

MIDDLESEX SHORELINE Association of REALTORS®

222 Old Boston Post Road Old Saybrook, CT 06475 Phone: (860) 395-0588

ELECTRONIC KEYCARD SUB-LEASE AGREEMENT

This sub-lease agreement ("Lease") is entered as of _____, by and between _____ ("KEY HOLDER"), and the Middlesex Shoreline Association of REALTORS® ("MSAR") covering the following equipment:

ELECTRONIC KEY Serial # _____ ELECTRONIC KEY Cradle Serial # _____

KEY HOLDER and MSAR agree as follows:

MSAR hereby leases to KEY HOLDER the equipment described above, which includes the Electronic KEY and the Electronic KEY Cradle (collectively, the "Equipment"). In addition, MSAR hereby grants to KEY HOLDER (i) a limited non-exclusive, non-transferable sub-license to use the network, the use of which MSAR licenses from SUPRA, which is necessary for the use and operation of the Equipment (the "Network") for the Term outlined in this agreement. The Equipment, Software and Network are collectively referred to herein as the "Service". The Service is more fully described in the User's Guide published by SUPRA, which will be provided to the KEY HOLDER and is incorporated herein by reference.

This Lease shall commence on the date set forth above and have a term until May 31st of the following year, unless terminated earlier or extended pursuant to the provisions of this Lease. Payment of the annual fee constitutes continuance of this lease agreement.

KEY HOLDER acknowledges and agrees that he or she must comply with the Rules and Regulations relating to the use of the Service which are set forth in the User's Guide and the Rules and Regulations of the Middle-Shore Association of Realtors, Inc. By executing this Lease, KEY HOLDER acknowledges that it is necessary to maintain the security of the Equipment and the personal identification number of the electronic key. KEY HOLDER further acknowledges that neither the Service, nor any other SUPRA product used in connection with the Service (including the Equipment), is a security item. The Service is a marketing convenience key-control system, and as such, **any loss of Equipment or disclosure of personal identification numbers compromises the integrity of the Service. KEYHOLDER agrees to use his or her best efforts to ensure the confidentiality and integrity of all components of the Service. Key holder also acknowledges that a substantial monetary fine will be imposed if the integrity of the service is deemed to have been compromised.**

KEY HOLDER acknowledges that, in order to make the Service available to KEY HOLDER, MSAR and SUPRA entered into a Services and Administration Agreement, they provide, among other things, the terms under which SUPRA will provide the Service to MSAR. **KEY HOLDER understands that, if either the Administration Agreement or Organization Lease are terminated for any reason during the Term of this Lease, the Service will no longer be available to KEY HOLDER. KEY HOLDER further acknowledges and agrees that, under the terms of the Administration Agreement and of Organization Lease, MSAR may elect a different Service or choose to upgrade the Service at any time during the Term of this Lease, which may result in an increase of the System Fee and/or the termination of this lease.** Except as the rights and obligations of KEY HOLDER and MSAR under this Lease may be affected as described in the two preceding sentences, the rights and the obligations between KEY HOLDER and MSAR with respect to the Service are governed solely by the terms and conditions of this Lease.

In the Administration Agreement and Organization Lease, SUPRA has reserved the right to discontinue any item of Equipment used in connection with the Service upon the provision of one (1) year prior written notice to MSAR. If SUPRA discontinues any item of Equipment, the Equipment leased hereunder shall continue to be completely compatible with and shall function with the Service. If the Equipment leased hereunder is lost, destroyed or damaged, MSAR may replace that Equipment with refurbished Equipment which shall be completely compatible with and shall function with the Service, and shall offer the same level of functionality as the Equipment currently offered.

- TITLE AND USE.** KEY HOLDER hereby acknowledges and agrees that the Service, including all its components, and the Equipment, are and shall at all times remain the property of SUPRA. All additions, attachments, replacement parts and repairs to the Equipment, and any Replacements shall become part of the Equipment and shall, without further act, become the property of SUPRA. The software and all applicable rights in patents, copyrights, trade secrets, and trademarks are and shall at all times remain the property of SUPRA.
- ANNUAL SYSTEM LEASE FEE.** KEY HOLDER hereby agrees to pay an Annual System Lease Fee together with any and all applicable Connecticut sales tax and other tax to MSAR as determined on an annual basis by MSAR. The fee for the first year, together with other authorized charges, are payable upon execution of this Agreement. Each subsequent year's fees are due and payable as billed. Such annual fee may be reasonably adjusted unilaterally in the sole discretion of the Middle-Shore Association of Realtors Board of Directors on an annual basis to enable MSAR to cover the expense of servicing its lease payments and to adequately cover expenses of administering the system. Failure to pay the Annual System Lease Fee within 30 days of its due date shall constitute default and may result in deactivation of KEY HOLDER's Key and require the return of such Equipment

covered by previous Agreements. The Annual System Lease Fee, once paid for any given year, **shall not be refundable**, in whole or in part once the Service period has commenced.

