



# U.S. SALES REPRESENTATIVE AGREEMENT

between

and

EXIT \_\_\_\_\_ REALTY MIDWEST \_\_\_\_\_

Address: \_\_\_ 1306 18<sup>th</sup> Street "C" \_\_\_\_\_

## U.S. SALES REPRESENTATIVE AGREEMENT

**THIS U.S. SALES REPRESENTATIVE AGREEMENT** (the "Agreement") is to be effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_ between **EXIT** \_\_\_\_\_, ("**EXIT Realty Midwest**"), located at \_\_\_\_\_, and \_\_\_\_\_, ("**Sales Representative**") residing at \_\_\_\_\_.

### RECITALS

- A. EXIT Realty Corp. International ("EXIT") owns the rights to a business format franchise system for providing high-quality real estate services to the general public (the "EXIT System"). EXIT has granted **Realty Midwest** (the "Subfranchisor") the exclusive right to license the EXIT System and to enter into Franchise Agreements for specific geographic areas.
- B. EXIT **Realty Midwest** is an independently owned and operated EXIT Franchise, having entered into an EXIT Franchise Agreement with Subfranchisor, and is operating a real estate brokerage business in this state at the above address.
- C. Sales Representative has been issued a real estate (Sales Representative's/Broker's) license by this state and desires to enter into this Agreement with EXIT **Realty Midwest**.

**NOW, THEREFORE**, in consideration of the promises and covenants contained in this Agreement, it is agreed as follows:

### 1. INDEPENDENT CONTRACTOR STATUS

Sales Representative is retained by EXIT Realty Midwest as an independent contractor.

Sales Representative shall devote to EXIT Realty Midwest the portion of Representative's time, energy, effort and skill as Sales Representative sees fit to meet the minimum standards set forth by EXIT Realty Midwest and to establish Sales Representative's own endeavors to meet those standards. Sales Representative shall not have mandatory duties or responsibilities, except those required by state law and those specifically outlined in this Agreement. Nothing contained in this Agreement shall be regarded as creating any relationship, such as joint venture, partnership or shareholder, between EXIT Realty Midwest and Sales Representative.

Sales Representative acknowledges that as an independent contractor (non-employee) affiliated with EXIT Realty Midwest, Sales Representative is responsible for the payment of all Sales Representative's own federal income taxes and self-employment taxes (FICA) together with any and all corresponding state, county and local taxes, if any, and Sales Representative agrees to meet those responsibilities. Sales Representative waives any claims Sales Representative has or may have against EXIT Realty Midwest now or in the future related to taxes or the right of EXIT not to withhold, pay or contribute to taxes on behalf of Sales Representative.

## 2. SALES REPRESENTATIVE RESPONSIBILITIES

- a) General Responsibilities. Sales Representative shall obtain listings and/or other real estate related service contracts, solicit purchasers and/or lessees for all types of interests in and to real estate or for related services. Any and all listings of real estate or of any interest in real estate and all other real estate related service contracts approved by EXIT **Realty Midwest** shall be taken in the name of EXIT **Realty Midwest**. The listings and other real estate related service contracts shall be submitted by Sales Representative to EXIT **Realty Midwest** immediately, and shall become and remain exclusive property of EXIT **Realty Midwest**.
- b) Fees and Commissions. All fees and commissions earned in connection with the sale, lease or rental of real estate and any interest in or service related to real estate are made payable to EXIT **Realty Midwest**. The fees may be jointly shared by Sales Representative with one or more sales representatives under contract with EXIT **Realty Midwest** or with one or more cooperating real estate sales representatives or brokers not associated with EXIT **Realty Midwest** as the parties may agree in writing, provided, however, Sales Representative shall promptly notify EXIT **Realty Midwest** in writing of the terms of the sharing arrangements. All payments of referral fees and shares of commission, shall be in compliance with applicable law, shall be made by EXIT **Realty Midwest** and monies withheld for that purpose from commissions received by EXIT **Realty Midwest**.
- c) Personal Expenses. Sales Representative shall be responsible for all personal expenses, including, but not limited to, automobile, travel, disability and other insurance, entertainment, food, lodging, license fees and dues, all income taxes, self-employment taxes, which result or may result from being licensed, engaged in the real estate business and/or associated with EXIT **Realty Midwest**. At the time this Agreement is signed, Sales Representative shall complete and deliver to EXIT **Realty Midwest** an IRS Form W-9.
- d) Compliance with Laws. Sales Representative shall comply with all laws, rules and regulations, including, but not limited to, those relating to real estate brokerage.
- e) Quality Control. Sales Representative shall abide by the quality controls and safeguards established or enacted by EXIT **Realty Midwest** Subfranchisor or EXIT. Sales Representative agrees to do everything possible and required to protect and maintain the highest ethical standards in the conduct of Sales Representative's real estate business. Sales Representative shall maintain Sales Representative's personal appearance and the appearance of Sales Representative's office in a clean and orderly manner. Sales Representative shall always maintain a professional profile on any web or social media sites. The Sales Representative shall provide dependable, efficient, courteous, high quality and professional real estate services to the public, of the same high quality and integrity as other brokers and sales representatives affiliated with EXIT **Realty Midwest**, in order to create and maintain goodwill among the public for the entire EXIT System. Sales Representative shall strictly observe the most

