies and procedures of the MLS with respect to the SentiLock System.
- b. pay any fee and deposit required by GCBOR. (See Exhibit C for a schedule of replacement costs)

9. DEFAULT: Any breach of this agreement by Managing Broker or User shall be addressed using procedures of Section 9 of the GCBOR MLS Rules (Enforcement of Rules or Disputes). (See addendum B for fines and penalties associated with the SentiLock system)

10. INDEMNIFICATION AND RELEASE: GCBOR makes no representations or warranties about the security or operation of the lockbox system; any such claims must be made directly to SentiLock, with a copy to be provided to GCBOR. Each User agrees to release, indemnify, defend, and hold harmless, including but not limited to the payment of any cost of defense, GCBOR, its 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.

11. REIMBURSEMENT: Managing Broker and User agree that, in the event that the MLS shall prevail in any legal action brought by or against the Managing Broker or User to enforce the terms of this Agreement, the Managing Broker and User will be assessed a reasonable attorney fees in addition to any other relief to which the GCBOR may be entitled.

12. GOVERNING LAW: This agreement shall be governed by the laws of Colorado, and any judicial proceedings to enforce or interpret this agreement shall be brought in a court in Grand County, Colorado.

13. PARTIAL INVALIDITY: If any provision of this contract is held by any court to be invalid, void or unenforceable, the remaining provisions shall continue in full force.

14. SELLER AUTHORIZATION: User shall obtain written authorization from the seller before placing a lockbox on the seller's property and before the listing is inputted to the MLS.

15. MANAGING BROKER'S WARRANTIES AND RESPONSIBILITIES:

- a. Managing Broker warrants that Managing Broker and User are active licensed Colorado real estate brokers and that User is either an employed broker or certified real estate appraiser affiliated with Managing Broker.
- b. Managing Broker agrees to enforce the terms of the Agreement with respect to User and understands that the Managing Broker will not be relieved of any responsibility by the mere fact of disassociation with User.

- c. Managing Broker agrees to notify the GCBOR within three business days if User is no longer an employed broker or an affiliated real estate appraiser.
- d. Managing Broker agrees to use its best efforts to cause User to return SmartCard to GCBOR when required to do so by this agreement. Managing Broker will continue to be charged a service fee for a disassociated User until the end of the current billing period when the card is returned. If an User does not return the SmartCard, Participant agrees to furnish the MLS with copies of written correspondence of all attempts made to obtain said SmartCard.
- e. Managing Broker is jointly and severally liable with the User for payment of all fees required by this agreement and all obligations of User provided in this agreement. Failure by the Managing Broker to perform its obligations as to one employer User may result in termination of all SmartCard agreements with Managing Broker.

C. INVENTORY: GCBOR shall maintain current records and perform annual audits of all SmartCards and SentiLock lockboxes and shall provide Managing Broker, during each January, with an inventory of all SmartCards and SentiLock lockboxes registered to Managing Broker. Managing Broker shall verify the lockbox inventory by January 30th of each year via the SentiLock database "audit log report" procedure found in Exhibit "A" of SentiLock Agreement. If lockboxes are unaccounted for at the time of inventory, the Managing Broker shall be responsible for the cost of replacement of the lockbox.

D. LOST, STOLEN OR DAMAGED LOCK BOXES AND SMARTCARDS: Any lost, stolen or damaged lockbox shall be reported and/or returned to GCBOR immediately. A replacement lockbox shall be issued to the Managing Broker upon payment of the current replacement cost plus shipping and handling. (See Exhibit C for a schedule of replacement cost)

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 SentiLock cannot repair Cards that have been so deactivated.

E. 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. Written notification shall be submitted by the SmartCard holder to GCBOR upon resignation from the association. GCBOR has the right to disable the SmartCard upon termination from GCBOR for breach of this agreement and/or MLS Rules and Regulations.

