

# RULES AND REGULATIONS

of the

## CAPE FEAR REALTORS MLS, INC.

All authority for Rules affecting REALTOR® Participants admitted to the North Carolina Regional MLS, LLC (“NCRMLS”), through the Cape Fear REALTORS MLS, Inc. (“CFR-MLS”), their brokers, appraisers, Registered Trainees and staff shall be governed by the NCRMLS, its Operating Agreement and Rules and Regulations. All other provisions of these CFR-MLS Rules are also applicable.

### Service Charges

**Service Fees and Charges:** The following Service charges for operation of the CFR-MLS are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed:

- 1) **Initial Participation Fee:** An applicant for participation in the Service shall pay an application fee in such amount as from time to time prescribed by the Board of Directors.
- 2) **Initial Fee:** An initial fee in the amount of one month’s recurring participation fee plus an amount as specified annually by the Board of Directors for services such as on-line forms, electronic equipment for accessing KeyBoxes, etc., shall be paid by anyone classified as a Subscriber or Participant who desires such services. Such fee(s) are nonrefundable and must be paid prior to gaining access to the Service.
- 3) **Recurring Participation Fee:** The monthly participation fee of each Participant shall be an amount equal to an amount as from time to time prescribed by the Board of Directors times each Subscriber (anyone who has access to the Service). Non REALTOR® licensees will always be billed to the Participant Member. Statements will be emailed at the first of each month for that month and payment of such fees shall be made electronically on or before the last day of that month; or, the fees may be paid by check or money order annually in advanced in which case the monies must be received by December 31 of each year or, if a new Participant or Subscriber, a pro rata portion for the remainder of the current year and then in advance by December 31 for the subsequent year. This recurring Participation Fee is due on the first day of each month even without notice. The Recurring Participation Fee may include an additional monthly amount for each Participant Member himself/herself. Any disputed amounts shall be paid until otherwise overturned at a Board of Directors’ meeting.
- 4) **New Participant Member:** When a new firm comprised of a newly elected REALTOR® Participant Member joins the Service, pro rata billing shall start when access is granted.
- 5) **Listing Fees:** Listing fees, if any, will be determined by Board of Directors.
- 6) **Sold Data Access:** The service fee for obtaining sold data monthly in an Excel spreadsheet is \$1,200 per year. (see BofD minutes 09/29/2016 Consent Agenda)
- 7) **Duplicate Listing:** When a duplicate listing meets the criteria established in the Rules and Regulations, the monthly fee is \$5. When one of the duplicate listings changes to Pending, the Association staff must be

notified IMMEDIATELY so the other listing may be deleted. Charges apply to Active, Coming Soon and Pending statuses only. (Approved by email 11/11/2016)

**Exemptions:** Participants of the Service may be exempted by approved written waiver which form is incorporated into these Rules and attached as part of the Policy Statements adopted, from the payment of a recurring participation fee for anyone who is under the direct supervision of a Participant or the Participant's licensed designee. The person waived shall not be classified as a Subscriber and the Participant shall be exempt from Service recurring participation fees.

Recurring participation fees shall commence when the Participant notifies the Staff that a new Subscriber is affiliated with him/her (within 3 business days). If an exemption is granted, the staff shall make an adjustment back to the date of notification. All exemptions shall be submitted upon the approved waiver form. The exemption for any individual shall automatically be revoked upon the individual's utilization of the Service for any reason other than that allowed under the waiver subject to the Participant's opportunity to explain to the Board of Directors why the exemption should not be lost.

8) Participants shall pay a fee for each non REALTOR® licensee attending the Service orientation program in such amount as established by the Board of Directors.

9) The CFR-MLS does not refund monies when a Subscriber or Participant resigns or is terminated. (see BOD Minutes 04-22-04)

10) **Requests for Change in Billing Amounts:** Participants shall notify the staff in writing within three business days when a Subscriber is no longer affiliated with them. If the Subscriber holds a broker license, then a copy of the notification sent to the NC Real Estate Commission must be included in the written notification. If the Subscriber is licensed or certified as an appraiser, a copy of the notification sent to the NC Appraisal Board must be included in the written notification. Staff may make appropriate write-offs of accounts up to \$100. All write-offs shall be noticed at least quarterly to the Chair of the Finance Committee.

