



# Independent Contractor Agreement

R AND R REALTY, LLC (The "Broker") and \_\_\_\_\_ (The "Contractor") mutually agree this \_\_\_\_ Day of \_\_\_\_\_, 20\_\_ to the following terms and conditions hereinafter referred to as the "Contractor Agreement". Contractor shall not enter into any agreement with another licensed real estate Broker, individual, or entity for any fees or compensation of any kind pertaining to their real estate business without express written consent of Broker and proper consideration of the legal and regulatory issues of the jurisdiction involved.

Contractor is encouraged to seek competent legal, tax, and/or accounting advice as necessary to understand this agreement, prior to entering into this agreement and Contractor represents by signing this agreement, that contractor understands and agrees to all terms and conditions contained herein.

## 1. Independent Contractor Relationship

- A) **Independent Contractor.** Contractor expressly agrees to work with Broker as an Independent Contractor and hereby acknowledges that no other legal relationship exists or is implied between Broker and Contractor. Nothing in this agreement shall constitute an offer of employment (by either party), a partnership, a joint venture, or any other form of relationship other than the Independent Contractor relationship between Broker and Contractor herein contained. Broker reserves the right to modify the terms of this agreement with 30 days notice.
- B) **Office Support.** Broker services are offered to support Independent Contractor in running his/her own business. As such, Contractor shall provide his/her own office space, office equipment, and supplies including a telephone and fax machine. Independent contractor shall provide his/her own telephone number and fax number to be used on all advertisements including the MLS with clear instructions that all correspondence, including offers, shall be made to Independent Contractor supplied numbers. Broker owned phone lines and fax services may go unchecked for extended periods of time and are available for occasional agent use with no representation whatsoever of service levels. Broker office is staged on a less than full time basis and office hours are subject to change.
- C) **Withholdings.** As an Independent Contractor, Broker will not withhold any Federal, State or Local Income Taxes, Social Security, Unemployment Taxes, or make any other employment related withholdings from any funds paid to Contractor by Broker regardless of the Source of the funds. Contractor is PERSONALLY responsible for, and agrees to pay; any and all such taxes and amounts due and will maintain all expense records as required by law. Contractor indemnifies and agrees to hold Broker harmless for any and all liabilities or costs related to the aforementioned employment related withholdings and/or payments.
- D) **Employment Insurance.** As an Independent Contractor relationship, Broker provides no Worker's Compensation or Unemployment Insurance coverage of any kind for Contractor. Contractor expressly waives such coverage and is hereby notified that if Workers Compensation Insurance coverage is desired, Contractor must personally obtain coverage directly from a licensed insurance carrier at Contractor's sole expense.
- E) **Authority to Bind.** Contractor is NOT an agent of Broker and shall have NO authority to bind Broker by any promise or representation unless such authority is expressly granted in writing which writing must include the specific time period and terms included in said agreement. Contractor indemnifies and agrees to hold Broker harmless for any acts or omissions made by Contractor contrary to this agreement. Broker shall not be liable to Contractor for any expenses incurred by Contractor including, but not limited to, costs related to marketing, association dues, licensing, pagers, cellular telephones, transportation, etc. Exceptions must be expressly agreed to in writing and signed by both parties.
- F) **Supervision.** Broker is responsible for the supervision of all work performed by Contractor as required by law and this agreement. Except where such methods are inconsistent with the law or this agreement, Contractor is solely responsible for the management of his/her own real estate business including, but not limited to, the management of time, efforts, expenses, etc. Broker shall have no right, except to the extent required by law to direct or limit Contractor's activities as to hours, leads, floor time, open houses, prospecting, reports, sales meeting attendance, services, time off, vacation, or together similar activities.
- G) **Severability.** If any term or provision of this contract shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this contract shall not be effected thereby, and each term and provision of this contract shall be valid and be enforceable to the fullest extent permitted by law.
- H) **Best Efforts.** Contractor shall exert his/her best efforts in all activities related to the listing, selling, leasing, or exchanging of real property and will always and at all times conduct himself/herself in full compliance with local state, and federal statutes, rules and guidelines and in a way that reflects the high standards of R AND R Realty, LLC.

