

Independent Contractor Agreement

BETWEEN:

Referrals Realty Inc., Brokerage, hereinafter referred to as (the "Brokerage")

AND

_____, herein referred to as (the "Salesperson")

In this Agreement, the term 'Salesperson' includes a Broker registered under the Real Estate and Business Brokers Act 2002

AND WHEREAS the Salesperson wishes to engage in his/her own business as a self-employed Independent Contractor, but lacks the legally required broker's license, and has not had the opportunity to establish sufficient reputation and goodwill, all of which a necessary for a viable operation of a real estate business. And the Salesperson acknowledges that the Brokerage has such assets and organization;

AND WHEREAS the Brokerage is a duly registered real estate brokerage pursuant to the Real Estate and Business Brokers Act 2002 (Ontario)(hereinafter called "the Act") and the regulations made pursuant thereto (the "Regulations") and owns and operates a business under the name of Referrals Realty Inc., Brokerage;

AND WHEREAS the laws of the province of Ontario and the Dominion of Canada require certain procedures and conduct in the business of dealing real estate;

AND WHEREAS the Brokerage has maintained and wishes to maintain in the future a business operation founded on honest and ethical principles to which it strictly adheres and to which it expects all persons associated with it to adhere;

Therefore, in consideration of the mutual covenants and agreements and for other good and valuable consideration as herein provided, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. APPOINTMENT

-The Brokerage hereby retains and appoints the Salesperson as an independent contractor in accordance with this agreement and the Salesperson hereby accepts such appointment as an independent contractor upon and subject to the terms, conditions, covenants and provisions set forth herein. The parties acknowledge that the Salesperson is a self-employed independent contractor and is not and shall not represent himself or herself to be a partner or employee of the Brokerage or to have any relationship to the Brokerage other than as a self-employed independent contractor.

2. GENERAL CONDITIONS

-The Salesperson hereby represents and warrants the Brokerage that the Salesperson is duly registered as either a broker or a salesperson under the Act and that such registration is now a member in good standing with RECO. The Salesperson agrees to maintain such registration throughout the term of this Agreement.

-As set out in Schedule "A", the Brokerage agrees to provide the Salesperson during the term of this Agreement, the services listed and the Salesperson agrees to compensate the Brokerage in the amounts and in the manner for providing such services.

-The Sales person agrees that, as long as this Agreement remains in effect, that NO real estate transactions, including listings will be entered into on behalf of the Brokerage other than referrals from other real estate brokerages.

-The Salesperson shall maintain errors and omissions and other such insurance as RECO may require from time to time.

-The Salesperson had read and agrees to the office policy as outlined in the Brokerages office policy manual and agrees to conduct themselves accordingly and in accordance with any amendments thereto communicated to the Salesperson in writing from time to time.

The Brokerage may set-off against the Salesperson's commission or other amounts the Brokerage may owe the Salesperson or any amount due to the Brokerage from the Salesperson including without limitation payable to the Brokerage pursuant to Article Five (5) of this Agreement.

-All monies, documents or property received by the Salesperson in connection with any transaction shall be delivered to the Brokerage immediately. All cheques must be made payable to the Brokerage in accordance with the Act.

3. COMMISSIONS

-The full amount of all gross commissions resulting from real estate transactions procured by the Salesperson and received by the Brokerage in trust for the Salesperson and as required by the Act shall be credited to the Salesperson's account and shall remain the property of the Salesperson. Commissions will become due and payable to the Salesperson only when they are "collected" by the Brokerage ("collected" is herein defined to mean commissions deposited in the Brokerage's bank account, which have cleared the payer's bank account).

-All credit balances in the Salesperson's account shall be paid by the Brokerage to the Salesperson, net of fees and other amounts owed to the Brokerage by the Salesperson.

-The commission to be charged for any transaction shall be determined solely by the Salesperson and shall belong to the Salesperson. The parties acknowledge that the Act requires that commission be collected only by the Brokerage.

-The Brokerage agrees to use all reasonable efforts to collect such commissions, including commissions in dispute, in a timely manner, and the Salesperson shall full co-operate with, and assist the Brokerage, as it may require in that regard.

-If only part of the commission is received by the Brokerage, it may still retain or disburse all of the amounts referred to in Subsections (1) to (4) listed under "3. COMMISSION" above.

-It is understood and agrees that if any applicable law or regulation of any governmental agency relating to this agreement is changed so as to reduce the income of the Brokerage or to cause the Brokerage to incur any cost or expense in connection with the Salesperson, than in the sole determination of the Brokerage, the Salesperson shall pay to the Brokerage such additional amount to compensate the Brokerage such reduction in income or for incurring such additional cost or expense.

4. LITIGATION, DISPUTE AND ARBITRATION

-If any transaction in which the Salesperson is involved results in a dispute, arbitration, litigation or legal expense, the Salesperson shall co-operate fully with the Brokerage in the resolution or prosecution of same.

-The Brokerage reserves the right to determine whether or not any litigation or dispute concerning any transaction in which the Salesperson is involved shall be prosecuted, defended or settled, or whether or not legal expense shall be incurred.

5. EXPENSES

-The Salesperson agrees to pay the Brokerage the fees set out in Schedule "A" which forms part of this Agreement. Unless expressly provided for in Schedule "A" to this Agreement, the Salesperson shall be solely responsible for the payment of all expenses, relating to the Salesperson's real estate agency business.

6. GOODS AND SERVICES TAX, HST AND INCOME TAX

-The Salesperson covenants and agrees to register as a registrant pursuant to the provision of Part IX of the Excise Tax Act (the GST/HST Legislation) and to provide this registration number to the Brokerage, to file all returns and make all remittances required under the "GST/HST Legislation" on a timely basis.

