



Independent Contractor Agreement

IT IS AGREED by and between Kelly Right Real Estate (herein referred to as the "Broker") and _____ (herein referred to as the "Agent"), as follows:

1. **LICENSES:** Each of the parties hold appropriate real estate licenses issued by the States of: Alabama, Alaska, California, Colorado, Connecticut, Florida, Georgia, Idaho, Mississippi, Montana, North Carolina, Oklahoma, Oregon, Tennessee, Utah, or the State of Washington, whichever is applicable.
2. **OFFICE ASSOCIATION:** Agent agrees to exert his/her best effort to promote Broker's, Broker's office's and Agents reputation and business.
3. **INDEPENDENT CONTRACTOR STATUS:** The parties agree that Agent is an independent contractor for federal tax and all other purposes and is not an employee of, or partner with, the Broker. Under federal law, remuneration paid Agent must be directly related to sales or other output rather than to salary or the number of hours worked, or the independent contractor status will be lost for federal income tax purposes. Notwithstanding the foregoing, State License law requires the broker to supervise Agent's real estate activities. Agent agrees to comply with broker's directions and procedures in this regard.
4. **BROKER OFFICE PROCEDURES:** To allow Agent an equal opportunity in the matter of customers, sales and listings, and to promote the image of the parties and the office, Broker agrees to maintain rules regarding use of the office: days it will be open; office procedures; floor time; inquiries; leads; and other sales opportunities.
5. **AGENT RESPONSIBILITY - BUSINESS EXPENSES:** Agent shall be responsible to pay for his/her own license and business fees; automobile and other transportation; long distance phone charges entertainment; insurance; marketing and other business expenses. From time-to-time, unusual expenses involved in listing and/or sale, such as out-of-town travel, extended long distance charges, and brochures, may, by advance agreement of the parties, be deducted from a commission prior to division between Broker and Agent.
6. **AGENT'S ADVERTISING:** Agent is responsible to pay for his/her own advertising, over and above general office advertising by the Broker. Notwithstanding this, it is understood that the State Real Estate Code imposes certain restrictions on advertising and signs. Agent agrees not to utilize any advertising, signs, brochures or other solicitation materials without Broker's advance approval thereof.
7. **AGENT'S AUTO INSURANCE:** Agent agrees to at all times maintain, at Agent's expense, automobile liability and property damage insurance covering Agent's own car and any other car that may be used in conduct of Agent's Business.
8. **AGENT'S TAXES:** Agent shall be responsible to file and pay quarterly estimated, and annual federal income tax returns; and any other taxes required of an independent contractor. Broker will file and required notices or returns (such as IRS Form 1099) on all monies received by Agent through Broker. Broker shall pay any applicate State, County and/or City Business & Occupational Taxes on the entire commission, and the amount of such tax shall be deducted from the commission prior to division between Broker and Agent. At Broker's request, Agent will pay one-half of the medical aid and supplemental retirement portions of any industrial insurance premiums which State law requires the Broker to pay on independent contractors.

INITIALS: DESIGNATED BROKER JK DATE _____ AGENT _____ DATE _____

9. **BROKER OWNS RECORDS:** All maps, manuals, log books, printed materials, and supplies; client, customer, and transaction records, electronic or printed; and any other records, related to or received through the Broker's office (the "Broker's Property") are the exclusive property of and remain owned by Broker. Any amount paid by Agent for the Broker's Property shall be for use of the Broker's Property and shall create no ownership interest therein.

10. **AGENT TO RETURN BROKER'S PROPERTY:** Agent agrees to return all of the Broker's Property described in paragraph 9, above, to Broker prior to separating from Broker's office (including transfer to another real estate office). Agent shall be responsible for paying fair replacement value for any unreturned property of the Broker.

11. **MULTIPLE LISTING SERVICE:** Agent shall be responsible for paying all membership fees and costs for joining the multiple listing service (the "MLS") (or other real estate associations). Agent acknowledges that all proprietary information, passwords, keys, key boxes, forms, and other services and information provided by the MLS are furnished for the use of Agent only and may not be disclosed, loaned, or distributed to anyone except in accordance with MLS Rules and agreements. Agent agrees to indemnify and hold Broker harmless from any liability, including MLS fines and damage suits, resulting from misuse of MLS property and disclosure or distribution of passwords and other proprietary information in violation of MLS rules and agreements to third persons, including without limitation moving companies, insurance companies, oil companies, clients, customers, employees, assistants, licensees, or anyone else.

12. **COMPLIANCE WITH BYLAWS & RULES:** Both the Broker & Agent agree to comply with all rules, regulations and agreements of the MLS, Board of Realtors or other real estate associations to which either or both of the parties may belong. Each party hereby agrees to save the other harmless from violation of any such Rules or Regulations or breach of any agreements each of them may enter with the MLS, Board, or association.

13. **MANDATORY MEMBERSHIP:** If Broker (now or in the future) belongs to any MLS, Board of Realtors, or association which requires that (as a condition of Broker's membership) all of those associated with Broker must belong, then Agent agrees to immediately apply for and maintain membership and pay (when due) all dues or other charges levied by such Board. In the event of Agent's failure to do so, Broker may terminate this Agreement and/or deduct required dues or charges from the next commission or other monies due Agent.

14. **PROPERTY INVESTMENT:** Agent may acquire, for personal investment or residence, property listed with Broker's office or through a Multiple Listing Service, provided that the Broker and any other Agent's portion of the commission provided in the listing is paid at closing. Broker or other office Agent(s) may likewise acquire property listed by Agent, provided that the Agent's portion of the commission provided in the listing is paid at closing.