current operating procedures established by EXIT **Realty Midwest** Subfranchisor and EXIT from time to time.

- f) Duty of Loyalty. Sales Representative shall act under a duty of loyalty in support and in furtherance of the EXIT System and shall maintain a proper attitude toward the public, EXIT **Realty Midwest** and EXIT **Realty Midwest** Sales Representatives. Sales Representative shall not engage in any acts or activities that may disrupt or discredit the EXIT System, its operations or EXIT **Realty Midwest**, or that may detract from or tend to undermine the growth of the EXIT **Realty Midwest** organization.
- g) Restrictions on Subsequent Business Activity. Sales Representative shall refrain from all representations, advertisements, actions and business activities that may mislead others to believe he or she is still part of, affiliated with or sponsored in some way by EXIT **Realty Midwest** if that is not the case. Sales Representative shall not adopt or use in connection with, or in the name of, any subsequent real estate business the term EXIT or any term confusingly similar to the term or any other term which may have the effect of creating confusion or question regarding his affiliation with the EXIT organization, including without limitation any name or term with the prefix "EX" or "IT".
- h) Information and Confidential Information. As used in this Agreement, the term "Information" means all information, including without limitation, all of the EXIT **Realty Midwest's** financial information, employee lists and data, records and files, customer and prospective contact lists, requests for quotes, quotes, contracts of any nature, corporate procedures, sales plans, programs, materials, manuals, rosters, forms, brochures and other training, listing, sales and marketing materials of EXIT **Realty Midwest** and any information used or compiled by Sales Representative and any other information written or oral made known to Sales Representative by or on behalf of EXIT **Realty Midwest** or any customer of EXIT **Realty Midwest**.

All Information shall be considered "Confidential Information," except Information which (i) was or becomes publicly known without disclosure by Sales Representative, or (ii) was or is acquired from a third party provided that the third party in providing the Information has not breached any agreement with, or acted in derogation of, any confidential relationship with EXIT **Realty Midwest** or EXIT.

- i) Non-Disclosure of Confidential Information. Sales Representative agrees that he or she will not, either during the term of his or her relationship with EXIT **Realty Midwest**, and for a period of 1 year following termination of his or her relationship with EXIT, divulge, disclose or communicate to any person or entity other than EXIT **Realty Midwest**, or use to the detriment of EXIT **Realty Midwest** or for the benefit of any other person or entity, or misuse in any other way, any Confidential Information. For any Confidential Information that consists of trade secrets, the non-disclosure obligations shall remain in effect so long as the Confidential Information continues to be treated as a trade secret under applicable law. Sales Representative shall exercise utmost diligence to protect and guard all Confidential Information of EXIT **Realty Midwest**.
- j) License. The Sales Representative shall maintain a valid real estate broker's or sales representative's license under state law, as well as membership in good

standing in the local Board of Realtors having jurisdiction over the office location of EXIT **Realty Midwest**. Sales Representative shall abide by all of the rules and regulations of each local Multiple Listing Service (MLS) in which EXIT **Realty Midwest** participates. Sales Representative shall abide by all national, state and local laws governing real estate transactions and the rules of ethical conduct established by the National Association of Realtors, local Board of Realtors, and any other real estate board having jurisdiction over Sales Representative.

