## Logo Description automatically generated

## RARE REAL ESTATE INC.

Independent Contractor Agreement 2022

**THIS INDEPENDENT CONTRACTOR AGREEMENT** (the **“Agreement”)** effective as of the {dayString}.

**Between:**

Name as Licensed:   {firstName} {lastName}

PREC Name:    {prec}

(if PREC is to be paid as opposed to licensee)

Address: {address},

{city}, {province}, {postalCode}

Primary Phone:  {phone}

Personal Email:         {email}

[{salespersonCheck}] Salesperson [{brokerCheck}] Broker

hereinafter referred to as "Agent"

**And:**

Rare Real Estate Inc.

1701 Avenue Road, Toronto, Ontario,

M5M 3Y3

Phone: 416-233-2071

email: info@rarerealestate.ca

(hereinafter known as "Rare" or "Company")

Whereas Agent is duly registered in the Province of Ontario to do business as a real estate salesperson or broker, and Agent wishes to register exclusively with Rare and Rare wishes to allow Agent to register with the Company on the following terms as follows:

1. AGENCY: Effective as of the date of this Agreement, Company shall retain Agent as an independent contractor and not as an employee with the title of "Real Estate Salesperson" or “Real Estate Broker”.  Agent is responsible for properly reporting and paying all applicable municipal, provincial, territorial, and federal taxes he, she or it accrues in the course of his, her or it’s agency with the Company.  Company will not withhold municipal, provincial, territorial, or federal taxes from the Agent's earnings.  The Agent's agency with the Company is terminable with 30 days written notice from either party to the other. To the maximum extent permitted and required by law, Agent shall acquire on his or her own behalf, as a self-employed person, such workers' compensation insurance coverage as he or she deems appropriate, but no less than is required by law, and consistent with his or her status as an independent contractor and the mutual intent of the Company and the Agent not to create an employer/employee relationship. Agent hereby agrees not to claim or assert, or to support any third-party assertion of, the existence of an employee/employer relationship. Any specific provincial exceptions and/or requirements shall be covered in a province-specific addendum. Agent shall name the Company, its affiliates, and subsidiaries as additional insureds on any workers' compensation policy that Agent obtains on his or her own behalf and shall also obtain a waiver of subrogation endorsement from the workers' compensation insurer in favor of the Company, its affiliates and subsidiaries. Agent shall, upon written request, provide evidence of the above insurance requirements for any policy of workers' compensation insurance he or she obtains on his or her own behalf.
2. DUTIES OF AGENT: Agent will carry on the customary activities of a real estate salesperson and/or broker, including:
   1. The listing of properties for sale under Rare.
   2. Representing buyers in the purchase of real property.
   3. Representing tenants and/or landlords in leases.
   4. The solicitation and marketing necessary to generate new listings and/or generating new buyers, otherwise known as leads, and includes referring those leads to others to generate a fee or representing leads from other referral sources.
   5. Such other services pertaining to the real estate business of the Company.
   6. Following the rules of conduct as laid out by the Real Estate Council of Ontario, the Ontario Real Estate Association, the Toronto Real Estate Board, the Multiple Listing Service and the Trust in Real Estate Services Act (collectively the “Act”), including uploading listings and all transaction documentation to the Company submission portal within two (2) business days.

The Agent agrees that all real estate transactions in which the Agent has a direct or indirect interest including, without limitation, any listing obtained by the Agent will be taken only in the name of the Company; will be promptly reported to and will be processed through the Company. All monies, cheques and other instruments received by the Agent in respect of any such transaction shall (except for commissions) be received by the Agent in Trust for the Company. All such amounts and all commissions shall be immediately turned over to the Company for deposit into the Company’s trust account, as it may designate from time to time. The Agent shall disclose the Company’s interest in each transaction, including as a referee or referrer, to all parties involved and shall fully comply with the requirements of the Act.

The Agent shall maintain an active membership in a local association or board of REALTORS® affiliated with The Canadian Real Estate Association. Agent agrees to be a paying member of, and abide by the REALTOR® Code of Ethics and Standards of Practice of The Canadian Real Estate Association, as well as the statutes and rules of the province within which they are licensed and any requirements of the multiple listing service when the Agent is a member. For any Realtor® boards that require the brokerage to pay the fees upfront, the Agent shall reimburse the Company within 10 days of invoice for the same.