3. **TRANSFER.** If KEY HOLDER transfers from one Designated REALTOR® to another, KEY HOLDER will be entitled to continue hereunder, provided the new DR executes in writing **within five days**, a transfer of assumption of DR’s responsibilities on a form provided by MSAR. MSAR may assess a processing fee for such transfers, which must be paid by KEY HOLDER promptly. Failure to return the completed form or pay any applicable transfer fee to MSAR within five days shall constitute default of this Agreement by KEY HOLDER.
4. **STATUS.** If the Designated REALTOR® fails to maintain DR status in a REALTOR® Association or KEY HOLDER fails to maintain affiliation with a DR, the Key will be deactivated and KEY HOLDER must immediately return the Equipment in his/her possession to MSAR.
5. *****SECURITY OF KEY***.** KEY HOLDER agrees:
 1. To keep the Key in KEY HOLDER’s possession or in a safe place at all times.
 2. To not attach the secret code number to the Key and to maintain the security and confidentiality of such secret code numbers.
 3. To not loan the Key to any person, whether or not a Real Estate licensee, for any purpose whatsoever, or to permit the Key to be used by any other person.
 4. To not assign, transfer or pledge this Agreement or the Key.
 5. To immediately notify MSAR in writing of the loss, destruction or theft of the Key and circumstances surrounding such loss, destruction or theft.
 6. To follow all additional security procedures as specified in writing by MSAR from time to time.
 7. Key holder acknowledges that there is a **substantial monetary fine** for compromising the security of the system.
6. **RISK OF LOSS: RETURN OF EQUIPMENT.** If the Key is ever lost or stolen, KEY HOLDER and the Designated REALTOR® each have the obligation to notify MSAR immediately of such fact and MSAR shall have the right to immediately deactivate such Key and take any other steps deemed necessary to secure the AE III System. If KEY HOLDER then requires a replacement Key, KEY HOLDER shall lease a replacement Key exclusively from MSAR at the current price.

No loss, damage, or destruction to the Equipment shall relieve KEY HOLDER of any obligation under this Lease, except to the extent of any such loss, damage or destruction is directly caused by the negligence of MSAR. The cost for replacing Equipment that is lost, damaged or destroyed and the damages to be paid by KEY HOLDER for failing to return the Equipment upon termination of this Lease is set forth below. Replacements may be refurbished Equipment.

Display KEY	Display KEY Cradle
\$150.00	\$99.00

At the expiration of the Term, KEY HOLDER, at KEY HOLDER’s expense and risk, shall immediately return to MSAR to such location as MSAR shall specify, all of the Equipment and any components included within the Service that have been leased to KEY HOLDER . The Equipment and components used in connection with the Service shall be returned in good condition, repair and working order, ordinary wear and tear excepted.

7. **DEFAULT.** KEYHOLDER acknowledges that in the event of KEY HOLDER default, MSAR shall have the right to deactivate and require the return of KEY HOLDER’s Key immediately at the time of any of the following events:
 - a. Termination of Designated REALTORS® membership in a REALTOR® Association.
 - b. Termination of KEY HOLDER’s affiliation with a Designated REALTOR® for any reason, unless a transfer of assumption of DR®’s responsibilities is submitted to MSAR, in accordance with section 3 of this agreement.
 - c. Failure to comply with a Key audit by MSAR.
 - d. Failure to comply with any provision of this Agreement, including, without limitation, the rules and policies incorporated herein by reference.
 - e. KEY HOLDER’s failure to pay, for any reason, any amount required under this Lease within thirty days after the date that such payment is due; or
 - f. An event of Default by MSAR under this Lease will occur upon the termination for any reason of the Administration Agreement and/or Organization Lease.
8. **TERMINATION.** MSAR may terminate this Agreement immediately upon written notice to the Designated REALTOR® and KEY HOLDER in the event that KEY HOLDER or DR are in default under section 7, above; or
 - a. SUPRA ceases to lease the Keys to MSAR or withdraws its authorization for MSAR to sublease the Keys; or
 - b. MSAR terminates the Key Box System for any reason.