-The Salesperson agrees that the Brokerage shall not be responsible for the accuracy of the amount in respect of which the Salesperson is claiming an input tax credit.

-The Salesperson understands and agrees that no source deductions such as Income Tax will be made by the Brokerage. The Salesperson shall be responsible for submitting all income tax installments.

7. TERM

-The term of the Independent Contract Agreement hereby commences for a term of one (1) year from the date it is executed by both parties and shall be automatically renewed on a year-to-year basis on the same terms and conditions. The

Brokerage may, within the thirty (30) day period before the annual term of this Agreement, amend the commission/fee allocations of the Independent Contractor Agreement and if both parties cannot agree before the expiry of the term, then the Independent Contract shall not be renewed at the end of said term.

8. TERMINATION

-This Agreement may be terminated by either party at any time without cause upon 24 hours written notice that may be delivered personally or by facsimile. Upon termination both parties agree to complete their obligations herein in order to complete and orderly conclusion of their relationship. The Salesperson will not have any claim on real estate transactions that have not been procured from representation agreements prior to termination or any future commissions therefrom.

-If on termination the Salesperson is indebted to the Brokerage then until such debt has been paid, the amount outstanding from time to time shall bear interest at the rate of 18% per cent annum calculated and payable monthly.

-In addition, the Brokerage may, as its sole option and without notice, terminate this agreement effective immediately upon delivery of Notice of Termination to the Salesperson as herein provided, if:

- a) The Salesperson's license under the Act is suspended, if the Salesperson ceases to be registered under the Act, or if the Salesperson loses entitlement to be registered under the Act;
- b) the Salesperson fails to pay any amount owing by the Salesperson to the brokerage pursuant to Section 2 - Commissions of this Agreement, or fails to provide the security required by the Brokerage pursuant to Section 3 of this Agreement, and fails to cure such default within five (5) days of receipt of notice of default;
- c) the Salesperson becomes a bankrupt or insolvent person or makes a proposal to creditors or otherwise takes or attempts to take benefit of any federal or provincial law now or hereinafter in effect for the relief of debtors, or fails to pay any outstanding money judgment within twenty (20) days after the entry of such judgment; or
- d) The Salesperson fails to observe or perform any obligation owing by the Salesperson to Brokerage (whether or not under this Agreement) and fails to cure such default within fifteen (15) days of receipt of notice of default.

9. GENERAL AGREEMENT TERMS

- a) **Indemnity** - The Salesperson hereby indemnifies the Brokerage against all liability, loss, damages, costs and expenses sustained, suffered or incurred by the Brokerage as a result of any breach by the Salesperson's obligations under this Agreement or as a result of any claim by a third party arising out of the Salesperson's real estate business activities. This indemnity shall survive the termination of this Agreement.
- b) **Waiver** - Either party may waive any default of the other party under this Agreement but no such waiver shall affect the rights of that party in respect of any subsequent default, whether of the same or a different nature.
- c) **Entire Agreement** - This Agreement shall constitute the entire Agreement between the parties with respect to the subject matter and supersedes all prior agreements and understanding in any way relating to the subject matter. This Agreement can only be changed in writing signed by both parties. No remedy conferred on a party under this Agreement or by law shall preclude the exercise by that party of any other remedy available to it in equity or in law in respect of the same default.
- d) **Assignment** - This Agreement is personal to the Salesperson and no right of the Salesperson may be assigned. This Agreement shall endure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators and successors.
- e) **Headings** - The use of section headings in this Agreement is for convenience of reference only and shall not affect the interpretation of this Agreement.
- f) **Notices** - All notices or other communications required or permitted under this Agreement to be given by one party to the other shall be delivered in writing.
- g) **Assurances** - Each party agrees, at the request of the other party, to do, execute and give further assurances and other acts, documents and assurances as may be reasonably requested in order to give full effect to this Agreement and to the transactions contemplated herein.

10. USE AND DISTRIBUTION OF PERSONAL INFORMATION

-The Salesperson consents to the collection, use and disclosure of personal information of the Salesperson by the Brokerage for the purpose of a transfer, sale, or financing by the Brokerage of the business, or compliance with the requirements of the Real Estate Council of Ontario, or such other use of the personal information as the Brokerage deems appropriate in connection with managing or carrying on the affairs of the business.

11. CONDUCT

-The Salesperson acknowledges that the Brokerage is protective of its excellent reputation in the communities in which it carries on it’s business and the goodwill which is associated with that reputation and the Salesperson further acknowledges that the Brokerage bears certain legal, ethical and moral responsibilities to the public at large, to the various associations to which it belongs, to the other Salespersons with whom in contracts and to the Brokerages employee’s. During the term of this agreement the Salesperson shall conduct himself/herself in all his/her business dealings in a manner which id honest, ethical, forthright and honorable and in accordance with all applicable laws and industry regulations and further that he/she will conduct himself/herself subject to the guidelines as described in the Brokerage policy manual and the direction and supervision of the Brokerage and of its managers which may touch on or affect the reputation of the Brokerage and it’s goodwill.

12. INDEPENDENT LEGAL ADVICE

-The Salesperson acknowledges that the Brokerage has, without reservation, encouraged the Salesperson to seek independent legal advice to review this Agreement prior to signing of the same.

IN WITNESS WHEREOF the parties have duly signed this Agreement this ____ Day of _____, 20__

SIGNED, SEALED AND DELIVERED

In the presence of:

Witness

Salesperson/Broker

Referrals Realty Inc, Brokerage
Arvid Karlsen, Broker of Record

HST Registration # _____