1. COMMISSIONS ON SALES: The commission to be paid in respect of any transaction (the “Gross Commission Income”) referred to in Section 2 shall be determined solely by the Agent but in accordance with the Company’s policies and guidelines, and all of that commission shall belong to the Company. The parties acknowledge that the Act requires that commissions be collected only by the Company and the Company agrees to use all reasonable efforts to collect such commissions in a timely manner and the Agent shall fully cooperate with the Company, as it may require. The Company shall pay over to the Agent within ten (10) business days all amounts received by the Company in respect of such commission, less:
2. any amount of such commission which is payable to third parties as a result of division of the commission between listing and cooperating portion or otherwise in accordance with the custom of the trade at that time, including any referral fees from other Agents of the Company or otherwise;
3. any fees and the Split to the Company, as defined in Schedule “A” and any amounts payable by the Agent pursuant to Section 3 of this Agreement;
4. the amount of any HST payable by the Agent in respect of the amounts paid by the Agent pursuant to Section 3 and Schedule A in compensation for the space, items, services and allowances provided by the Company pursuant to this Agreement and Schedules; and
5. any other amounts then owing by the Agent to the Company.

If only a part of such commission is received by the Company, it shall be at the Company’s discretion to decide if it elects to retain or disburse all of the amounts referred to herein. All monies, cheques and other instruments received by the Company on account of commissions belonging to the Agent, less any portion thereof which the Company is entitled to retain or disburse pursuant to the aforementioned, shall be received by the Company in trust for the Agent.

The Company agrees to allow the Agent ONE (1) transaction per annum to be applied to a single personal transaction in which the Agent can waive the total commissions payable to the Company for a Transaction Fee as defined in Schedule A. The Agent understands and agrees that “personal” herein refers to all transactions in which the Agent or any direct family member is directly involved in whereby it has an interest in the acquisition, sale or lease, and this clause applies to only such transaction. The Agent agrees to clearly submit in writing which transaction the waived commissions will be applied to. This offer of ONE (1) personal transaction applies to a single purchase, sale or lease of any property where any commission is payable and expires, if not used, at the anniversary of this contract. The Agent agrees to request clarification and approval from management should the transaction not be personal or for a direct family member. The Agent hereby agrees that this personal transaction can be applied to any deal at any time SIX (6) months AFTER the commencement and execution of this Agreement. The Company reserves the right to refuse the usage of such transaction and reserves the right to define “personal” in any way they see fit.

Should a transaction not close or be completed for any reason and a commission was received by the Agent, the Agent agrees that they are responsible to repay all commissions that they may have received in advance or in instalments back to the Company in full without deductions within 10 days of being notified. Should the Agent not do so, they are responsible for any interest or legal fees that the Company accrues in obtaining said fees.

The Agent agrees to following:

1. The Company retains the right to charge an administrative fee up to $250.00 (plus all applicable taxes) on commissions owed or through provided credit card; should the Agent not remain compliant on required paperwork;
2. If paperwork is not received within 5 days of the Company receiving a deposit, an administrative fee of $250.00 (plus all applicable taxes) will be applied to the deal;
3. All deal submissions will be provided via the Company’s online submission portal in PDF or other format as required through the portal;
4. No advances of commissions will be approved by the Company should a file be deemed incomplete;
5. No commissions will be issued on incomplete deals;
6. The Agent acknowledges that they are responsible for any and all fines, penalties or judgements against the Company as a result of their non-compliance or negligence;
7. Gross Commission Income shall also include any fee received by an Agent from any source so long as it relates to dealing with or trading in real estate, such as consulting fees, valuation and appraisal fees, real estate marketing fees, referral fees and finders fees.
8. TEAMS: “Sales Team” shall be defined as a group of Agents who work together under the leadership of a single or multiple Agents, and who pay a portion of all of the their Gross Commission Income to the “Team Lead”, who shall be deemed as the leading Agent of such Sales Team. “Team Member” shall be defined as an Agent who pays a portion of their Gross Commission Income to their Team Lead. The amount a Team Member pays their Team Lead shall be agreed upon between the Team Member and their Team Lead, and the Company shall not form a part, be liable or accountable to the agreement on payment amounts between the Team Member and their Team Lead.
9. ANNIVERSARY DATE: For items like computing the Capped Status and any other fee, as hereinafter defined in Schedule A, and unless otherwise stated in Schedule A, the Anniversary Date for each agent will be the first day of the month following their join date with Rare.  For example, if an agent joined the Company on June 27, then their Anniversary date would be July 1st the following year.  Each year on July 1st if the Agent had capped the prior year then the Capped Status (as hereinafter defined below) would end on June 30th, and computing the collection of the Capped Amount (as hereinafter defined below) would start again from July 1st.
10. COMPANY CAPPED STATUS: Once the Company has collected the Capped Amount, as that amount is defined in Schedule A, in total Split during the year that the Agent has been with Rare, then the Agent, will go into “Capped Status” with the Company for the balance of the year until their next Anniversary Date.  Once Agent is at Capped Status, no additional commission Split, as described in herein above and in Schedule A shall be due for the balance of that year. Upon reaching Capped Status the Agent shall receive 100% of the commission on a given transaction less a Transaction Fee, as that amount is defined in Schedule A.  Broker Review fees as well as errors and omissions insurance fees continue to apply even when at Capped Status, if and when applicable.
11. BROKER REVIEW FEE: On a case by case basis, the Company shall decide, if and when needed, for audit purposes to complete a broker review of a transaction, and in which case, upon the successful completion of a transaction, the Company may include a fee as in Schedule A per transaction being the Broker Review Fee taken after the Split as a charge against the Agent’s net commissions.  The Company may adjust the Broker Review Fee to maintain a minimum threshold of profit however notice for any change will take place at least 30 days prior to such change.
12. MONTHLY FEES: Upon full execution of the Independent Contractor Agreement, Agent shall setup their payment method with the Company for the recurring fees as per Schedule A, along with an initial investment in business cards, presentation folders, signs, and any other marketing or trade tools required by the Agent. Agent must stay current with the recurring fees in order to remain in Good Standing (as hereinafter defined) with the Company and in order to receive the Revenue Share. Agent will also provide to Company a Credit Card authorization as a back-up method of staying in Good Standing with the Company should the first payment method fail.
13. REVENUE SHARING PLAN: A Company Revenue Sharing Plan has been established to provide a financial incentive for Agents to help Rare recruit and retain agents in its growth, a copy of which is included as Schedule B. Unless otherwise indicated in Schedule B, each Agent shall be eligible to participate in the Company Revenue Sharing Plan after the first anniversary with Rare. At the Company’s sole and absolute discretion, it may waive or reduce the tenure with the Company before an Agent may be eligible to participate. The Company Revenue Sharing Plan may be modified from time to time as necessary to support recruiting, retention, maintaining competitiveness in the marketplace and maintaining profitability.  The Company will give Agent notice through company communications of any changes to the Company Revenue Share Plan no less than 30 days in advance of any change to the plan. The Revenue Sharing Plan terminates upon the Agent being in default of this Agreement for which was not cured within the time frame requested by the Company in its notice to the Agent, begins work for a competing company or another real estate brokerage of any kind, anywhere in the world, or for any other reason herein this Agreement.
14. GOOD STANDING: Agent must be in Good Standing with the Company in order to continue to receive the Revenue Share including but not limited to being current with their Company fees, real estate salesperson and broker registration, all required local, provincial and federal business licenses and registrations, having their salesperson or broker registration or license with the Company in the province that they do business in as a real estate registrant under the Act, being current with any real estate related dues or fees necessary to be licensed and active as salesperson or broker with Rare, complying with the Company's policies and procedures and this Agreement.  If the Agent is practicing in a Province which requires worker's compensation insurance premiums be paid for the Agent's services, the Company will charge the agent for such premium paid on the Agent's behalf.
15. INFLUENCER IN REVENUE SHARING PLAN: Agent was most influenced to join Rare by (Influencer):\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. This Influencer is now considered your recruiting source into Rare.  Upon acceptance of this Agreement, you cannot change to another Influencer without the express written permission of the Company, which permission may be arbitrarily withheld. The Agent acknowledges and agrees that the Influencer is not authorized to make any representations or warranties on behalf of Rare, and that any such statements unless confirmed in writing by Rare, are not to be relied on. Agent acknowledges that their Influencer shall have a six (6) month holdover period (the “Holdover Period”) in the event the Agent terminates this Agreement or is terminated pursuant to this Agreement and rejoins within the Holdover Period, in which case the Influencer originally named herein shall continue. In the event the Agent rejoins Rare after the Holdover Period, the Company will be free to decide if at all influenced or not, which may include by a different Influencer, if in fact the case. An Agent is considered influenced by another Agent if its can be demonstrated that the Agent joined Rare because of their Influencer.
16. AGENT EXPENSES: As an Independent Contractor, Agent is responsible for almost every conceivable expense related to being a real estate salesperson or broker.  This is not a comprehensive list however some of the expenses the Agent will be responsible for include the following: Registration and licensing dues, MLS fees, cell phone, business cards, signs, sign posts, print advertising, online advertising, personal branding, continuing education, licensing, printing, copying, faxing, digital camera, computers, printers/scanners/fax, high speed internet, automobile expenses, insurance (including errors and omissions as well as automobile insurance, life insurance, disability etc.as and when applicable), any and all government regulatory or agency registration, licensing and compliance fees.