KEY HOLDER may terminate this Lease at any time by returning the Equipment to MSAR and paying MSAR any amounts owed prior to such termination, including (i) any applicable damages for the failure to return the Equipment as set forth in section 6 hereof (ii) any System Fees owed prior to such termination which remain unpaid and (iii) a re-stocking fee which is determined by the Board of Directors. Upon termination, System Fees, which would have become owed after the date of termination of this Lease are released and discharged by MSAR.

MSAR may terminate this Lease upon termination of the Administration Agreement and/or Organization Lease for any reason, including without limitation, a default by MSAR under the Administration Agreement and/or Organization Lease or an upgrade of the Service by MSAR. Upon termination, KEY HOLDER shall be obliged to satisfy the obligations set forth above (section 6).

In the event that KEY HOLDER fails to return all Equipment leased to KEY HOLDER upon termination of this Lease or at the expiration of the Term, KEY HOLDER acknowledges that it is impractical and difficult to assess actual damages to MSAR, and therefore agrees to pay MSAR, as liquidated damages for such failure to return the Equipment, the amount as set forth in section 6 hereof.

9. **INSPECTION/CARD AUDIT.** MSAR shall have the right to inspect the Key issued to KEY HOLDER at all reasonable times & places. KEY HOLDER agrees to submit the Key for inspection at the Mid-Shore Association office, when given not less than 48 hours written notice, or a verbal request, if it is believed that the integrity and security of the System are in jeopardy.
10. **DESIGNATED REALTOR® RESPONSIBILITY.** The Designated REALTOR® confirms that the DR is both a licensed Real Estate Broker and a DR Member of a Realtor Association. DR also confirms:
 - a. KEY HOLDER is in fact affiliated with the Designated REALTOR®.
 - b. KEY HOLDER has a current real estate broker's or salesperson's license.
 - c. In addition to DR's obligations under section 4 of this Agreement, DR will notify MSAR in writing should KEY HOLDER's affiliation with the DR be terminated.
 - d. DR shall supervise the duties and responsibilities of KEY HOLDER under this Agreement.
11. **RULES AND REGULATIONS.** MSAR's Key Box Service Rules and other regulations pertaining to Keys, Key Boxes, and their use, and all rules, regulations and policies of the MSAR relating to the operation of this Key Box system are incorporated herein by reference, as they now exist and as they may be amended from time to time. DR and KEY HOLDER covenant and agree to comply with the provisions contained therein.
12. **FAILURE TO COMPLY.** Failure to comply with the terms of this Agreement may result in disciplinary action by MSAR, a written complaint to the Real Estate Commission, and/or any appropriate law enforcement agencies.
13. **REPRESENTATIONS AND COVENANTS.** KEY HOLDER covenants and agrees:
 - a. If KEYHOLDER misuses the Service or any component thereof, including without limitation, use of the service in violation of the User's Guide and/or MSAR's Key Box Service Rules and Regulations, and a third party brings an action against MSAR and/or SUPRA relating to such misuse, KEY HOLDER agrees to indemnify, defend and hold harmless the MSAR and/or SUPRA, and their respective Directors, Officers, Agents, Representatives, Employees, Successors and assigns, from and against any and all claims, demands, actions, losses, damages, injuries, obligations, liabilities, and costs and expenses of every kind or nature (including reasonable attorney's fees, whether incurred at the trial or appellate level, in an arbitration proceeding, in bankruptcy, including without limitation, any adversary proceeding, contested matter or motion otherwise) incurred by MSAR and/or SUPRA in such proceeding.
 - b. That neither the MSAR nor SUPRA shall be held liable for any compensatory, indirect, incidental, consequential, punitive, reliance, or special damages, including without limitation, damages for lost profits, advantage, savings or revenues of any kind or increased cost of operations, arising out of the use or inability to use the Service for any purpose whatsoever whether or not KEY HOLDER has been advised of the possibility of such damages.
 - c. To provide the MSAR and SUPRA with written notice of any legal proceeding or arbitration in which KEY HOLDER is named as a defendant and that alleges defects in the Equipment or the Key Boxes within five (5) days after KEY HOLDER receives written notice of such action.
 - d. That obligations set forth in this section shall survive termination of this Lease.
14. **RIGHTS AND REMEDIES.** Upon the occurrence of an Event of Default by KEY HOLDER, MSAR may, at its sole option and without limitation or election as to other remedies available under this Lease or at law or in equity, exercise one or more of the following remedies:
 - a. Terminate this Lease, deactivate the Key and demand the return of any Equipment to MSAR;
 - b. Terminate KEY HOLDER's sub-licenses to use the Network;
 - c. Direct SUPRA to deactivate KEY HOLDER's access to the Service or any component of the Service;
 - d. Bill the KEY HOLDER for any outstanding amounts owed under this Lease, including any applicable liquidated damages for the failure to return the Equipment; and/or
 - e. Take any and all actions necessary to collect all amounts currently due and owing under this Lease, including any and all costs and expenses of every kind or nature (including reasonable attorney's fees, whether incurred at the trial or appellate level, in an

