

**LICENSE AGREEMENT**

**FLAT RATE REALTY INC.**

THIS AGREEMENT (THE "Agreement") is made as of this 11<sup>h</sup> day of Jan, 2011 (the "Effective Date") by and between FLAT RATE REALTY, INC. whose address is 123 Christel Oaks Drive, Scotts Valley, Ca 95066 ("Licensor") and Flat Rate Realty Team whose address is 121 anystreet, city, CA 95630 ("Licensee").

WHEREAS, FLAT RATE REALTY INC. authorizes exclusive right to use proprietary products and services of FLAT RATE REALTY INC., in a specified geographic territory. The proprietary products and services are comprised of a **Trademark** know as "**Flat Rate Realty** ." Registration # 3072090 Dated March 21,2006 (collectively, the "Product"), for real estate brokers and agents to use in marketing their real estate services; along with Flat Rate Realty Inc.'s Technology and

WHEREAS, the Product includes an ongoing maintenance and update component which is intended to result in an ongoing contract between FLAT RATE REALTY INC. and Flat Rate Realty Team

WHEREAS, FLAT RATE REALTY INC. and Licensee desire to set forth their understanding with respect to the relationship between them, the scope of their relationship and the limitations on the relationship between the parties.

THEREFORE, in consideration for the mutual promises contained in this Agreement and for other goods and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties agree as follows:

1. Engagement. FLAT RATE REALTY INC. hereby engages Licensee and the Licensee accepts such engagement to serve as an independent Licensee to use the FLAT RATE REALTY INC. Trademark and Business Model, and upon the terms and conditions set forth in this Agreement.

2. Relationship. The relationship between FLAT RATE REALTY INC. and Licensee shall in no way be construed as an employee/employer relationship. Licensee shall be self-directed in its activities (provided Licensee shall abide by the terms of this Agreement). Licensee shall determine its own schedule with respect to the services to be performed under this Agreement. Licensee shall at no time represent itself to be an employee, servant, or agent of FLAT RATE REALTY INC. Licensor acknowledges that the principle of the licensee will conduct real estate license activities separate from the activities this agreement encompasses. Income from these activities is not related to this agreement.

Initials\_\_\_\_\_ Initials\_\_\_\_\_

3. Term. The term of this Agreement shall commence on the Effective Date set forth above and shall continue for a period of five (5) years, ending on the first anniversary of the Effective Date, unless sooner terminated as provided for in this Agreement.

This Agreement can be extended for additional periods of five (5) year each (each a "Renewal Term", and together with the Initial Term, the "Term"), with written notice by licensee to renew this agreement. The Cost is \$1000 for each additional five years.

Licensee has the right to terminate this agreement for any reason or no reason by providing written notice to Licensor. If licensee decides to terminate this agreement, there will be no penalties, fines, costs, and all compensation to licensor will terminate except for fees due on pending escrows as of the termination date.

4. Duties of FLAT RATE REALTY INC.. During the Term, FLAT RATE REALTY shall be responsible for each of the following:

1. To offer the Product and to use reasonable efforts to maintain the Product with such enhancements as FLAT RATE REALTY INC. shall deem appropriate.
2. To provide Licensee with updates with respect to additional features which may be added to the Product.
3. To schedule periodic training, sales webinars and conference calls which Licensee will be invited to attend at which the Product and sales ideas and techniques will be discussed.
4. To maintain the services provided to the Licensee who have Contracted for the Program with FLAT RATE REALTY INC.
5. To abide by all laws to which it is subject to by each State.

5. Duties of Licensee. During the Term, Licensee shall be responsible for each of the following

1. To abide by all FLAT RATE REALTY INC. policies and procedures as may be established from time to time by FLAT RATE REALTY INC. the same may be modified and supplied to Licensee in writing from time to time at the sole discretion of FLAT RATE REALTY INC. with respect to the marketing and sale of the Product.

Initials\_\_\_\_\_ Initials\_\_\_\_\_

2. To refrain from committing any untrue misleading or otherwise false Representations with respect to the Product (or omissions which are likely to lead persons to reach an incorrect conclusion with respect to the Product).
3. To comply with the pricing structure published by FLAT RATE REALTY with respect to marketing the Product (as the pricing structure may be modified from time to time by FLAT RATE REALTY at their sole discretion or Licensee may modify with approval).

6. Scope of Agreement. The scope of this Agreement is expressly limited to the Product. In the event FLAT RATE REALTY INC. offers other products or services, FLAT RATE REALTY INC. will offer the opportunity to market such products or services to Licensee. Similarly, Licensee is not obligated to market any other products or services for FLAT RATE REALTY INC. other than the Product. Any limitations on competition set forth in this Agreement are intended to apply only to the Product and products directly competitive thereto. This agreement is not intended to encompass activities of the Licensee's principle that are unrelated to products and services of Licensor.