## 2. Professional Licensing and Regulatory Compliance

- A) **Licenses.** Contactor and Broker shall at their own expense, remain actively licensed and remain in good standing with any and all regulatory Divisions of the State of Utah through the term hereof and conclusion of any disputes resulting from all agency contracts binding the Broker and the Contractor. In the event that the license issued to Broker or

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Contractor is revoked, suspended, or not renewed for any reason, this Independent Contractor relationship shall automatically terminate effective as of the date of termination of such license. Contractor and Broker are responsible to ensure that he/she complies with any and all requirements necessary to maintain his/her own license.

- B) **Regulatory Compliance.** Broker is committed to full compliance with all Federal and State Fair Housing Laws. Contractor shall fully understand and comply with all Fair Housing requirements and shall not act or advertise in any way to deny equal professional services or housing opportunity to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin as mandated in the "Equal Housing Opportunity Act" or any other current or future enacted regulations.

### 3. Professional Associations

- A) **Associations.** Within ten days of this agreement, Contractor agrees to become, and remain, a dues-paying member of the Board of REALTORS as well as the Multiple Listing Service and agrees to abide by all rules and by-laws pertaining to membership including, but not limited to, listings, lock boxes, etc. Contractor shall also be bound by the National Association of Realtor's Code of Ethics. Contractor shall comply fully with the WFR "Agent Agreement" included on the WFRMLS Home Page at [www.wfrmls.com](http://www.wfrmls.com) Contractor agrees to comply with section 15 of the Subscription Agreement, as if Contractor was a Subscriber.
- B) **Fines.** Contractor is solely responsible for any fines or a levy assessed by any MLS, Board, regulatory agency, or other professional organization, as a result of Contractor's noncompliance and expressly authorizes Broker to add such fines to Contractor's expenses which may be deducted from commissions if not paid within five business days of said fines.
- C) **Service Fees.** Any and all fees charged by any association of Realtor's, MLS, or any other vender or supplier through the Broker for or on behalf of Contractor, or his/her assistants, shall be the Contractor's sole responsibility and shall be paid by Contractor monthly or as such charges are received by Broker.

### 4. Termination of Agreement

- A) **Termination.** This agreement is month to month and as such, either party at will, may terminate this agreement without cause by either party giving notice to the other. No notice is required if the Broker terminates this agreement for cause including, but not limited to, and act of fraud, violation(s) of Federal/State law, or any material breach or violation of the terms of this agreement including nonpayment of any fees or expenses owed to Broker. Any Broker fees, which are prepaid to Broker pursuant to the terms contained here in, shall be retained by Broker at the time of early termination in all situations except where the early termination is due to the inability of Broker to perform services as agreed. If Broker is unable to perform agreed upon services for any reason, any prepaid Broker fees (if any) shall be returned on a prorated basis for each full month of the remaining prepaid term. Broker shall have no further obligation or liability to Contractor beyond re-payment of pre-paid fees as outlined herein.
- B) **Commissions.** Broker shall pay commissions for transactions placed under contract prior to the termination date of this agreement upon closing and receipt of commissions by Broker subject to the following: If such transactions require further work normally rendered by Contractor, Broker may make arrangements with another Contractor within the company to perform the required work, or Broker may complete the work. The Contractor or Broker assigned to shall be compensated a reasonable amount for completing the details of pending transactions and such compensation shall be deducted from the terminated Contractor's share of the commission. Contractor agrees to fully cooperate with Broker as necessary to resolve any transactions, claims, or disputes which are pending at the time of termination regardless of the reason for termination.
- C) **Contracts.** All listing, buyer-representation agreement and other real estate service contracts shall be transferred to Contractor's new company provided; The transfer is agreed to in writing by the client signing the Listing Release documentation required by Broker, all sums due the Broker by the Contractor have been paid in full, and such transfer occurs prior to the WFR deadline for assignment of a replacing agent.
- D) **Termination with Cause.** In the event that the Broker initiates the termination of this agreement with cause, any and all unpaid commissions and/or prepaid Broker fees will be forfeited and the Listing and Buyer Agency Agreements obtained by Contractor will NOT be transferred, but will be retained by Broker.