arbitration proceeding, or in bankruptcy, including any adversary proceeding, contested matter or motion, or otherwise) incurred by MSAR in connection with the exercise of its rights and remedies under this Lease.

Upon the occurrence of an Event of Default by the MSAR or termination of this Lease, all of KEY HOLDER's obligations under this Lease shall terminate, except that KEY HOLDER shall be required to return the Equipment to MSAR and to pay MSAR any outstanding amounts owed under this Lease, including any damages for the failure to return the Equipment.

If the MSAR deactivates the Service because of a default by KEY HOLDER under this Lease, but does not otherwise terminate this Lease, KEY HOLDER will be entitled to seek to have the Service reactivated. In order to do so, KEY HOLDER shall be required to cure any and all existing defaults, and to pay any and all outstanding amounts owed under this Lease and the reasonable costs and attorneys' fees incurred by the MSAR in connection with collecting under this Lease. After confirmation of the curing of such defaults and the receipt of payment for such amounts, the MSAR shall direct SUPRA to reactivate the Equipment within twenty-four (24) hours.

In the event that MSAR institutes any action for the collection of amounts due and payable hereunder, KEY HOLDER shall pay, in addition to the amounts due and payable under this Lease, all reasonable costs and attorneys fees incurred by MSAR in connection with collecting under this Lease. KEY HOLDER expressly waives all rights to possession or use of the Service or the Equipment or any component thereof after the occurrence of an Event of Default, and waives all claims or losses caused by or related to any repossession to termination of use.

MSAR's failure or delay in exercising any right or remedy under this Lease shall not operate as a waiver thereof or of any subsequent breach or of such right or remedy. KEYHOLDER understands that the MSAR's rights and remedies are cumulative, not exclusive, and no exercise of any remedy shall preclude the exercise of another remedy.

15. ARBITRATION; LITIGATION. Any controversy or claim arising out of or relating to this Lease shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association or such other rules as may be agreed to by the parties. The arbitration shall be conducted in a location mutually agreed to by the parties. If the parties, following good-faith diligent efforts, fail to agree on the location of the arbitration within thirty (30) days after either party requests arbitration, the arbitration shall be conducted in Old Saybrook, Connecticut; provided that either party shall be entitled to participate in such arbitration by video conference or teleconference. The substantially prevailing party in any arbitration under this Lease shall be entitled to recover from the other as part of the arbitration award reasonable costs and attorneys fees. Any arbitration award may be enforced by a court of competent jurisdiction in accordance with applicable law. In the event that legal action to enforce the arbitration award is necessary, the substantially prevailing party shall be entitled to recover its reasonable costs and attorneys fees in such action and in any appeals there from or reviews thereof.

16. NOTICES. All notices hereunder shall be sent by (i) hand delivery, (ii) facsimile, (iii) certified mail, return receipt requested, postage prepaid, or (iv) overnight delivery service, to the party being noticed at its address set forth in the signature block of this Lease, or to such other address as a party shall subsequently specify to the other party in writing. Notices shall be deemed to have been delivered when received, if hand delivered or sent by facsimile or certified mail, three (3) days after the day deposited in the mail; or one (1) day after the day deposited with an overnight delivery service.