## Compliance With Rules

**Compliance with Rule-Authority to Impose Discipline:** By becoming and remaining a participant or subscriber in CFR-MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other NCRMLS or CFR-MLS governance provision. The CFR-MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other CFR-MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a. letter of warning
- b. letter of reprimand
- c. attendance at orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed \$15,000
- e. suspension of multiple listing service rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- f. termination of multiple listing service rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years. (Adopted 11/07)

**Note:** A participant (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or user/subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the multiple listing service rules 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 are considered fulfilled, and the individual's record will reflect the fulfillment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance. (Revised 05/14)

### **Failure to Pay Timely:**

- 1) Failing to pay any Service charge or fee by the due date will result in a late payment penalty of \$6. This penalty shall be assessed if no payment is received on or before the last day of the month. If payment is not received on or before the 10<sup>th</sup> day of the following month then Service shall be suspended on the 11<sup>th</sup> unless the 11<sup>th</sup> is a Friday in which case it will occur the following Monday. A reactivation fee in such amount as from time to time prescribed by the Board of Directors shall be assessed. Service will resume within 1 business day when the account is paid current.
  - a) **Example:** A statement is sent on January 3<sup>rd</sup>. The Service does not receive payment before February 1<sup>st</sup>. A second statement is sent February 2<sup>nd</sup> showing (1) the fee(s) were not paid in January, (2) a \$6 penalty, and (3) the fee for February.
  - b) If the payment is not received on or before the 10<sup>th</sup> of February, Staff adds a ten-dollar (\$10) reactivation fee to the account and suspends the Service until the account is paid current. (January, February, the \$6 penalty and the \$10 reactivation fee)
- 2) When a Participant or Subscriber has a check returned for insufficient funds, the Staff shall add the maximum fine allowable by law to the account. When a Participant or Subscriber has a second check returned for insufficient funds, the Staff shall notify the Participant or Subscriber in writing that they shall only make payment by credit/debit card or Telecheck. The Staff shall notify the Board of Directors of such action at their next meeting. The Participant or Subscriber shall have the right to be present and explain why such action should not be taken. (See MLS BofD Minutes 04-16-09)
- 3) For failure to comply with any other rule, the provisions of Section 9 and 9.1 shall apply.

### **Applicability of Rules to Subscribers**

Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the Service are subject to these Rules and Regulations and may be disciplined for violations thereof. Further, failure of any Subscriber to abide by the Rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all Subscribers affiliated with the Participant.

Each Participant and Subscriber does absolutely and unconditionally guarantee payment to the Service, when due of any indebtedness now owing or which may hereafter become owing to the Service. Such personal guaranty shall include any and all indebtedness, balances owed on open accounts, notes, instruments of

payment, interest and costs of collection, including reasonable attorney fees to the extent permitted by applicable law in force and effect at the place such indebtedness shall occur. This provision does not eliminate the Participant's ultimate responsibility and accountability for all Subscribers affiliated with the Participant.

This guaranty shall remain in effect for all debts incurred by each Participant or Subscriber, its successors and assigns, until written notice by certified mail with return receipt is given to the Service of their intent to no longer agree to this provision. Any such written notice shall have no effect on the liability on any obligations of the Participant or Subscriber giving such notice as to any obligations then due and owing at the time such notice is received by Service.

The Service shall have the right to proceed against any Participant or Subscriber at any time that the Participant or Subscriber is delinquent in payment of its obligations at the discretion of Service and the Service shall not first be required to exhaust its remedies against Participant or Subscriber.

Where there are more than one personal guarantors of the Participant's or Subscriber's obligations to the Service, the obligations shall be joint and several in the release by the Service of the obligation of any one or more guarantors shall not affect the obligation of any personal guarantor not specifically released.