F. OWNERSHIP: The SentiLock lockboxes shall at all times remain the sole and exclusive property of GCBOR. All SmartCards 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.

G. SMARTCARD USERS CHANGING MANAGING BROKERS: Lockboxes will remain with the Managing Broker and will not be transferred from one office to another regardless of listing status.

H. ADDITIONAL LOCKBOXES: In order for Managing Broker to request and receive additional lockboxes, Managing Broker must verify current lockbox inventory with GCBOR using the procedures outlined in Exhibit "A" herein.

I. CONSENT: This written contract expresses the entire agreement between Managing Broker, User and the GCBOR with respect to SentiLock SmartCards and lockboxes. This Agreement supersedes any and all other agreements, either oral or in writing. No other agreement, statement or promise relating to the subject matter of the Agreement which is

not contained herein shall be valid or binding. This Agreement is binding upon the heirs and personal representatives of the Managing Broker and User.

GRAND COUNTY BOARD OF REALTORS®

By: _____

Executive Officer

Date:

By: _____

Managing Broker

Date:

By: _____

SmartCard User's Signature

Date:

Exhibit "A"

Annual Lockbox Inventory Procedures and 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 SmartCard in unassigned boxes and upload into the system with no location prior to running "audit log report".
2. Managing Broker 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. Managing Broker can call SentiLock to obtain the last recorded location of any given lockbox.
4. Managing Broker shall submit the inventory report to GCBOR for verification in order to request additional lockboxes and to satisfy annual inventory provision.

Note: It is imperative that all Managing Brokers and SmartCard 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.

Exhibit "B"

Lock Box Fines and Penalties

1. Any Managing Broker or agent found to be sharing or lending their SmartCard with anyone else will be fined \$300 for the first offense, along with a letter of reprimand to be placed permanently in their file. A second offense will be \$500.00 and the member will need to appear before the MLS committee for a hearing regarding possible termination of lock box privileges. A third offense would result in the automatic termination of lock box privileges. Due process will be given to all participants and agents issued a fine regarding the sharing of SmartCards in the form of a hearing before the MLS committee and appeals directed to the Board of directors of GCBOR. No warning will be issued for this offense. The rules are very clear on this matter and any sharing or loaning of the SmartCard seriously compromises the integrity of our system.

2. Lock boxes that are active but not assigned to a listing: Lock boxes that are actively being used on a property must have an MLS number assigned to them. Without this assignment we are unable to track the location of the lock box. Each lock box member will be given one warning before they are fined. This warning is one time for any offense for that member's entire lock box participation.

A fine of \$100.00 will be issued for any lock box that is actively being used on a property but does not have an MLS number assigned to it. The first three fines will be \$100.00 for each fine. With the third lock box fine the member will be notified that if they are fined again the fine will go up to \$300.00 and that each subsequent fine will increase by \$100.00 per fine. After five fines the MLS committee will recommend either temporary suspension from the lock box system, mandatory ethics training or both. These fine increases are based on one calendar year.

Exhibit "C"

Replacement Costs

1. SmartCards: \$25
2. Office Readers: \$75
3. Home Readers: \$ 25
4. Lock box replacement cost \$85 for lost stolen or damaged lock boxes not covered under extended warranty.
5. New office setup fee for one agent \$350 and \$15 per month*
6. New agent setup fee \$250 and \$15 per month*

*Setup fees are in place to defer the cost of additional equipment cost for new offices and agents that join the system after the initial financed purchase

Designated REALTOR® only: I am assuming full responsibility for all dues, fees, services, and equipment that may have been or will be requested and received by this office. I will pay all dues and fees that are previously or currently owed, and from time to time established, and that the total amount of dues for which I will be personally and individually liable and responsible for as Designated REALTOR® of the office named herein. I shall be responsible for all dues established by the Board of Directors for myself, plus all dues or assessments for each of the real estate licensees affiliated with my office who are not themselves REALTOR® members of the Association.

Signature _____ Date _____