### 5. Contactor Compensation

- A) **100% Commissions.** Contractor compensation is based entirely upon commissions paid by clients to Broker, not from Broker directly. Contractor understands and agrees that if the client fails to pay commissions as required, Contractor shall receive no compensation. Contractor expressly agrees that no commission shall be disbursed to Contractor until the listing and/or transaction paperwork is completed, submitted, and approved by Broker or Broker's designee. The transaction fee structure shall be at a cap of \$5000/per year. It is agreed that \$500 shall be deducted out of each transaction until the cap is reached. Broker will promptly pay 100% of commissions earned and received by Broker after deducting an Errors and Omissions insurance premium of (Currently \$50 or 1.5% of said commission on

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Commercial transactions and or \$700,000 or higher transactions), and any unpaid fees or fines due Broker as outlined in sections 3 and 6 of this agreement.

**6. Payment of Fees and Expenses**

- A) **Payments.** Broker will produce, upon request by Contractor, an accounting statement reflecting the Contractor's expenses, fees, and other financial obligations as set forth herein.
- B) **Late and Returned Item Fees.** A late fee of \$25.00 will be charged on all late payments received commencing the 25<sup>th</sup> day of the month. A return item charge of \$25.00 will be charged for any check returned unpaid by Contractor's Bank. Late and returned item fees will be added to the amount due pursuant to Section 6 (A) of this agreement.

**7. Insurance**

- A) **Vehicle.** Contractor shall use his/her own vehicle for business purposes and shall name Broker as an "additional insured party" on any vehicle used to transport third parties or to show and/or inspect properties. Contractor shall maintain a minimum \$100,000/\$300,000 liability and property damage coverage and shall furnish a copy to Broker upon request. Contractor shall indemnify and hold Broker harmless for any losses incurred by Broker due to or caused by Contractor's driving.
- B) **Errors and Omissions (E&O).** Broker shall exercise its best efforts to maintain an active E&O policy which carrier shall be chosen at broker's sole discretion. Contractor is responsible for the payment of any and all deductible amounts for each E&O claim against contractor and/or Broker. In the event of a claim, lawsuit, or arbitration demand that is not wholly covered by said insurance; Broker may withhold an amount sufficient to satisfy any amounts not covered from Contractor's commissions until the matter is settled. Broker may apply such sums as are necessary to settle or satisfy such claims or awards at Broker's sole discretion. Contractor agrees to pay, and have withheld from Contractor's commission payment, an E&O insurance premium of \$50 per transaction. The E&O insurance premium amount is subject to change with 30 days notice.
- C) **Personal Transactions.** Contractor is hereby notified that any transactions wherein the Contractor acts as a Principal or where the property involved in the transaction is owned, developed, or constructed by Contractor or any organization or entity in which Contractor has a financial interest are NOT covered by Broker's E&O insurance coverage and Contractor acknowledges that he/she is wholly responsible and will indemnify and hold Broker harmless for the satisfaction of any claims or awards resulting from said transactions. As to such Transactions, Contractor shall pay to Broker a fee of \$50.00, in lieu of the E&O premium. This amount may be used, at Broker's sole discretion, towards the costs of defending and/or settling any claims made against Broker. Contractor agrees to properly disclose to the buyer/seller that Contractor is acting as the principal and not as an agent of R AND R Realty, LLC and that the Broker has absolutely no involvement in the transaction.
- D) **Personal Property.** Contractor acknowledges that the Broker's insurance coverage is limited to Broker's equipment and facilities and agrees to hold broker harmless for personal property losses suffered in the office due to theft, fire, vandalism, or any other reason. Contractor shall maintain his/her own personal property insurance for any personal property used or stored at Broker's facilities.

**8. Experience.**

- A) Contractor certifies that he/she has notified Broker in writing of all prior and pending disciplinary actions, sanctions, lawsuits, and/or other claims made against Contractor and/or Contractor's Broker regarding Contractor's actions.

_____ Agents Signature	_____ Date	_____ Printed Name
_____ Social Security Number		_____ License Number/State
_____ Mailing Address		_____ Home Phone
_____ Cell Phone		_____ Email Address

**Broker**

_____ Brokers Representative Signature	_____ Date	_____ Printed Name/Title
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