## **Supra Devices**

- 1) **Possession of Key.** A Participant or Subscriber may possess only one Key at a time. If a Key is lost or requires replacement for any reason, the replacement cost for the Key shall be the replacement price set forth in the Lease.
- 2) **Current Update Code.** The Key has an update code that expires daily to prohibit further use of the Key until a new current update code is obtained from Supra or the CFR-MLS and entered into the Key. Update codes shall be issued only to Key holders in good standing with the CFR-MLS. A Key holder is in good standing if he or she is in full compliance with all obligations related to the Service, including, without limitation, the terms of these Rules and Regulations.
  - a) Staff must verify the identity of a Key holder before providing an update/ authorization code or PIN code to an existing Key holder. Where the staff does not recognize the voice of the person calling, the staff may speak with someone else in the caller's office whose voice the staff would recognize to verify the identity of the person calling. When the staff is uncertain as to the identity of the caller, the Key holder is required to bring their device to the CFR-MLS office. Once staff has verified the identity of the Key holder by photo ID or otherwise, the staff is authorized to provide an update/authorization code or PIN code and update the device.
- 3) **Security of Equipment.** It is necessary to maintain the security of each Key and the Personal Identification Number ("PIN") of each Key to prevent the use of the Key by unauthorized persons. Each party in possession of a Key, whether such Key is being actively used or not, shall abide by the following conditions:
  - a) to keep the Key in such party's possession or in a safe place at all times;
  - b) not to allow the PIN for the Key to be attached to the Key for any purpose whatsoever or to be disclosed to any third party;

- c) not to lend or otherwise transfer the Key to any other person or entity, or permit any other person or entity to use the Key for any purpose whatsoever, whether or not such other person or entity is a real estate broker or salesperson;
  - d) not to duplicate the Key or allow any other person to do so;
  - e) not to assign, transfer or pledge the Key;
  - f) not to destroy, alter, modify, disassemble or tamper with the Key or knowingly or unknowingly allow anyone else to do so;
  - g) to notify the CFR-MLS immediately in writing of a loss or theft of the Key or any KeyBoxes, and of all circumstances surrounding such loss or theft;
  - h) to pay in full for any lost or stolen Key or cradle or to complete and deliver to the CFR-MLS a stolen Key affidavit prior to and as a condition of the issuance of a replacement Key;
  - i) to follow all additional security procedures as specified by the CFR-MLS; and
  - j) to safeguard the code for each KeyBox from all other individuals and entities, whether or not they are authorized users of the Service.
  - k) **Authorization.** Before a KeyBox is installed or used on any property, the prior written authorization to install or use a KeyBox must be obtained from the property owner, as well as from any tenant(s) in possession of the property, if applicable. Extreme care shall be used to ensure that all doors to the listed property and the KeyBox are locked. All owners and/or tenant(s) of real property shall be informed that the KeyBox is not designed or intended as a security device.
  - l) **Courtesy.** Participants and Subscribers when showing property on which a KeyBox is used are requested to leave their business card at the property. **NOTICE: Do NOT place business cards inside any KeyBox.**
- 4) **Office Loaner Key: Each office may have a “loaner” Key.** (Office Loan Key section approved via email 8/21/2017)
- a) A separate XpressKey agreement must be executed by the CFR-MLS Participant, Branch Office BIC, or Business Partner, hereinafter called KeyHolder.
  - b) **The KeyHolder shall:**
    - i) Secure the XpressKey and the Personal Identification Number (“PIN”) to prevent the use of the XpressKey by unauthorized persons.
    - ii) Have a ledger showing the date, time and person to whom the Key was loaned.
    - iii) The ledger shall be updated upon the loaning and returning of the XpressKey.
    - iv) Upon the request of the MLS staff, the ledger shall be made available immediately for inspection. Failure to provide it within three business days will result in the suspension of the XpressKey.
    - v) When the XpressKey is returned, the KeyHolder shall change the PIN to a number not previously used within the last year.
    - vi) MLS staff shall annually audit the ledger to ensure the ledger matches the recordation in Supra to both its use and to a change to a unique PIN after every use.
  - c) **Use of the XpressKey is limited to:**
    - i) Newly hired licensees for up to 4 calendar days
    - ii) An individual whose usual device is not working properly
    - iii) May be used by unlicensed clerical staff for the limited purpose of opening a shackle to place or remove an iBox from a property listed by the firm; or, to read an iBox for discovery purposes; or, in the case of an emergency at the request of law enforcement or similar emergency personnel.
    - iv) All other uses are prohibited including providing it to anyone who has been suspended for nonpayment.
  - d) **Misuse of XpressKey:**