17. WARRANTY. The Equipment is warranted by SUPRA against defects in workmanship and/or materials, to be fit for its intended purpose and to conform in all material respects to its written specifications for the term of the Lease. KEY HOLDER must return any defective system component under warranty to MSAR at KEY HOLDER's sole cost and expense, and MSAR shall provide all repaired or replacement Equipment to KEY HOLDER. This warranty does not extend to any damage caused by accident, abuse, neglect, or misuse of system components. KEY HOLDER agrees to cooperate with MSAR and SUPRA by performing diagnostic tests provided to KEY HOLDER when KEY HOLDER initially seeks warranty service.

18. AMENDMENT. The MSAR may unilaterally amend this Agreement to the extent any amendments are necessary or appropriate for compliance with applicable laws, the rules, regulations or policies of the MSAR or the National Association of REALTORS®, Inc.

19. GENERAL PROVISIONS. This Agreement is not assignable by either DR or KEY HOLDER unless such assignment is permitted by MSAR at its sole discretion. This Agreement shall be binding upon the parties and not their heirs, successors, permitted assigns and personal representatives; shall be interpreted under and governed by the laws of the State of Connecticut.

This Lease constitutes the entire agreement between the MSAR and KEY HOLDER relating to the Lease of Equipment and use of the Service. Provided that KEY HOLDER has returned to MSAR all keys previously leased by MSAR to KEY HOLDER, all prior leases between MSAR and KEY HOLDER for such keys are hereby terminated effective and binding upon the parties hereto when fully executed by both parties. This Lease may be executed in a number of counterparts, each of which will be deemed an original and when taken together shall constitute one Agreement.

This lease shall be amended or modified only by a written agreement signed by the MSAR and KEYHOLDER.

Any waiver or consent by any party to any breach by the other, whether expressed or implied, shall not constitute a consent to or waiver of any other or subsequent breach.

All agreements, representations and warranties contained in this Lease shall survive the expiration or other termination of this Lease.
If any provision of this Lease is unenforceable, such unenforceability shall not affect the enforceability of the remaining provisions of the Lease.

This Lease shall be governed by the laws of the State of Connecticut.

This Lease shall be binding upon and inure to the benefit of the Midd-Shore Association of Realtors, and its successors and assigns, and KEYHOLDER and its permitted successors and assigns.

IN WITNESS WHEREOF, THE MSAR and KEY HOLDER have caused this Lease to be duly executed as of the date set forth in the preamble to this Lease.

Print Key Holder Name

Key Holder Signature ***Date***

Print Designated Realtor Name

Designated Realtor Signature ***Date***

Email Address ***MLS Public ID***

Office Name ***Office Code***

Office Address ***Office Phone***

City ***State*** ***Zip***

Key Holder Driver License # ***Key Holder Primary Phone***

Key Holder Home Address

Authorized by the Midd-Shore Association of REALTORS®

Print Authorized MSAR Representative ***Authorized MSAR Representative Signature***

****IMPORTANT INFORMATION****

PERTAINING TO THE USE OF ELECTRONIC KEYS

Your electronic key contains your Personal ID Number (PIN code). Each time you open a Key box, your personal ID number is imprinted internally in the Key box. It is a **STRICT VIOLATION** of the Midd-Shore Association of REALTORS® Key box Rules and Regulations to **LOAN, ASSIGN, or TRANSFER** your electronic key. Violation of these rules may result in one of the following:

- Immediate invalidation of your electronic key.
- Suspension from the Key box System and a fine of \$2,500 for the first occurrence; and a fine of \$1,000 for each subsequent occurrence.
- Suspension from the Midd-Shore Association of REALTORS® and subsequently the MLS System.

If an agent transfers to another office the Midd-Shore Association of REALTORS® must be notified of the change within **five days**. An Agreement with the new DRs signature must also be submitted at that time in order for the electronic key to remain active.

If your electronic key is lost or stolen, you must notify the Midd-Shore Association of REALTORS® **IMMEDIATELY**. It is also highly recommended that you notify the Police Department within 24 hours of the loss. Failure to notify the Midd-Shore Association of REALTORS® may result in a fine of up to \$500.

A replacement electronic key will be issued at the current cost. Replacement of a second electronic key will be at the current cost of the key **PLUS** a \$100 fine. Loss of a third electronic key will result in suspension from the Key box System and a fine of up to \$1,000.

Unless a Listing Agent has given specific permission to show a property without first contacting them, showing agents **MUST** contact the Listing Agent prior to a showing. Failure to do so could result in an ethics complaint and/or a fine of up to \$1,000.

Before leaving a property, the showing agent must make sure that the premises are left secure and as they were before entry. The key to the property must also be placed securely back inside the Key box.