17. INSURANCE: The Agent acknowledges that the Company does not maintain commercial general liability or commercial automobile insurance coverage that extends coverage to Agent in all Canadian provinces and territories that Company operates in. For the duration of this Agreement, Agent shall at minimum maintain their own automobile liability and property damage insurance coverage with a commercial rider that includes business use coverage, with a minimum liability coverage limit of $2,000,000, and a minimum property damage coverage limit of $500,000. If available by the insurer, Agent shall cause the insurance policy to name Company as an additional insured. In no event shall the limits of such insurance be considered as limiting the liability of Agent under this Agreement and in no event shall the above insurance limits be any indication that such insurance limits are adequate insurance coverage for Agent. Agent shall provide proof of such insurance to the Company upon request.
18. AGREEMENT TO COMPENSATE COMPANY ON COMPANY GENERATED LEADS IF AGENT LEAVES AND CONFIDENTIALITY OF TERMS OF AGREEMENT. It is recognized that leads generated by the Company continue to be property of Rare even if the Agent leaves the Company.  Should Agent choose to leave the Company, the Agent hereby agrees that any Company produced leads that convert into closed transaction will carry the Lead Fee off of the Gross Commission Income, as listed in Schedule A, from such closings should Agent choose to continue to work with the lead.  This provision shall continue until three years after Agent leaves the Company.  Agent and Company agree that all terms of this Agreement are confidential and such confidentiality shall survive the Agent's separation from the Company in any way, including termination or resignation.
19. POLICIES AND PROCEDURES: Rare is continually modifying best practices including our policies and procedures manual (the “Policies”) which is updated as real world situations come up.  Agent agrees to read and remain familiar with the current Policies and Procedures of the Company and to fully review the Company Policies not less then once semi-annually in order to stay current with any new Policies the Company has implemented.  For Policies which need to be implemented more quickly the Company will notify agents through a combination of emails and/or electronic newsletter and/or Company meetings. A Current Copy of the Policies is available 24 hours a day 7 days a week via the following link: www.RareRealEstate.ca and is incorporated into this agreement by reference. Not following Company Policies is grounds for termination.
20. COMPANY MEETINGS: Agent is required to attend Company meetings when requested to, although mandatory meetings are infrequent. Otherwise, the choice to attend Company meetings, generally, is not required. Agents are encouraged to attend Company meetings, participate in Company breakouts and sub-committees and otherwise organize and participate in as many enrichment classes that may be held by the Company and/or other agents of the Company.
21. COMMITTEES: Rare will encourage participation and suggestions by their agents of certain committees in order to enhance Rare and its company objectives. Agents are encouraged to participate in ongoing committee meetings, become part of an existing committee, start marketing groups, brainstorming groups or any other type of group that encourages social learning, collaboration and a team spirit.
22. NONDISCLOSURE OF TRADE SECRETS: Agent recognizes and acknowledges that much of the information that will be furnished to him/her/it concerning Rare's customers, listings, holdings, investments, transactions, company-generated leads, and other confidential matters constitute valuable, special, and unique assets and are trade secrets of the Company.  Accordingly, Agent will not, during or after the term of his/her/it being retained hereunder, disclose any such information or any part thereof to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever without the express written consent of the Company.
23. INDEMNITY: Agent hereby agrees to indemnify and hold harmless the Company, its owners, directors, officers, affiliates, subsidiaries, employees, agents, or representatives from any and all claims which may arise out of, in the course of, or relate in any way to the Agent's performance of his or her duties hereunder. Additionally, Agent acknowledges that if Agent is subject to any non-compete agreement or covenant from a previous brokerage that Agent will not violate that covenant or agreement or put the Agent at risk of liability by violating it. Agent shall indemnify, defend, and hold Company harmless for any action or failure to act by Agent, including, without limitation, any unauthorized representations and any failure to fulfill any of Agent’s responsibilities or obligations set forth herein.
24. TRADEMARK USAGE AND CONTENT LICENSE: Rare is in the process of registering its trademarks in Canada.  Part of creating and maintaining brand equity is protecting the brand.  Agent agrees not to use Rare or Rare in any domain name, email address, Twitter ID, Facebook Group or any social or business context outside of those methods expressly permitted by the Company. Unless otherwise expressly agreed upon in writing between the Company and Agent, to the extent Contractor provides to Company or any of its affiliates or licensees (collectively, “Company Licensees”), any photographs, images or content of any type created or otherwise owned by Agent (collectively, “Agent Content”) including, without limitation, by uploading such Agent Content via any online network operated by an Company Licensees, Agent retains ownership to such Agent Content but Agent hereby grants Company Licensees a royalty-free, irrevocable, world-wide, perpetual, non-exclusive license to publicly display, distribute, reproduce and create derivative works of the Agent Content, in whole or in part, in any media, including on any Company Licensee website, for any purpose, including advertising and promotion of Company Licensee services and/or products. Agent warrants and represents that Agent Content provided by Agent to Company Licensees does not violate the intellectual property of others. Company Licensees will not be required to pay any additional consideration or seek any additional approval in connection with using the Agent Content provided by Agent, and Company Licensees retain exclusive and sole discretion as to whether to use such Agent Content or reject or remove such Agent Content from any online systems operated by any of the Company Licensees. Moreover, to the extent the Agent provides to any Company Licensees, or otherwise consents to allow Company Licensees to receive, any photographs of Agent as a model, Agent hereby provides Company Licensees with the irrevocable right to use Agent’s name (or any fictional name), likeness, picture, portrait, or photograph in all forms and in all media and in all manner, without any restriction as to changes or alterations (including but not limited to composite or distorted representations or derivative works made in any medium) for advertising, trade, promotion, exhibition, or any other lawful purposes, and Agent waives any right to inspect or approve such photograph(s) or finished version(s) incorporating such photograph(s), including any written materials or other content that may be created and appear in connection therewith. Agent hereby waives all moral rights as to such photographs and releases and agrees to hold harmless Company Licensees, and their assigns, licensees, successors in interest, agents, employees and representatives from any liability by virtue of any blurring, distortion, alteration, or use in composite form whether intentional or otherwise, that may occur or be produced in the taking of the photographs, or in any processing thereof.