- i) First Offense: Letter of Warning and \$250 fine
- ii) Second Offense: Letter of Reprimand and \$500 fine
- iii) Third Offense: XpressKey is inactivated immediately and \$1,000 fine; reactivation occurs 30 days after fine is paid.
- iv) Fourth Offense: Loss of XpressKey

- 5) **Statement of Administrative Procedures and Operating Standards.** Each Key holder acknowledges that the use of the service is also subject to the terms and conditions of the Supra Administration Agreement and that failure of Supra or the CFR-MLS to perform any of their respective obligations under the administration agreement may detrimentally affect such party's use of the service. Each Key holder expressly waives any right to exercise any right or remedy arising under, relating to or by virtue of any default by any person under the administration agreement and/or under any other agreement executed and delivered in connection with the use or leasing of the service. Each Key holder further acknowledges and agrees that the CFR-MLS may exercise any remedies any of them may have under the administration agreement.
- 6) **Acknowledgment.** Each party using a Key, KeyBoxes or the Service hereby acknowledges that neither the Service, the KeyBoxes nor the Keys, nor any other SUPRA product used in connection with the Service is a security system. The Service is a marketing convenience key control system, and as such, any loss of Keys or disclosure of Personal Identification Numbers compromises the integrity of the Service and each party agrees that it will use its best efforts to insure the confidentiality and integrity of all components of the Service.
- 7) **Cooperating Key Agreements:** The staff is authorized to grant REALTORS® cooperating access to the KeyBox system on a provisional basis. Staff shall provide specific notice on the Board of Directors on their Consent Agenda. The Board will either ratify or deny the provisional access. (See MLS BofD Minutes 10-21-04)
- 8) **NCRMLS:** Any Participant or Subscriber who gains access to the NCRMLS, may receive a Key subject to:
- a) Executing of a Key Agreement by both the Subscriber and their Participant; and,
  - b) Agreeing to abide by all CFR-MLS Rules and Regulations adopted pursuant to the use of the KeyBox system; and,
  - c) Agreeing to pay a monthly fee in the same amount as charged to Wilmington Participants/Subscribers.
  - d) **Supra Non Member Access:** For those who do not wish to have a monthly fee, but need occasional access to the KeyBox system, such access may be obtained under the following conditions:
    - i) Non Members Access may be used only twice in the same month;
    - ii) Staff will verify that the broker or appraiser holds an active license;
    - iii) Staff will verify that the broker or appraiser is active in the NCRMLS
    - iv) Staff receives payment from the Non Member in the amount of \$10 for 24 hours or \$15 for 72 hours.
    - v) If a CFR REALTOR®, whether primary or secondary sends an email to Staff requesting that a specific licensee be granted access who is not in the NCRMLS, then Staff shall also provide access when the conditions above also apply;
- 9) **KeyBoxes:** The KeyBoxes are the property of the CFR-MLS. Each firm is responsible for maintaining up-to-date records of the location of each KeyBox leased to them. Further,
- a) KeyBoxes are issued only to one firm Principal/Manager/BIC/Participant Member (Assignee).
  - b) One Principal or the Assignee of the firm must sign a form making them personally liable and accountable as well as their firm to the CFR-MLS for all KeyBoxes assigned to them.

