ESTEEM TEAM PROPERTIES

California: #01773493 Michigan: #6502343933 Oklahoma: #061002

INDEPENDENT CONTRACTOR AGREEMENT
(Between Broker and Associate-Licensee)

The Independent Contractor Agreement ("Agreement"), dated _____ is made between Esteem Team Properties ("Broker") and _____ ("Associate-Licensee"). In consideration of the covenants and representations contained in this Agreement, Broker and Associate-Licensee agree as follows:

1. **Broker**: Broker is a duly licensed real estate broker by the State of California, doing business as Esteem Team Properties, and Broker further represents that Broker shall keep Broker's license current during the term of this Agreement.

2. **Associate-Licensee**: Associate-Licensee represents that he or she is duly licensed by the State of California as a real estate broker or salesperson, and has not used any other names with the past five years, except _____. Associate-Licensee shall keep his/her California BRE license current during the terms of this Agreement, including satisfying all applicable continuing education and provisional license requirements.

3. **Broker and Associate-Licensee Relationship**

3.1 Broker and Associate-Licensee are independent contracting parties and this agreement does not constitute an employment agreement by either party and shall not be construed as a partnership and Broker shall not be liable for any obligation, injury, disability or liability incurred by Associate-Licensee.

3.2 Associate-Licensee assumes and agrees to perform no other professional real estate activities other than those regulated by the Bureau of Reall Estate and/or those pursuant to Associate-Licensee's association with the Broker. Associate-Licensee may solicit and obtain listings and sales of real estate for the parties mutual benefit, however Associate-Licensee agrees to do so in accordance with the law as well as the ethical and professional standards set by the CalBRE. Associate-Licensee agrees to refrain from committing any act of any type for which the Real Estate Commissioner of the State of California is authorized to suspend or to revoke a real estate license. Associate-Licensee must, and agrees to, obtain written approval from broker to perform any other business activities, other than the listing and sale of real estate, such as short sale negotiation, co-agency, processing loans, BPO, property

3.3 management, etc. in ad infinitum. Associate-Licensee is not authorized to give legal or tax advice. Further, Associate-Licensee agrees to indemnify Broker against, and to accept liability for, any damages, costs, or fees, legal or other, sustained or expended by Broker, as a result of Associate-Licensee breaching this paragraph.

3.4 Broker shall not restrict Associate-Licensee's activities to geographical areas, manner in which services are to be performed, with regard to hours, schedule, inventory, vacation or similar activities, except to the extent required by all applicable laws, policies, and procedures.

3.5 All listings of property, and all agreements, acts or actions for performance of licensed acts, which are taken or performed in connection with this Agreement, shall be taken and performed in the name of Broker. Associate-Licensee agrees and does hereby contribute all right and title to such listings to Broker for the benefit and use of Broker, Associate-Licensee and other Licensees of Broker. Associate-Licensee agrees to work with company approved transaction coordinators to provide Broker a complete file of each transaction with all necessary documentation according to Broker's provided checklist.

3.6 Associate-Licensee shall have no authority to bind Broker by any promises or representations and Broker shall not be liable for any obligation or liability incurred by Associate-Licensee unless Boker specifically authorized the same in writing.

3.7 The Broker will provide worker's compensation insurance for Broker's own benefit but this fact shall not create an inference of employment and Associate-Licensee shall not be treated as an employee for state and federal tax purposes.

3.8 Associate-Licensee is considered to be an Independent Contractor for tax purposes and will receive IRS 1099 form at the end of each calendar year for those transactions where Broker paid the commission check to Associate-Licensee. Note: In transactions where the escrow company wrote the commission check to Associate-Licensee, Broker will not provide a 1099. The Broker will not withhold taxes or Social Security from Associate-Licensee's compensation. Payment of taxes and Social Security contributions are Associate-Licensee's responsibility. Associate-Licensee is also considered an independent contractor for purposes of Unemployment Insurance.

4. **Business Expenses:** Broker shall not be liable to Associate-Licensee for any expenses incurred by Associate-Licensee or for any of its acts. Associate-Licensee agrees to provide and pay for all necessary professional licenses and dues. Associate-Licensee understands and agrees that Broker shall not provide any office, place of business,

supplies, advertisements, marketing materials and that Associate-Licensee is responsible for conducting business pursuant to this agreement at their own cost. Broker shall not be liable to reimburse Associate-Licensee for any expenses.