Sales Representative shall follow all procedures and use all disclosure statements, business contracts and other forms prescribed by EXIT **Realty Midwest**.

- k) Insurance. Sales Representative shall acquire and maintain, at all times during the term of this Agreement, at Sales Representative's own expense, the following:
- i) Automobile Liability Insurance to cover business use of Sales Representative's vehicle (which coverage may be added by Sales Representative to his or her existing automobile insurance policy) in the face amount of at least \$1,000,000.00 combined single limit of liability; or bodily injury liability insurance having limits of at least \$250,000.00 for any one person and \$500,000.00 for more than one person arising out of a single accident, or higher amounts as required by state law.
  - ii) Errors and Omissions Coverage in an amount of at least \$1,000,000.00. The insurance shall be structured to protect Sales Representative against any liability that may arise in connection with the operation of his or her business as a real estate sales representative. Sales Representative agrees to participate in errors and omission insurance whenever facilitated as group coverage by EXIT **Realty Midwest** and to maintain at representative's expense such coverage.
- l) Turnover of Funds. All funds received by Sales Representative relating, directly or indirectly, to Sales Representative's responsibilities under this Agreement shall immediately be turned over and delivered to EXIT **Realty Midwest**. Sales Representative shall, in no circumstances, endorse or negotiate on behalf of EXIT **Realty Midwest**, any such check or instrument.
- m) Sales Representative shall be responsible for the payment of their annual membership due each July 1<sup>st</sup> pursuant to the EXIT Formula. Payment may be made directly to our office and upon receipt, office shall remit the payment directly to EXIT Realty Corp. International or sales representative may pay by going to 'My Profile', then 'Membership Fees' on the RC by logging on to [www.exitrealty.com](http://www.exitrealty.com). The RC is EXIT's Resource Center and you are provided with access once you are entered into the system. For additional information on logging in, you can contact EXIT's Franchise Support department at [support@exitrealty.com](mailto:support@exitrealty.com) or by phone at 888-668-3948 extension 4080.
- n) Sales Representative is responsible for ensuring their information is up to date and keeping administration aware of any required changes. Sales Representative can make changes to their profile on the RC.

- o) Sales Representative is responsible for uploading their professional photo to the RC which will then feed to EXIT's public website. Sales Representatives are encouraged to create a bio on the RC. All content must be truthful and verifiable.

### 3. REMUNERATION

- a) Generally. Sales Representative will be paid at the EXIT **Realty Midwest** standard commission rate of 70% on the first \$100,000 of gross commission and 90% of the balance per calendar year, pro-rated in the first year in accordance with the Pro-rated Qualifications Guidelines chart attached as Schedule 2.
- b) Disbursement. Any monies received on account of commission by Sales Representative from any trade in real estate conducted by the Sales Representative, shall be held by EXIT **Realty Midwest** in trust and EXIT **Realty Midwest** shall disperse in a timely fashion directly to the Sales Representative commission due to the Sales Representative in connection with the Transaction Record Sheet completed at the time of closing the transaction.
- c) Deduction of Fees and Charges. Sales Representative irrevocably directs EXIT **Realty Midwest** to deduct from any commissions payable to Sales Representative, the amount of any indebtedness owed to EXIT **Realty Midwest** or EXIT, as outlined in this Agreement.