25. COMPLIANCE IN LAW, FINTRAC, DO-NOT CALL LIST, SPAM AND PRIVACY: Agent is solely responsible for being registered with and maintaining adequate subscriptions to the National Do Not Call List ("DNCL") prior to conducting any telemarketing activities in accordance with the Unsolicited Telecommunications Rules. Agent shall not conduct any telemarketing activities unless it has access to the most recent version of the DNCL and is fully in compliance with all laws applicable to contacting customers or prospective customers. Agent shall not contact any person using artificial or pre-recorded voices to residential or mobile phone numbers, or using auto dialers or equipment that has the capacity or capability to automatically dial to make phone calls unless such calls are the subject of such person's prior consent in compliance with PIPEDA, the CRTC's Unsolicited Telecommunications Rules, and other applicable provincial privacy, consumer protection and telemarketing legislation. Agent agrees to retain a record of such consents and agree to make such record available to Company upon request. Company may terminate this ICA, without notice to Agent, if Agent or its staff breaches the terms of this Section of the Agreement. Agent shall immediately notify his or her Broker of any individual who is not listed on the DNCL that requests that Agent and/or Company cease calling such individual and provide Company with the name and phone number of such individual. Agent shall maintain an internal do not call list and ensure that shall not call any individual or number listed on either Agent's or Company's internal do not call list. Agent shall comply at all times with the Proceeds of Crime (Money Laundering) and Terrorist Act (Canada) ("PCMLTFA"). During Agent's affiliation with the Company, the Company and its affiliates, may collect or receive Agent's personal information. Company shall only use Agent's personal information as described in the Company's Privacy Policy. Company shall comply with all applicable privacy laws with respect to its collection, use and disclosure of Agent’s personal information and that all facilities used to store and process personal information will adhere to reasonable security standards. In providing personal information to Company, Agent agrees and consents to Company collecting, using, and disclosing the personal information of Agent as described in the Company's Privacy Policy. If Agent engages in electronic advertising, marketing or promotional activities or sends any commercial electronic messages to any persons during the term of this Agreement, Agent agrees that he or she will fully comply with Canada’s Anti-Spam Legislation (“CASL”) regarding those activities, including, but not limited to, ensuring that all commercial electronic messages sent by or on behalf of Agent are accurate (not misleading) and comply with CASL's requirements regarding opt-in consent, message form/content and consent withdrawal. Agent shall notify Company within two (2) business days if it receives any notice from the CRTC alleging that Agent has violated CASL. Agent will appoint a representative responsible for CASL compliance as outlined in this section. Agents inspect and audit Agent’s compliance with CASL from time to time as Company sees fit. Agent shall maintain detailed and up to date records illustrating Agent's compliance with CASL and to cooperate fully and make available to Company any records, information or staff assistance required to conduct such audits. Agent shall preserve its CASL compliance records for five (5) years following the termination of this Agreement. Company may interview Company's employees, authorized representatives, independent auditors or regulators to the extent reasonably necessary to verify the Agent's compliance with CASL and Company may make and remove copies of Agent's records where necessary for Company's audit purposes.
26. AGREEMENTS, COMPLIANCE FORMS, INSURANCE FORMS: Agent will submit any documents necessary for the Company to keep agent in compliance with all local, provincial and federal laws as well as Company Policies.  The Company will share all materials with the agent that the Company has relating to the Agent being retained by the Company via the Company’s choice of electronic method. If Agent has not provided completed documentation in order to comply both legally as well as with the Company Policies this would be grounds to retain monies due the Agent until these forms and agreements have been provided to the Company. Agent has the sole responsibility of making sure that his/her/it’s license and other documents are in order.  Should these documents not be in order the Company may retain and keep any and all commissions and/or Revenue Share during the period of time that the documentation is not in compliance.
27. ERRORS & OMISSION COVERAGE: Rare has contracted for Errors and Omissions Insurance Coverage (E&O) in each province that the Company does business. Unless required by the insurer, the Company will not deduct a per transaction E&O fee. However, if the Agent is to make a claim against the Company’s E&O insurance in addition to their own, then the Agent acknowledges that it will be responsible for the then deductible payment, whatever that amount is, at its sole cost an expense, and regardless of fault, which shall include any deductible payment the Company may have to pay as a result of the Agent’s claim. Agent represents and warrants that he/she has obtained and maintains E&O and such other insurance coverage as may be required by his/her provincial regulatory authority and, to the extent made available to Agent, has provided the Company with a copy of a certificate evidencing such insurance coverage. And that even though Agent's E&O coverage may typically cover such claims, Agent agrees to defend, indemnify, and hold Company harmless against any and all claims that may arise in connection with Agent practicing real estate. In the event Agent receives notice of a lawsuit, a demand letter, a threat of a lawsuit, or a complaint before the provincial regulatory authority and/or any REALTOR® Association or local real estate board, Agent shall notify the Broker immediately. Agent agrees to actively cooperate and assist the Company and its insurance company in defending such claim or complaint until it is resolved.
28. PUPPET AGENTS AND THE REVENUE SHARE PLAN: Agent agrees that he/she will not attempt to manipulate the Company Revenue Share Plan by engaging in the practice of recruiting puppet agents.  Puppet agents are agents who are not engaged in the business of selling real estate or engaged in the process of recruiting and supporting other productive agents in the Company.  The Company has the sole right in determining who is considered a Puppet Agent and further reserves the right to release or terminate the licenses or registrations of individuals who are, in the opinion of the Company, Puppet Agents which would in net effect reduce the number of agents an Agent has influenced. The Company will also notify the Agent that it has released the agents that it believes are Puppet Agents and to review the recruiting practices of the Agent with Agent. If, after reviewing with Agent, Agent continues to engage or appears to be engaged in the practice of recruiting Puppet Agents, Agent may be restricted from recruiting, and/or terminated from the Company.
29. SERIOUS INJURY OR DEATH: In the event that Agent is incapacitated or otherwise unable to carry out his/her work as an Agent for the Company, Agent, Agent's heirs or other authorized legal representative or guardian who is legally authorized to act on the Agent's behalf or Agent's estate's behalf may form an entity, or use an existing entity with a registered salesperson or broker (who is registered with Rare and who agrees to comply with all the contractual obligations of the original Agent) to be substituted as the agent of record for Agent in the Company Revenue Share plan.  Any plan of substitution must be completed and approved by the Company and the Company's Broker in the Province where the substituting agent will be licensed, within 12 months of the point in time when the Company becomes aware of the Serious Injury or Death of Agent and shall be accompanied by a letter and any probate certificates, then necessary, from the Agent’s estate lawyer stating that the transaction contemplated is in conformance with all local, provincial and federal laws, and to be paid for by the Agent's representative. The Company however is not required to approve a substitution plan for an Agent who was not in Good Standing with the Company prior to the Agent's Serious Injury or Death.
30. WRITTEN CONTRACT AS CONSTITUTING ENTIRE AGREEMENT: This Agreement constitutes the entire contract and agreement between the parties and there are no verbal understandings or other agreements of any nature with respect to the subject matter hereof except those contained in this Agreement.
31. THIS AGREEMENT SHALL BE DEEMED TERMINATED UPON:
    1. the occurrence of expiration, suspension, revocation or termination of Agent's real estate license/registration for any cause or reason whatsoever;
    2. written notice, with or without cause, from either party to the other party of the intent to terminate this Agreement for breach of any provision hereof; or
    3. written notice from either party to the other party of the intent, with or without cause, to terminate this Agreement with thirty (30) days’ notice.