7. Pricing of the Product. Current pricing to the End User for the Product and the various peripheral services associated therewith are set forth on the attached Exhibit D ("Commission schedule for Sellers and Buyers"). FLAT RATE REALTY INC. reserves the right to modify the Price List from time to time during the Term. In the event FLAT RATE REALTY INC. desires to modify the Price List, it shall provide Licensee with not less than thirty (30) days advance notice of such change or changes, including an indication of the date upon which such modifications to the Price List shall be effective.

Licensee shall abide by the Price List and shall not provide any End User with information which Licensee knows to be false, misleading or out of date. Licensee may request FLAT RATE REALTY INC. and/or to modify the Price List in certain instances to respond to unique circumstances; provided, however, Licensor and/or shall be under no duty to modify the Price List.

8. Compensation to Flat Rate Realty Inc. Subject to the terms of this Agreement, Licensee shall pay Flat Rate Realty inc. a Royalty and Technology fee for Licensee to have the only office located within the geographic area, in accordance with the schedules contained in the attached Exhibit A & B subject to the terms and conditions of this Agreement. FLAT RATE REALTY INC. reserves the right to modify Exhibit B from time to time during the Term, directly related to changes in sales price of the product, which may or may not be related to changes in market conditions. In the event FLAT RATE REALTY INC. desires to modify Exhibit B, it shall provide Licensee with not less than thirty (30) days advance notice of such change or changes, including an indication of the date upon which such modifications to shall be effective

Initials\_\_\_\_\_ Initials\_\_\_\_\_

9. No Authority to Contract. Licensee shall have no authority to commit FLAT RATE REALTY INC. to any contract or obligation. No contract may be executed on behalf of FLAT RATE REALTY INC. and/or by Licensee and only the authorized personnel of FLAT RATE REALTY INC. inc are authorized to execute contracts on behalf of FLAT RATE REALTY INC. inc respectively.

10. Geographic Area. Licensee shall be the sole licensee of FLAT RATE REALTY INC. to have an office location in the geographic area as set forth on the attached Exhibit C (the “Geographic Area”). This “Geographic Area” does not limit licensee from marketing, servicing or using FLAT RATE REALTY INC’s trademark or products in business activities located anywhere in that area (Exhibit C). Licensee may conduct separate real estate activities in the Geographic Area.

11. Training and Conferences. Licensee will attend and participate in an initial training session webinar by FLAT RATE REALTY INC., and will also attend periodic training webinars as may be established by FLAT RATE REALTY INC. on a not more frequent than quarterly basis. There will be no additional cost incurred by licensee to participate in training. Licensor and licensee shall mutually agree upon timing of such webinar training.

12. Use of Proprietary Marks of FLAT RATE REALTY INC.. During the Term, Licensee shall be permitted to use the trademarks, service marks, logos, trade names and service names of FLAT RATE REALTY INC., the form and context as authorized by FLAT RATE REALTY INC. from time to time; provided, however, that before use, Licensee shall first obtain the express written consent of FLAT RATE REALTY INC. to such use. If Licensee desires to utilize any Proprietary Marks of FLAT RATE REALTY INC. in its advertising, marketing and/or promotional materials, other than those in the form provided by FLAT RATE REALTY INC. to Licensee, Licensee shall first be required to submit a draft of the proposed use of the Proprietary Mark to FLAT RATE REALTY INC. and to obtain the prior written consent of FLAT RATE REALTY INC. before utilizing such materials, which consent may be granted or withheld in the sole discretion of FLAT RATE REALTY INC. Licensor will provide their written response within 2 business days of licensee’s submittal.

Upon the expiration or termination of this Agreement, containing any proprietary marks of FLAT RATE REALTY INC.. Licensee further covenants, warrants and represents that during and subsequent to the Term of this Agreement, Licensee shall not, in any manner, reproduce any of the Proprietary Marks of FLAT RATE REALTY INC., except as may be expressly permitted by the terms of this Agreement in conjunction with Licensee’s activities pursuant to this Agreement.

Initials \_\_\_\_\_ Initials \_\_\_\_\_

13. Additional Warranties of Licensee. Licensee represents and warrants to FLAT RATE REALTY INC. that Licensee's agreement to perform its duties under this Agreement does not violate any agreement or obligation to which Licensee is bound; the services provided by Licensee shall be performed in a professional manner and shall be of a high grade, nature and quality and shall be performed in a timely manner consistent with the terms and conditions of this Agreement

14. Other Activities. Licensee and its agents shall remain free to engage in other independent contracting and business activities, provided, however, that Licensee shall not engage in any activities which are inconsistent with or are in conflict with any of the terms of this Agreement.