### 4. TERM/TERMINATION

- a) Initial Term and Renewal. The term of this Agreement shall be for a period of 1 year from the date first written above. The Agreement will automatically be renewed for further periods of 1 year, unless terminated in writing by either party at least 60 days before the end of the term in effect. Upon renewal, the Renewal Form attached as Schedule 3 to this Agreement, or the most current Renewal Form, if it has been amended since the date of this Agreement, shall be completed by both parties
- b) Termination Without Cause. Either party may terminate this Agreement without cause, on giving not less than 30 days written notice to the other party.
- c) Termination for Cause. If Sales Representative fails to comply with the terms of this Agreement, this will be considered cause for EXIT **Realty Midwest** to terminate this Agreement immediately.
- d) Post Termination Commission and Charges. If this Agreement is terminated before a transaction from which Sales Representative is otherwise entitled to a commission is closed, EXIT **Realty Midwest** may deduct 50% of the commission which would otherwise have been payable to Sales Representative out of the transaction for services rendered by EXIT **Realty Midwest** to complete the transaction.

### 5. THE EXIT FORMULA

The EXIT Formula is attached to and incorporated into this Agreement as Schedule 1.

## 6. PERSONAL EXPENSES

In addition to the services and materials provided by EXIT **Realty Midwest** to all EXIT **Realty Midwest** Sales Representatives, Sales Representative may utilize certain additional services and materials which include, but are not limited to, long distance telephone and telecommunication services; internet services, copying and reproduction services, advertising and promotional brochures; personalized stationery; postage; yard signs for listings; rental of calculating, accounting, or bookkeeping equipment; and other services and materials as made available by EXIT **Realty Midwest** at the rates and on terms as EXIT **Realty Midwest** shall establish. EXIT **Realty Midwest** shall give Sales Representative a statement of expenses for the additional or optional services, which Sales Representative shall immediately pay.

## 7. EXIT Realty Midwest RESPONSIBILITIES

- a) Office Space. EXIT **Realty Midwest** agrees that in consideration of the fees and/or royalties and expenses to be paid by Sales Representative, it shall make available to Sales Representative, on a non-exclusive basis, an office or desk space, and a reception area, together with telephone and other communication means.
- b) Monthly Statements. EXIT **Realty Midwest** shall submit to Sales Representative a monthly statement reflecting Sales Representative's portion of the expenses, fees and/or royalties and financial obligations set forth in this Agreement.
- c) MLS. EXIT **Realty Midwest** shall exercise its best efforts to maintain participation in local Multiple Listing Service ("MLS"), if any, serving the market area of EXIT **Realty Midwest** and submit to MLS all listings and any other real estate service contracts involving Sales Representative which may be required to be submitted by the rules and regulations of the MLS.
- d) Monies. EXIT **Realty Midwest** shall receive any monies from the Sales Representative, for real estate board and association fees, dues or assessments or for personal tax remittance, in trust, and remit the monies, on the Sales Representative's behalf, in a timely fashion by issuing a check to the board or association or taxation department for the entire amount collected on behalf of or from the Sales Representative.

## 8. LIABILITY AND INDEMNIFICATION

EXIT **Realty Midwest** shall not be liable to Sales Representative for any expenses incurred by Sales Representative, nor shall Sales Representative have authority to bind EXIT **Realty Midwest** by any promise or representation, unless specifically authorized in advance and in writing by EXIT **Realty Midwest**.

Sales Representative shall indemnify and hold harmless EXIT **Realty Midwest**, Subfranchisor and EXIT and their officers, directors, employees and assigns from all costs, damages, fines, levies, suits, proceedings, claims, actions or causes of action of any kind and of whatsoever nature, including but not limited to all court costs, litigation expenses and reasonable attorneys' fees arising from, growing out of, or incurred in connection with or incidental to Sales Representative's activities. Maintenance of any

insurance required by this Agreement shall not relieve Sales Representative of liability under this section. The terms of this Section 8 shall survive the termination of this Agreement.