Upon termination of this Agreement, for any reason, Agent agrees to cease use of any and all sales materials or similar items that bear the name, logos, registered trademarks, or inscription of the Company, in any manner whatsoever. Upon termination of this Agreement, for any reason, Company will release those listings without an existing contract of sale, provided the account of Agent is paid in full, and the property owner wishes the listing released. After Agent's association with Company terminates, the Company will continue to pay Agent's commission less any fees or other monies owed (e.g., commission advances, garnishments, or other required withholdings, past due balances owed to Company, etc.) on pending transactions as of the termination date, upon successful close of the transaction, in accordance with the terms set forth herein this Agreement. Company shall be deemed released from all claims for commissions not yet earned under the law by Agent. Upon termination of this Agreement, for any reason; Agent is aware that such termination could result in a significant financial loss, including but not limited to, pending transactions, revenue share and forms of compensation pursuant to this Agreement. Agent agrees on such an occasion, Company may not have any adequate remedies at law and understands and agrees that Company may seek any and all available equitable remedies, in addition to or instead of any and all available legal remedies.

1. CONTRACT REVISIONS: Certain portions of this agreement may be modified from time to time by the Company.  Company will provide a minimum of 30 days notice of any material revision for review by Agent.  For Material Changes, Agent will after the 30-day review period has elapsed, and unless any objection was provided to the Company in writing for which was not resolved, be deemed to have accepted the changes without having executed an updated version of this Agreement. Material Changes shall only include those that affect any of the monetary terms herein, including the way in which calculations are applied, the timing of any payment, and as well any imposition of the requirement to expend monies by the Agent.
2. NOTICE: Notice to the Agent shall be delivered (a) by emailing the provided email address with the beginning of the subject marked as "NOTICE:" in all caps followed by the subject of the Notice (b) in person, (c) by certified mail to the address provided, or (d) by a commercial overnight courier that guarantees next business day delivery and provides a receipt, and such notice shall be addressed to the Agent's address as listed above in this Agreement or as updated by the Agent in writing to the Company, prior to the date Notice is provided. Notice to the Company shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile to Company Fax number as listed on www.RareRealEstate.ca or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notice shall be addressed to the Company's head office address as listed on www.RareRealEstate.com, which at the time of the signing of this agreement is the Address listed at the top of this Agreement.
3. BINDING EFFECT: This Agreement shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto. Except as provided elsewhere in this Agreement, Agent shall not sell, assign or transfer any rights or interests created under this Agreement, nor shall Agent delegate any of Agent's duties without the prior written consent of the Company. The benefits, including the payments therein, of the Revenue Sharing Plan shall terminate upon the death of Agent
4. GOVERNING LAW AND MANDATORY BINDING ARBITRATION: This Agreement shall be governed, interpreted and construed by, through and under the laws of the Province of Ontario.  The Parties to this Agreement agree any dispute arising between them shall be handled and disposed of through mandatory binding arbitration that conforms to the standards of practice in the province of Ontario.  Each party therefore acknowledges that it is waiving any right to a trial.
5. LAWYER FEES, INTEREST AND SETOFF: In the event of any legal or equitable action, including any appeals, which may arise hereunder between or among the parties hereto, the prevailing party shall be entitled to recover a reasonable lawyer fee.  Lawyer fees shall also include hourly charges for paralegals, law clerks and other staff members operating under the supervision of a lawyer. The Company reserves the right to charge the Agent interest at a rate of 1.50% per month for each month that any amount that is due and payable remains outstanding, and may setoff any amounts owed to the Company from other amounts due to the Agent by the Company, such as from the Revenue Sharing Plan.
6. SEVERABILITY: The invalidity or unenforceability of any portion of this Agreement shall not affect the remaining provisions and portions hereof.
7. HEADINGS: The paragraph headings contained herein are for convenience or reference only and are not to be used in the construction or interpretation hereof.

