



COMMISSION ADVANCE PROGRAM AGREEMENT

B E T W E E N:

(the "Agent")

-and-

REAL MORTGAGE ASSOCIATES INC
(the "Brokerage")

NOW THEREFORE in consideration of the sum of one dollar (\$1.00) of lawful money of Canada paid from each party to the other, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

- 1.1 Definition:** "Agent's Commissions" shall mean those amounts payable to an Agent as an employee or subcontractor of the Broker that arises out of services provided by the Agent relating to the financing of residential real estate. Commission Advance Request (CAR) shall mean the request sent by the Agent for an advance on a commission of a residential real estate transaction.
- 2.1 Proceeds:** Any proceeds received by or paid to the Agent with respect to a Commissions or Agent's Commissions, regardless of who paid such proceeds, shall be first applied to the Advanced Commissions until the Advanced Commissions is fully paid.
- 3.1 Payment Of Commissions Advance Price:** The Brokerage shall pay to the Agent, the Commissions Advance Price (the "Initial Payment"), on a regular commission payment day, provided that the Brokerage shall be entitled to holdback payment of an amount equal to ten percent (10 %) of the Expected Commissions (the "Reserve"), which Reserve shall be paid by the Brokerage, to the Agent, upon payment of the Advanced Commission back to the Brokerage.
- 4.1 Perfection:** Upon acceptance of an CAR by the Brokerage and payment of the Initial Payment in accordance with section 3 hereof, the Advanced Commission shall be irrevocably assigned to the Brokerage with all rights, title and interest in the Advanced Commission, commission agreements or any other agreement that gives the Agent a right to the Advanced Commissions, and all chooses in action relating thereto.
- 5.1 Acceptance:** The Brokerage shall be entitled to accept a CAR or decline a CAR, from time to time, at its sole and absolute discretion. The acceptance of a CAR by the Brokerage in no way obligates it to accept any future CARs, and the Brokerage reserves the right at all times to terminate this Agreement in the event that it, in its sole discretion, regards it necessary or desirable to do so. The rejection of an CAR does not bring this Agreement to an end, unless the Brokerage expressly gives notice to the Agent otherwise.

- 6.1 Representation and Warranties:** The Agent represents and warrants the following and acknowledges that the Brokerage is relying on the representations and warranties when completing each CAR and the transactions contemplated by this Agreement:
- (a) the Commission and the Agent's Commission referred to in any CAR is in fact a good and valid receivable of the Agent, and that there has been no act or omission on the part of any person that could legally prevent the Brokerage from obtaining the full benefit of the advance and sale of the Advanced Commission in accordance with the terms and intent hereof and the CAR;
 - (b) the Commission referred to in any CAR is free of any charge, lien or encumbrance;
 - (c) the Agent's right to receive the Commission and the Agent's Commission referred to in the CAR, respectively, is unconditional save and except that their right to receive the Commission and the Agent's Commission is conditional upon the successful closing of the underlying real estate transaction.
- 7.1 Conditions:** Any CAR and acceptance thereof shall be conditional on the following conditions which conditions are for the sole benefit of the Brokerage and may be waived by the Brokerage at anytime by written notice to all other parties:
- (a) the Commission and the Agent's Commissions referred to in the CAR relates to an underlying finance of residential real estate;
 - (b) the parties to the underlying finance of residential real estate are dealing at arms length with the Agent and Broker as that term is applies under the *Income Tax Act*, (Canada) and is for fair market value; and
 - (c) the parties to the underlying finance of residential real estate, and the payment of the Advanced Commission, is expected within ninety (90) days of the delivery of the Commission advance to the Brokerage.
- 8.1 Obligations of the Agent:** The Agent shall be obliged to do, carry out and undertake the following:
- (a) the Agent Shall notify the Brokerage in writing when it become apparent to the Agent that the underlying real estate transaction to which a Commission relates may not close or may be delayed;
 - (b) the Agent shall give written notice to the Brokerage when any facts come to its attention which suggest that a particular Commissions to which a Advanced Commission relates will not be paid when due.
- 8.2 Obligations of the Agent:** The Agent shall pay, or direct a third party to pay, to the Brokerage the Advanced Commission, any interest thereon or any amount owing pursuant to Section 9 hereof, as the case may be, which payment is due on the earlier of: (i) the date of closing of the underlying real estate transaction; (ii) the date on which it becomes apparent to the Agent or the Broker that the underlying real estate transaction will not close or will be delayed; and (iii) the date on which any facts come to the Agent's attention that the Commission which relates to the Advanced Commission will not be paid when due.
- 9.1 Indemnity:** The Agent agrees to indemnify the Brokerage for the non-payment of a Advanced Commission, of which an advance has been taken, when due regardless of who the defaulting party may be or whether the Advanced Commission is not paid

because of the failure of the underlying real estate transaction. The Agent shall pay to the Brokerage an amount sufficient to reimburse the Brokerage for:

- (a) the Advance Price;
- (b) applicable fees, expenses and costs, including without limitation, legal costs on a solicitor client basis and other collection costs; and
- (c) any amount otherwise necessary to rectify the non-payment of the Advanced Commission;

and such amounts shall become immediately due and payable when it becomes apparent that a Advanced Commission may not be paid when due or is actually not paid when due, whichever is earlier.

9.2 Indemnity: The Agent agrees to indemnify the Brokerage against any loss suffered by it as a result of the refusal or neglect of the Agent to carry out the terms and conditions of this Agreement of any Commission advance, as the case may be. Such indemnity includes liability for all legal costs on a solicitor and client basis and other collection costs incurred by the Brokerage in the enforcement of its rights.

9.3 Rights of Payor: Upon payment by the Agent of an amount equal to the Advanced Commission, expenses and costs of the Brokerage associated with the subject transaction, any interest payable pursuant to paragraph 10.1 hereof, and the payment of all amounts to rectify any loss to the Brokerage, the Brokerage shall assign, sell or otherwise convey its right, title and interest in such Advanced Commission to the party or parties who made such payment.

9.4 Waiver: The Agent hereby waives any right to require the Brokerage to proceed against the Agent, against the other or against any third party or to proceed against or to exhaust any security, if any, held from the Agent, or to pursue any other remedy whatsoever that may be available to the Brokerage before proceeding against the Agent or the Broker. No dealings of whatsoever kind between the Brokerage and the Agent, or any other party shall exonerate, release, discharge or in any way reduce the obligations of the Agent or the Broker in whole or in part as contained herein. Notwithstanding any advance for the general benefit of creditors or any bankruptcy or insolvency of the Agent, the Agent shall continue to be fully liable hereunder.

10.1 Interest: Any amount payable to the Brokerage by the Agent hereunder shall bear interest at the rate of 36.5% per annum accruing from the time such amount is first due. The Brokerage shall be entitled to deduct or set-off from the Reserve any amount owing to it by the Agent or the Broker including, without limitation, interest payable pursuant to this section.

11.1 Verification: The Agent and the Broker agree that the Brokerage may at any time conduct such due diligence as it deems necessary or desirable to verify the existence and the validity of any right to a Commission or Agent's Commission.

12.1 Enurement: This Agreement shall ensure to benefit of the parties hereto and their respective heirs, executors and assigns.

13.1 General Provisions: All terms and words used in this Agreement of a CAR provided pursuant hereto regardless of number and gender in which they were used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine or feminine or neuter as the contest requires. All references to currency in this Agreement or a CAR shall be references to the currency of Canada. The

headings of all paragraphs in this Agreement or CAR provided pursuant hereto are inserted for convenience of reference only and shall not affect the construction thereof. Should any provision of this Agreement or CAR provided pursuant hereto for any reason be held or declared illegal, invalid or unenforceable such decision shall not affect the legality, validity or enforceability of the remaining provision, and the illegal, invalid or unenforceable provision shall be struck from this Agreement and any such CARs. This Agreement shall not be amended or modified in any respect, except by written instruments signed by all parties. This Agreement and any CAR may be executed and transmitted by facsimile and all such documents shall be considered original documents bearing original signatures. An original executed copy of such documents shall be sent forthwith to the Brokerage. This Agreement and any CAR provided pursuant hereto shall be governed by the laws of the province of Ontario and the laws of Canada applicable therein. The parties hereto irrevocably attorn to the courts of the province of Ontario.

14.1 Language: The parties hereto confirm that they have expressly required that this and all related documents be drawn up in English.

DATED this _____ day of _____, 20_____.

Witness

Agent

Witness

Real Mortgage Associates Inc.



COMMISSION FINANCING REGISTRATION FORM

Agent Information - Please Print

First Name: _____

Last Name: _____

Birth Date: _____

SIN #: _____

Home Address:

Street Address

City

Province

Postal Code

Home Tel: _____

Mobile Tel: _____

Email: _____

Previous Years Commissions: _____ Commission Year to Date: _____

Agent Signature

Date