#### 10) **Audit/Inspection of KeyBoxes:**

- a) An audit of the Principal's or Assignee's KeyBoxes will be conducted annually for the five firms with the largest number of KeyBoxes assigned and every eighteen (18) months for all other Principals/Assignees. (See BofD Minutes 1-13-2011)
- b) Excess KeyBoxes must be returned to the Service upon request.
  - i) Upon the receipt of a written notice, the Assignee shall immediately account for each KeyBox issued.
  - ii) The Assignee shall provide a report showing KeyBoxes' physically located in their office (not on a CFR-MLS eligible listing), on any model home, on any office exclusive/exempt listings, and on any one common "Drop Box."
  - iii) Each office must have sufficient internal controls to assure that each KeyBox is removed from the real property upon expiration of their listing, lease or property management agreement, or the listing is withdrawn prior to expiration or upon transfer of title and that unauthorized persons do not have access to the office inventory (See MLS BofD Minutes 10-20-2010).
- c) Staff shall send notice sixty days prior to the audit except when firms merge. When firms merge the audit must be completed by both firms within thirty (30) days.
- d) If the audit form is not returned within thirty (30) days of the date noticed, then staff shall
  - i) assess a fine of \$100 per day beginning on the first day up through the tenth day of the month following receipt with a maximum fine of \$1,000;
  - ii) if the audit form is not received by midnight on the tenth day, the staff shall interrupt the firm's CFR-MLS service until the form is received and the fine is paid.
- e) A KeyBox audit is required when the firm replaces the Assignee. (Revised: See BofD minutes 12-14-06).
- f) When KeyBoxes are transferred to another firm(s), CFR-MLS Staff shall provide revised inventory to any firm transferring or receiving KeyBoxes. (See BofD Minutes 12-15-11)

#### 11) **Eligibility:**

- a) Only Single family, commercial or multifamily properties for sale which meet the following criteria are eligible for a KeyBox:
  - i) Model homes (See BofD Minutes 04-16-09)
  - ii) Listings whose status is either active or pending and the Construction Status field displays either "Existing" or "New"
  - iii) Office exclusive/exempt listings where CFR-MLS has received confirmation of the listing.
  - iv) Properties which may not yet be available for showing and have a status of Coming Soon (see MLS BofD Minutes 5-22-2014 & 09-29-2016)
  - v) One KeyBox per office to secure a common "Drop Box" for after-hours access by Subscribers.
- b) At a security gate or other ways to secure a property(ies) on Single Family, multifamily or land listings.
- c) Properties for rent/lease where the property appears in the NCRMLS.
- d) All other property types, statuses, etc., are ineligible.

#### 12) **Key Boxes will be allocated as follows:**

- a) 1 for every model home whether in the NCRMLS or not (prefer that it is),
- b) firms with at least three listings for sale or lease but no more than 50 listings will be permitted to have two Key Boxes in reserve;
- c) firms with 51 or more listings will be allocated KeyBoxes at 104% of the total listings: firms with at least 200 listings but no more than 399 will be allocated at 105%;

- d) Firms with more than 400 listings will be allocated at 106%. (**NOTE:** any fraction will be rounded up to the next whole number.
- e) **Example:** A firm has 51 listings on file with CFR-MLS including “office exclusive” listings.  $51 \times 104\% = 53.04$  so they are entitled to have 54 KeyBoxes). (Revised: See BofD minutes 06-22-06, 4-19-07 & 8-21-07).

13) **KeyBox Serial Number in NCRMLS:** The serial number of each KeyBox must be entered into the NCRMLS system. (See BofD minutes 10-16-03)

**14) KeyBox Fees:**

- a) Firms and branch offices engaged in listing and selling real estate shall pay a fee in such amount as determined by the Board of Directors for use of the KeyBox system.
- b) When the Participant purchases KeyBoxes section (a) above does not apply.