15. Licensee's Covenant Not to Compete or Solicit. In consideration of FLAT RATE REALTY INC.'S willingness to offer Licensee the opportunity to earn the commissions contemplated by this Agreement, and in consideration for FLAT RATE REALTY INC.'S willingness to share proprietary information regarding the Product with Licensee, Licensee agrees that throughout the Term and for a period of one (1) year after the termination or expiration of the Term of this Agreement, directly or indirectly (whether for compensation or otherwise) own, manage, operate or control, or joining or participate in the ownership, management, operation or control of, or furnish any capital to or be connected in any manner with, any "Competing Business Activity" (as defined below), either as a general or limited partner, proprietor, common or preferred shareholder, member, manager, officer, director, employee, agent, trustee, consultant, or affiliate or otherwise without the express written consent of FLAT RATE REALTY INC. (which consent shall only extend to the specific matter for which it is granted, and FLAT RATE REALTY INC. specifically reserves the right to withhold consent at its sole discretion). Nothing contained herein shall be construed to prohibit Licensee from owning, as a passive investment, up to two percent (2%) of the issued and outstanding stock of a publicly traded class of securities of any corporation engaged in any business described above, provided that Licensee does not render any advice to the management of such corporation or actively participate in or control, directly or indirectly, any activities of such corporation or otherwise participate in its business or operations. The term "Competing Business Activity" shall mean any world wide web related product offered to real estate agents or brokers similar in form or substance to those offered by FLAT RATE REALTY INC. at any time during the Term. Competing Business Activity shall not include individual real estate listings and sells.

Additionally, Licensee shall not solicit any "Competing Business Activity" in North America, either as a general or limited partner, proprietor, common or preferred shareholder, member, manager, officer, director, employee, agent, trustee, consultant, affiliate or otherwise without the express written matter for which it is granted, and FLAT RATE REALTY INC. specifically reserves the right to withhold consent at its sole discretion. To the extent Licensee is a business enterprise and not an individual, the provisions of this paragraph shall apply to Licensee and to each and all of its employees and agents.

Initials\_\_\_\_\_ Initials\_\_\_\_\_

16. Confidentiality. As a material inducement to FLAT RATE REALTY INC. to enter into this Agreement, Licensee acknowledges that it will be provided with information about many confidential affairs relating to FLAT RATE REALTY INC. as well as confidential information relation to the Product, including proprietary information about costs, profits, markets, sales, products, key personnel, pricing policies, operational methods, technical processes and other business affairs and methods, plans for future developments and other information not readily available to the public, all of which are highly confidential and proprietary and all of which were developed by FLAT RATE REALTY INC. at great effort and expense. Licensee further acknowledges that the services to be performed under this Agreement are of a special unique, unusual, extraordinary and intellectual character, that the business will be conducted throughout the Geographic Area, and that the Product will be marketed throughout the United States of America. Licensee further acknowledges that FLAT RATE REALTY INC. competes and will compete in nearly all of its business activities with other organizations which are located throughout the United State and that the nature of the Product is such that Licensee could compete with FLAT RATE REALTY INC. from nearly anywhere in the United States. In recognition of the foregoing, Licensee covenants that during the Term and perpetually thereafter it will:

1. Keep secret all confidential matters of FLAT RATE REALTY and not disclose them to anyone outside of FLAT RATE REALTY INC. either during or after the Term, except with FLAT RATE REALTY INC.'S express prior written consent;
2. Not make use of any such confidential matters for its own purposes or the benefit of anyone other than FLAT RATE REALTY. (and in the performance of its duties under this Agreement);
3. Deliver promptly to FLAT RATE REALTY INC. on termination of this Agreement, or at any time FLAT RATE REALTY INC may so request, all confidential memorandum, notes, records, reports and other confidential documents (and all copies thereof) relating to the business of FLAT RATE REALTY INC. which it may then possess or have under its control; and
4. Not directly or indirectly solicit and/or introduce any other products and/or services to any members of FLAT RATE REALTY, its Licensees, distributors, agents, officers, directors or employees, except with FLAT RATE REALTY INC.'S express prior written consent;

Initials\_\_\_\_\_ Initials\_\_\_\_\_

17. Indemnification. Licensee shall indemnify, defend and hold harmless FLAT RATE REALTY INC. from and against all taxes, penalties, fines, damages, sanctions, losses, assessments, liabilities, claims, costs, obligations and other expenses (including reasonable attorneys' fees), arising out of any act or omission of Licensee and any breach or other default of any agreement, representation, warranty or covenant on the part of the Licensee contained in this Agreement or the provision of any of the services contemplated by this Agreement.