## 9. TRADEMARK USE PRIVILEGE

- a) Authorization. EXIT **Realty Midwest** authorizes Sales Representative to use on Sales Representative's business card, letterhead, yard signs and other real estate materials approved by EXIT, the following marks of EXIT **Realty Midwest: LOGO, NAME.** Sales representative is not authorized to form a legal entity that incorporates the word "EXIT".
- b) Use Requirements. Sales Representative's privilege to use the marks, and the privilege to use EXIT **Realty Midwest** yard signs, "SOLD" signs, business cards, promotional material, letterhead, and any other item which bears such marks or bears any other distinguishing characteristic of the EXIT **Realty Midwest** organization, is contingent upon:
  - i) Sales Representative's observance of and adherence to the EXIT Logo and Signage Standards which can be found on the Resource Center and from time to time will be amended only by EXIT;
  - ii) Sales Representative's adherence to and satisfaction of professional performance standards and service quality controls promulgated and from time to time amended by EXIT **Realty Midwest**, Subfranchisor or EXIT; and
  - iii) Sales Representative's continued affiliation with EXIT **Realty Midwest** under this Agreement or any successor to this Agreement.
- c) Acknowledgment. Sales Representative acknowledges that EXIT is the exclusive owner of all right, title and interest in and to the marks identified above and agrees that all use of the marks by Sales Representative shall inure exclusively to the benefit of EXIT.
- d) Approval Required. Sales Representative must have approval of EXIT **Realty Midwest** before securing any web domain name that incorporates EXIT **Realty Midwest.** EXIT domain names are not permitted to have derogatory expressions, nor may they represent the Sales Representative as having greater rights to the use of the name than they are permitted in the day-to-day business of selling real property.

## 10. MISCELLANEOUS PROVISIONS

- a) Attorney's Fees. If EXIT **Realty Midwest** and/or Subfranchisor is required to employ an attorney to enforce any of the provisions of this Agreement, or to institute legal proceedings incident to the enforcement, Sales Representative shall pay, in addition to all other sums to which Sales Representative may be found liable, reasonable attorneys' fees, court costs and litigation expenses incurred by EXIT **Realty Midwest** and/or Subfranchisor.



- b) Notices. All payments and communications which may be or are required to be given by Sales Representative or EXIT **Realty Midwest** to the other of them, shall (in the absence of any specific provision to the contrary) be in writing and delivered to Sales Representative or EXIT **Realty Midwest** at the principal address of EXIT **Realty Midwest** or the last home address of the Sales Representative that appears in the records of EXIT **Realty Midwest**. Delivery may be made by prepaid first class mail. Any payment or communication so delivered shall be deemed to have been received at the time of delivery or mailing, as the case may be.
- c) Entire Agreement. This Agreement constitutes the entire agreement between EXIT **Realty Midwest** and Sales Representative for the retention of the services of Sales Representative by EXIT **Realty Midwest** and supersedes all prior agreements in that regard. It may be changed only by an agreement in writing signed by EXIT **Realty Midwest** and Sales Representative.
- d) Waiver. No waiver of any breach of any condition or provision of this Agreement shall constitute a waiver of any subsequent breach.
- e) Severability. If any provision of this Agreement is invalid or unenforceable, the remainder of this Agreement shall not be affected and each provision of this Agreement shall be valid to the fullest extent permitted by law and be independent of every other provision of this Agreement.
- f) Cumulative Remedies. No remedy conferred upon or reserved to Sales Representative or to EXIT **Realty Midwest** shall exclude any other remedy existing at law or in equity or by statute, but each shall be cumulative and in addition to every other remedy given or now or hereafter existing.
- g) Assignment. This Agreement is personal to Sales Representative and no rights or obligations of Sales Representative under this Agreement shall be assignable by Sales Representative. EXIT **Realty Midwest** may assign its rights and obligations under this Agreement to any successor to the business of EXIT **Realty Midwest** or any part of its business, and EXIT **Realty Midwest** shall be relieved of all obligations under this Agreement arising subsequent to the date of the assignment.

The success of Sales Representative in an EXIT **Realty Midwest** real estate service business is speculative and will depend on many factors, including, to a large extent, Sales Representative's independent business ability. Sales Representative has not relied on any warranty or representation written, printed, or oral, express or implied, as to Representative's potential success in the business venture contemplated by this Agreement.

Sales Representative acknowledges having read and understood the foregoing prior to signing it and acknowledges being in receipt of a fully executed copy of this Agreement.