**15) KeyBox Purchase/Lease:**

- a) Any Participant may purchase a KeyBox at a cost to be determined by the Board of Directors.
- b) KeyBoxes may be leased for rental properties at a cost to be determined by the Board of Directors. (See MLS BofD Minutes 10-20-2010)
- c) Any member of Cape Fear REALTORS® and any Participant or Subscriber who does not participate in the CFR-MLS may purchase a KeyBox at the current price (including shipping and NC sales tax) if they possess either a cooperating Key or lease a Key from the CFR-MLS. (See BofD minutes 10-16-03 and 02-21-08).

16) **Lost KeyBoxes:** The Assignee must immediately submit a written report to the CFR-MLS when a KeyBox is lost. When reported immediately Staff shall bill the Assignee for the lost KeyBox at the current Supra replacement price plus a non-refundable fine of \$10 per KeyBox. Failing to report a KeyBox lost prior to a written audit request, carries an additional fine of \$50 plus the cost of the replacement box. When a lost KeyBox is found Staff shall issue a credit in the same amount as charged for that KeyBox not including any fine after the Assignee physically produces the KeyBox at the CFR-MLS office.

17) **Stolen KeyBox:** A stolen KeyBox shall be reported immediately to the CFR-MLS. No charge will be made for the stolen KeyBox if a copy of a filed police report is provided to staff within one week of the notice. If the police report is not provided, the fine shall be the same as for a lost KeyBox.

18) **KeyBox Condition:** KeyBoxes must be cleaned before returning them to the CFR-MLS office. Reasonable effort shall be made to remove dirt, grime, mold, etc, wear and tear excepted. Staff shall refuse all dirty KeyBoxes. The Assignee shall be given three business days to clean the KeyBoxes and return them to the CFR-MLS office. When a KeyBox is not returned within three business days, Staff shall bill the Assignee for each KeyBox at the current Supra replacement price plus a non-refundable fine of \$10 per KeyBox.

19) **Transfers of KeyBoxes:** Transfers of KeyBoxes from one firm to another are permitted after completing all required MLS forms.

20) **MLS Rule 7.4(h)(13) Unauthorized use of KeyBoxes:** Unauthorized use of KeyBoxes including but not limited to (1) placing one on a property not in the NCRMLS as approved (see Section 10 above), (2) personal use by Participants or Subscribers will be subject to a fine of \$100 or more and/or suspension as determined by the Board of Directors. The fine is automatic and no email notice is required.



- 21) **KeyBox Location:** The KeyBox should be placed on the front door. When the KeyBox cannot be placed on the front door, the Listing Agent shall place the location of the KeyBox information in the Agent Remarks. The key in the KeyBox must fit the door upon which it hangs or the door nearest the placement of the KeyBox box. Please think about where you would NOT want a KeyBox located in the event of inclement weather. For example, you would not want to hang it where there is no overhead protection and especially not in a location where there is no gutter since rain would be pouring from the structure. Always secure the KeyBox to a door handle or another object attached to the structure. **Do not:**
- a) Place a KeyBox on the rear door and put a key to the front door in the KeyBox.
  - b) Place a KeyBox on a spigot
- 22) The staff is authorized to purchase KeyBoxes in amounts necessary to meet the requirements of the Policy.
- 23) Staff will attempt to repair damaged KeyBoxes using spare parts on-hand. All other repairs will be charged to the company leasing the KeyBox. (MLS 9-23-99)

**Requirements:** KeyBoxes shall be placed on all eligible listings filed with the Service with the seller's approval.

**Approval of KeyBox or Other Access Device:** In order to ensure cooperating participants and subscribers have timely access to listed properties, the CFR-MLS requires participants to seek approval from the CFR-MLS before installing a KeyBox (lock box) or other access device that is not currently owned by the CFR-MLS. The essential element for the CFR-MLS to approve the KeyBox (lock box) or other access device is whether or not it provides reasonable, timely access to listed property. Reasonable, timely access is defined as the cooperating broker can gain access to the property within two hours of setting an appointment; participants are strongly encouraged to provide any confidential information related to the lock box or access device in the "Agent Remarks." CFR-MLS will act timely upon each submittal and will not unreasonably withhold request for approval. Further, CFR-MLS also may revoke the approval and/or subject the participant to discipline if the device is used in a manner that fails to continue to satisfy the reasonable, timely access requirement. (See BofD Minutes 08-15-2013)