IN WITNESS WHERE OF, the parties have caused these presents to be duly executed on the

Date:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Rare Real Estate Inc.

Per: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

{precSign}

### Schedule A

### Commissions and Fees

One Time Enrollment Fee: $199.00 which fee shall be waived a gesture of goodwill by the Company.

Monthly Brokerage Fee: $149.00

Lead Fee: To be determined on a case-by-case basis by the Company

Transaction Fee: $500.00 for a purchase or sale transaction or a referral fee from such transaction, and $100 **or** your percentage split, depending on what is in the Agent’s favour.

Percentage Split: 15%, whereby the Split is the actual dollar amount of the percentage split from the Gross Commission Income retained by the Company

Capped Amount: $18,000.00 in Split paid to and/or collected by the Company from the Agent’s commissions within a year beginning from the Anniversary Date.

Late Payment Fee: $35 per month payable on the first of the month next following the due date on any payment to the Company

Payment Due Date: within 10 days of an invoice or notice from the Company.

### Schedule B

### Revenue Sharing Plan

Rare Real Estate Inc. has established a Revenue Sharing Plan (the “Plan”) that Rare Agents may enroll in once eligible. The Plan aims to reward Rare Agents who help the Company’s growth by attracting fellow agents to join and rewarding Rare Agents at each Tier of growth.

**Registered licensed Agents with Rare are not automatically enrolled in the Revenue Sharing Plan (the “Plan”). After the first anniversary, Agent shall be eligible to enroll in the Plan subject to an annual review with the Company.**

In order to qualify, you, the Agent, must be in Good Standing with the Company and the Act, as well as with the regulators in the Province where you practice.