18. Termination for Breach. Notwithstanding anything herein contained, this Agreement may be terminated by either party upon the commission of a breach by the other party of any term or provision of this Agreement; provided, that the party electing to terminate this Agreement shall first be obligated to provide notice of breach and notice of its intent to terminate the Agreement if the breach is not cured within seven (7) day period, the Agreement shall not terminate. In the event the breach is not cured within such seven (7) day cure period without out further action being required. In the event of termination of this Agreement as a result of Licensee's breach, any and all rights of Licensee under this agreement shall immediately cease and this Agreement will be null and void, subject to any post termination requirements or obligations of Licensee, specifically Sections 17, 18 and 19 of this Agreement.

19. Notices. All notices and other communications shall be effective upon receipt if hand delivered or sent by U.S. mail and shall be effective one (1) day after sending by a nationally recognized overnight delivery service to the addresses stated above, or to such other addresses as to which any party shall have previously notified the other parties in writing in conformity with this Section. Any such notice not contemplated above shall be effective upon receipt. For the purposes of this Section, the addresses of the parties shall be as set forth in the preamble of this Agreement.

20. Miscellaneous.

A. Complete Agreement. This Agreement, including the Schedules and Exhibits referred to herein, is the complete agreement amount the parties and supersedes and replaces all prior negotiations and agreements. There are no representations, warranties, covenants, conditions, terms, agreements, promises, understanding, commitments or other arrangements whether express or implied other than those expressly set forth or incorporated herein or made in writing on or after the date of this Agreement.

B. Governing Law : Forum. This Agreement will be governed by, and construed In accordance with, the laws of the State of California applicable to contracts made and to be performed entirely within such State and without giving effect to

Initials\_\_\_\_\_ Initials\_\_\_\_\_

choice of law principles of such State. Each of the parties agrees that any legal or equitable action or proceeding with the respect to this Agreement or entered into in connection with this Agreement or transactions contemplated by this Agreement shall be brought only in any court of such State, and each of the parties submits to and accepts generally and unconditionally the jurisdiction of those courts with respect to such party's person and property, and irrevocable consents to the service of process in connection with any such action or proceeding by personal delivery to each party at such party's address as set forth above, or in the manner set forth in this Agreement. Nothing in this Section shall affect the right on any party to serve process in any other manner permitted by law. Each party irrevocably waives any objection to the laying of venue of any such action or proceeding in the above-described courts.

- C. Expenses. Except as otherwise specifically provided herein, each of the parties hereto shall pay its respective counsel fees, accounting fees and other cost and expenses incurred in connection with the performance to this Agreement.
- D. Binding Agreement: Successors. This Agreement shall be binding upon inure to the benefit of and be enforceable by the personal representatives, heirs, successors and assigns of the parties hereto, provided that no assignment of the Agreement shall be effective without the express written consent of the other parties
- E. No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties to this Agreement. Nothing contained in this Agreement shall be deemed to give any person, partnership, joint venture, corporation, limited liability company, governmental authority or other entity any right to enforce any of the provisions of this Agreement, nor shall any of the be a third party beneficiary of this Agreement.
- F. Arbitration. Except for the pursuit of injunctive relief as contemplated by this agreement, any dispute, difference, or disagreement arising under or relating to this Agreement shall be referred to a single arbiter mutually agreed upon by the parties, or if no single arbiter can be agreed upon, an arbiter or arbiters shall be selected in accordance with the rules of the American Arbitration Association and such dispute, difference, or disagreement shall be settled by arbitration in accordance with the then prevailing commercial rules of the American Arbitration Association, and judgment upon the award rendered and may be entered in any court having jurisdiction thereof as a final non-appeal able order binding upon the parties .

Initials\_\_\_\_\_ Initials\_\_\_\_\_

G. No Waiver. The Failure of any party to exercise or enforce any right or remedy conferred upon it hereunder shall not be deemed to be a waiver of any such or other right or remedy nor operate or bar the exercise or enforcement of any thereof at any time thereafter.

WHEREFORE, The parties have duly executed this Agreement on the day and year First above written;

Flat Rate Realty inc.  
123 Christel Oaks Dr.  
Scotts Valley, California, 95066

Licensee:

By \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

Exhibit A

Price List

The price for a Five year License is \$9,500  
non-refundable  
plus  
\$500 a month after 30 days  
plus  
\$50 a month for Your IDX solution

Initials\_\_\_\_\_ Initials\_\_\_\_\_