**Removal of KeyBoxes on Expired, Withdrawn or Sold Listings:** With the exception of model homes, if any expired, sold, or withdrawn listings have KeyBoxes on the property for more than three business days after the expiration, closing, or withdrawal, the listing broker is to be notified and asked to remove the KeyBox. If the KeyBox is not removed, any Key holder may call the Service office, get the shackle code, and return the box to the Service office. A fine of \$100 shall be levied against the listing Subscriber (See BofD Minutes 11-18-2005).

**Unauthorized use of Key:** The loaning of Keys for any reason is prohibited. Key holders must secure their Key to prevent anyone from discovering their PIN number. Key Holders who violate this Rule shall be subject to fine in accordance with the following:

- 1) Where a Key holder loans a Key to remove a KeyBox, staff shall communicate again the Policy in writing to the Key holder explaining that any person who needs a Key may have one after completing the necessary Agreements and that each office may have a loaner Key. The communication shall also include a notice that a second violation will result in automatic suspension of use for one week and a \$100 fine. A third violation

shall result in suspension of use for one month and a \$500 fine. A fourth violation shall result in suspension of use for one year and a \$1,000 fine. Although the Key holder's use of the system is suspended, the obligation to pay fees continues during the period of any suspension.

- 2) Where a Key holder loans a Key and their PIN code, staff shall immediately deactivate the device, place a \$100 fine on the members account, communicate again the Policy in writing to the Key holder explaining that any person who needs a Key may have one after completing the necessary Agreements; that each office may have a loaner device; that payment in full must be made for all charges on the account; and, that their Key must be programmed with a new PIN. The communication shall also include a notice that a second violation will result in automatic loss of use for one month and a \$500 fine. A subsequent violation shall result in loss of use for one year and a \$1,000 fine. Although the Keyholder's use of the system is suspended, the obligation to pay fees continues during the period of any suspension.
- 3) An appeal may be made to the Board of Directors provided that the Key holder has paid all charges on their account including any fine levied. (See BofD Minutes 04-19-2007)

**Right to Suspend Use of Key:** The Service may refuse to lease a Key, may terminate an existing Key lease agreement, and may refuse to activate or reactivate any Key held by an individual convicted of a felony or misdemeanor if the crime, in the determination of the CFR-MLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

The Service may suspend the right of Key holders to use Keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the CFR-MLS, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk.

Factors that can be considered in making such determinations include, but are not limited to:

- a) that nature and seriousness of the crime,
- b) the relationship of the crime to the purposes for limiting KeyBox access,
- c) the extent to which access for continued access might afford opportunities to engage in similar criminal activity,
- d) the extent and nature of past criminal activity,
- e) time since criminal activity was engaged in,
- f) evidence of rehabilitation while incarcerated or following release, and
- g) evidence of present fitness. (see MLS BOD Minutes 11-18-99)

## **Enforcement of Rules or Disputes**

- 1) **Consideration of Alleged Violations:** The Board of Directors or a Tribunal composed of at least 3 members of the Board shall give consideration to all written complaints having to do with violations of the Rules and Regulations.
- 2) **Violations of Rules And Regulations:** If the alleged offense is a violation of the Rules and Regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by a Tribunal appointed by the President or when a complainant or respondent, the next highest ranking officer able to make the appointment, and if a violation is determined, the Tribunal may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Association in accordance with the

Bylaws and Rules and Regulations of the Cape Fear REALTORS® within twenty (20) days following receipt of the Tribunal's decision.

- 3) **Complaints of Unethical Conduct:** All other complaints of unethical conduct shall be referred by a Tribunal to the Secretary of the Cape Fear REALTORS® for appropriate action in accordance with the professional standards procedures established in the Bylaws of the Cape Fear REALTORS®.

### **Policies Adopted by the Board of Directors (See Policy and Procedures Manual)**