\_\_\_\_\_  
 Witness Signature    Date

\_\_\_\_\_  
 Sales Representative Signature                          Date

\_\_\_\_\_  
Witness Print Name

\_\_\_\_\_  
Sales Representative Name

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Franchisee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness Print Name

\_\_\_\_\_  
Franchisee Name

**SCHEDULE 1**  
**THE EXIT FORMULA**

## SCHEDULE 2

### SALES REPRESENTATIVE PRORATED QUALIFICATION GUIDELINES

#### PERTAINING TO CLOSED COMMISSIONS GENERATED AND TRANSACTION FEES PAYABLE PER SALES REPRESENTATIVE

(Calculated from effective date to year end)

APPLICABLE IN THE FIRST YEAR ONLY

START DATE	PERCENTAGE OF GROSS COMMISSION PAID UNTIL YEAR END	* TRANSACTION FEES LIMIT UNTIL YEAR END	** REGIONAL DEVELOPMENT FEES	MINIMUM COMMISSION QUOTA	COMPANY DEVELOPMENT FEES PAID BY FRANCHISE	MINIMUM ENDS QUOTA
JANUARY	90% After \$100,000	\$2,700	\$500	\$40,000	\$10,000	8
FEBRUARY	90% After \$91,667	\$2,475	\$453.33	\$36,667	\$9,167	7.3
MARCH	90% After \$83,333	\$2,250	\$416.67	\$33,333	\$8,333	6.6
APRIL	90% After \$75,000	\$2,025	\$375	\$30,000	\$7,500	6
MAY	90% After \$66,667	\$1,800	\$333.33	\$26,667	\$6,667	5.3
JUNE	90% After \$58,333	\$1,575	\$291.67	\$23,333	\$5,833	4.6
JULY	90% After \$50,000	\$1,350	\$250	\$20,000	\$5,000	4
AUGUST	90% After \$41,667	\$1,125	\$208.33	\$16,667	\$4,167	3.3
SEPTEMBER	90% After \$33,333	\$900	\$166.67	\$13,333	\$3,333	2.6
OCTOBER	90% After \$25,000	\$675	\$125	\$10,000	\$2,500	2
NOVEMBER	90% After \$16,667	\$450	\$83.33	\$6,667	\$1,667	1.3
DECEMBER	90% After \$8,333	\$225	\$41.67	\$3,333	\$833	.6

1. Calculations are based on Gross Closed Commissions.
2. \* Transaction Fees maximize at \$2,700 per calendar year per Sales Representative.
3. \*\*Regional Development Fees maximize at \$500 per calendar year per Sales Representative.
4. Transaction fees for all sales, rentals, referrals and partial transactions are applied toward the \$2,700 maximized transaction fee limit.
5. Minimum quotas are used to determine the percentage of Sponsoring Bonus for which the agent will be eligible.
6. Above figures are estimates only. Franchisor's proprietary software calculates all figures precisely.

**SCHEDULE 3**

**SALES REPRESENTATIVE AGREEMENT RENEWAL FORM**

Between:

EXIT Realty \_\_\_\_\_, located at \_\_\_\_\_,  
("EXIT **[Realty Midwest]**") and \_\_\_\_\_, ("Sales Representative")  
residing at \_\_\_\_\_.

1. EXIT **[Realty Midwest]** and Sales Representative signed a Sales Representative Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

2. Both parties agree to renew the Agreement based on the same terms and conditions identified in that agreement with the following exception:

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

3. Sales Representative acknowledges receipt of the most recent version of the EXIT Formula dated \_\_\_\_\_.

\_\_\_\_\_  
Witness Signature Date

\_\_\_\_\_  
Sales Representative Signature Date

\_\_\_\_\_  
Witness Print Name

\_\_\_\_\_  
Sales Representative Print Name

\_\_\_\_\_  
Witness Signature Date

\_\_\_\_\_  
Franchisee Signature Date

\_\_\_\_\_  
Witness Print Name

\_\_\_\_\_  
Franchisee Print Name

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