15. **OWNERSHIP - LISTINGS:** It is understood that all listings, sales and other agreements obtained or negotiated, Agent shall, in accordance with state law, be in the name of and be the property of Broker, subject to Agent's share of any commission. Earnest money, lease deposits and other money; Purchase and Sale Agreements; Listing Agreements; Leases; and any other wholly or partially executed instruments or documents shall be immediately delivered to the Broker's possession in accordance with state law. Agent has no authority, express or implied, to represent anything to a purchaser, seller or anyone else unless it is contained in the Listing Agreement and there are no reasonable grounds for Agent to suspect that it is otherwise; or unless Agent is specifically authorized by the Broker, in the stance, to make the presentation.

INITIALS: DESIGNATED BROKER JK DATE _____ AGENT _____ DATE _____

16. **TERMINATION:** This Agreement may be terminated, at any time, without cause, by either party giving notice to the other. If Agent contemplates termination of this Agreement, Agent will make every effort to close any pending sales in which Agent is interested. Any and all pending/contingent sales that close after termination of this contract by either party shall be subject to an additional 15% processing fee. In the Broker's opinion, if it is necessary, required or appropriate for the Broker or others in the office to attend to any matters concerning the sale (including changes in financing; securing of occupancy agreements; removal of contingencies; managing state sanctions or complaints; and any other usual or unusual matters required to close the sale) then the Broker shall be authorized to deduct up to 50% of the Agent's share of the commission and pay the same to himself/herself or other Agents according to their participation in the matters necessary to close the sale. Broker shall be allowed to retain any and all fines levied against the Agent from any state regulatory agency, local MLS, or other entity required by law and/or agreement. Agent agrees not to, in any way, induce or encourage an owner to terminate a listing (or sale) following termination of this Agreement. Active transactions may be transferred to the agent's destination firm for a referral fee of 15%. An agreement acknowledged by the Broker, Agent, and destination Broker will be required prior to any listing transfer. For all referrals and/or leads supplied directly by the Broker/Kelly Right International that was procured within the firm itself, or referring to leads supplied by the Broker from an alternate source (i.e. a referral agreement with another agent in another firm), while the Agent is licensed with the Broker, the Agent shall be legally obligated to pay the Broker 25% of that commission. Agent will also be responsible for any legal fees should the Broker need to collect the commission after Agent's departure of the Company.
17. **ARBITRATION:** Any and all disputes between Agent and Broker, or between Agent and other Agents in Broker's office, arising from matters occurring, all or in part, prior to termination of this Agreement, shall be resolved by arbitration, rather than suit. Each of the parties shall, within five days of being requested to do so by the other, name one arbitrator. The two arbitrators shall within five days of their appointment, appoint a third arbitrator. The dispute shall be heard within thirty days thereafter, in accordance with state statutes governing arbitration, and the decision of the arbitrators shall be final and finding upon the parties subject only to statutory review by the Superior Court. Alternatively, the parties may agree to submit the dispute to a Board of Realtors or Multiple Listing Service which offers such arbitration services.
18. **ERROR AND OMISSIONS:** Broker agrees to maintain Errors and Omissions insurance for all Agents with a deductible not to exceed \$2500. Agent is responsible for all deductible payments should a claim be necessary. Broker is designated to withhold deductible from Agent commissions if it is determined by Broker that a violation and or error has occurred.
- i. **HIGH VALUE PROPERTIES:** For all transactions that have a final sale price over \$2.0 million, agents shall pay an additional \$25 E&O Fee per \$100,000 price increment over \$2.0 million. Note: The transaction fee for a \$2.4M property will still only be \$209 while the agent earned \$71,791 in commission. This is after paying their transaction fee of \$209 based on a 3% commission. States with mandatory tax obligations still apply.
19. **COMMISSIONS:** The parties shall share commissions in accordance with the Addendum attached hereto. BPO's will not be subject to a transaction fee.
20. **REFERRALS FROM KELLY RIGHT:** For all referrals provided by Broker and referred to Agent, Agent agrees to a 30% referral fee to Kelly Right International plus a \$200 additional processing fee.

Dated this _____ day of _____, _____.



DESIGNATED BROKER SIGNATURE

AGENT SIGNATURE



Commission Agreement Addendum to Broker/Agent

AGREEMENT BETWEEN Kelly Right Real Estate

and _____,
Agent

Dated _____

- A. Agent shall not be entitled to any salary, draws or compensation of any nature other than the listing fees and commission shares set forth hereinafter.
- B. Agent shall have no claim to a listing fee or commission share except from money actually received by Broker.
- C. All commissions and other monies must be paid to Broker alone. State law prohibits Agent from receiving commissions other than from the Broker holding his/her license.
- D. Multiple listing dues, listing fees owed Agent or others (including other Brokers), Business and Occupation Taxes, Industrial Insurance, and other expenses agreed to in the Broker/Salesman Agreement, shall be deducted from the commission prior to determining Broker's and Agent's shares. In addition, Broker shall be entitled to deduct, from Agent's commission share, unpaid amounts owed Broker or multiple listing services or Board of Realtors for dues or any other reason. The net amount is the "commission" below.
- E. Commissions shall be divided 100% to the Agent and 0% to the Broker.
- F. Agent agrees to pay broker \$79.00 per month. Broker agrees in the event I choose to reactivate my real estate license with any Kelly Right location, I understand there will be a \$50.00 reinstatement fee.
- G. Agent shall pay a maximum fee of \$209.00 per transaction (\$109 up to \$1000 gross commission, \$159 per \$1001 to \$2000 gross commission) to be deducted from commission for processing of Agent's transaction.

Dated this _____ day of _____, _____.

DESIGNATED BROKER SIGNATURE

AGENT SIGNATURE