Each revenue share level (the “Tier” as hereinafter defined)) of the Plan are qualified based on Agent having influenced the minimum number of recruits as required for each Tier, who are also similarly in Good Standing with the Company, the Act, and the regulators in the province they practice in.  In any given month that you qualify for a particular Tier you will also receive the corresponding revenue share for any lower level Tiers as demonstrated below.

For example if you have personally influenced three agents in Good Standing you will receive the revenue share plan payouts (the “Payouts”) from Tier 1 only, being 30% of the Group Split (as hereinafter defined). If you have personally influenced nine agents your Payout will be 30% of the Group Split from Tier 1, being the total Split collected by the Company by the nine Agents you influenced, together with 25% of the Group Split from Tier 2, being the total Split collected by the Company by the Agents influenced by your nine Agents in Tier 1.

Note: It is possible for your personally influenced Agents to unlock higher Tiers ahead of you, for which you may not be eligible for a Payout until you influence the minimum number of Agents to unlock the Tier in which the higher Tiered Agents belong to.

Revenue is shared and is only paid out on non-exempt transactions where the Company has retained a Split. If you recall agents may hit their Capped Status, and therefore in that same year those agents will not pay a Split.

**Group Split:** is the Split generated from the Qualifying Sale Transactions (as hereinafter defined) at each Tier by the group of Agents in that Tier. In order to unlock a revenue share of the Group Split beyond Tier 1, the Agent must have the minimum number of influenced Agents at each Tier as per below chart.

**Qualifying Sale Transaction:** is a Transaction that earns a Split to the Company by an Agent of at least $200.00 and is not considered a Personal Transaction or as a result of a Transaction Fee.

**Tier:** is the hierarchy of Rare Agents that are influenced in succession beginning with the Agent and each group of Rare Agents influenced at each level thereafter (i.e. each “Tier”), as follows:

* Tier 1: the group of Rare Agents influenced by the Agent.
* Tier 2: the group of Rare Agents influenced by Tier 1 Rare Agents.
* Tier 3: the group of Rare Agents influenced by Tier 2 Rare Agents.
* Tier 4: the group of Rare Agents influenced by Tier 3 Rare Agents.
* Tier 5: the group of Rare Agents influenced by Tier 4 Rare Agents.

|  |  |  |  |
| --- | --- | --- | --- |
| **Revenue Sharing Plan Chart** | | | |
| **Tier** | **Minimum number of influenced Agents required to unlock respective Tier** | **Payout as a percentage of the Group Split** | **Maximum Payout per influenced Agent** |
| 1 | 1 | 30% | $5,400 |
| 2 | 5 | 25% | $4,500 |
| 3 | 10 | 20% | $3,600 |
| 4 | 15 | 15% | $2,700 |
| 5 | 20 | 10% | $1,800 |

Currently the above structure does not discount the agents that are not in Good Standing with the Company.  Any positions in the Plan where an Agent is no longer in Good Standing become Company positions which the Company will maintain, and shall not be included in the Group Split for that Tier.

The above Plan may be modified from time to time to allow the Company to better compete, recruit and retain agents as well as maintaining a base level of profitability.

**Retirement Program and Termination:** Due to the nature of being paid from revenues Agent must keep their registration and license current, in addition to being in Good Standing, in order to continue to receive Payouts. All Payouts immediately stop upon an Agent not being in Good Standing, including terminating this Agreement or working for a competitor, and all accrued Payouts shall be immediately forfeited. Agent is automatically ineligible to participate in the Plan if working for a competitor.

**Qualifications To Receive Revenue Share**

In order to be qualified to receive a Payout the Agent must be eligible on the date when a Qualifying Sale Transaction closes, and Agent’s license must be active and registered with the Company in every province the Agent engages in activities requiring a real estate license.

**Manipulating Revenue Share Plan Prohibited**

Agent agrees that he or she will not attempt to manipulate the Plan by engaging in the practice of influencing Puppet Agents. Additionally, Agent shall not add any agent(s)’s name to transaction documentation who was not a true party to the Transaction solely for the purpose of artificially qualifying that Company Agent as an influenced Agent. The Company shall have the right and sole discretion to determine who is considered a Puppet Agent, and further reserves the right to terminate Agents who are, in the sole discretion of the Company, determined to be Puppet Agents and which would reduce the number of Agents that a Company Agent has directly caused to join the Company.

The Company will also notify Agent that it has released the licenses of the Company Agent(s) that it believes are Puppet Agents and review the recruiting practices of the Agent with Agent.

If, after reviewing the recruiting practices with Agent, Agent continues to engage in, or appears to be engaged in, the practice of manipulating the Plan, Agent may be restricted from sponsoring agents and/or released from the Company.