5. **Licensed Activity:** Associate-Licensee shall be familiar with, and comply with all applicable laws, policies, and procedures, including, but not limited to anti-discrimination laws and restrictions against the giving or accepting a fee, or other things of value, for the referral of business pursuant to the California Business and Professions Code and the Real Estate Settlement Procedures Acts (RESPA), and any other applicable laws.

6. **Compensation**: Compensation shall be charged to the parties who enter into listing or other agreements for services requiring a real estate license. Associate-Licensee may use its own discretion regarding what commission fee to charge its clients for these services. In no event shall Broker be personally liable to Associate-Licensee for Associate-Licensee's share of commissions not collected, nor shall Associate-Licensee be entitled to any advance or payment from Broker upon future commissions, Associate-Licensee's only remuneration being Associate-Licensee's share of the commission paid by the party or parties for whom the service was performed. Nor shall Associate-Licensee be personally liable to Broker for any commission not collected. Associate-Licensee shall be responsible for any previously earned sales commission reimbursement, rebate, or refund that may be ordered by a Court of Law or by a professional Arbitration or Mediation Panel, for any reason. If Associate-Licensee sells their own property, the following minimum broker fees shall be applicable: Broker fee of $695 and the Transaction Coordinator fee of $350. (Broker fee is listed to reflect a sales price of $1 Million or less.)

   Should broker decide to remove associate-licensee from a current transaction, for any reason, broker will either complete the transaction himself or he will appoint a different associate-licensee from the company to take over transaction. Upon completion of transaction and receipt of commission from escrow, broker reserves the right to split the commission between associate-licensee and the Broker or associate-Licensee assigned to transaction. This new associate-Licensee shall be compensation for completing the details of pending transactions and such compensation shall be deducted from the original associate-licensee's share of the commission. Broker has full authority to determine the commission to be paid to each associate-licensee or to broker.

6.1. **BROKER COMPENSATION:** Please see Schedule A, Duties, Terms, and Compensation.

6.2. **ASSOCIATE-LICENSEE COMPENSATION:** Please see Schedule A, Duties, Terms and Compensation. Associate-Licensee shall receive compensation actually collected by Broker, on listings or other agreements for services requiring a real estate license, which are solicited and obtained by Associate-Licensee, and on transactions of which Associate-Licensee's actions are the procuring cause. This amount shall be payable immediately after all necessary documentation is received concerning these services, except as may otherwise be agreed by Broker and Associate-Licensee before completion of any particular transaction. Associate-Licensee may receive his/her commission directly from escrow, if the completed transaction file is confirmed by the designated Esteem Team Properties in house transaction coordinator before the close of escrow. Associate-Licensee shall not be entitled to any advance payment from Broker upon future compensation. If Associate-Licensee and one or more other Associate-Licensees affiliated with Broker participate on the same side (either listing or selling) of a transaction, the commission allocated to their combined activities shall be divided by Broker and paid to them according to their written agreement. Broker shall have the right to withhold total compensation if there is a dispute between associate-licensees, or if there is no written agreement, or if no written agreement has been provided to Broker. Broker may deduct its actual and pending reasonable expenses from agent commission(s) if the expenses arise from Associate-Licensee activity, such as: legal expenses, actual paid membership dues, levies, repayment of commission advances to Broker and 3rd parties, and/or judgments. Broker may apply commissions to cover attorney's retainer, insurance deductibles, court filing fees, and other incurred or reasonably expected costs of litigation or litigation preparation. This paragraph shall apply regardless of whether Associate-Licensee is at fault, found to be at fault, and/or whether the matter has been adjudicated. Expenses as mentioned in this paragraph need not be related to the specific commissions withheld. Broker may hold all or part of Associate-Licensee's compensation until all lawsuits related to Associate-Licensee's activities are resolved. In the instance commissions owed will not be sufficient to cover Broker's reasonable expenses then Associate-Licensee shall repay the balance.

6.2.1 **DUAL TRANSACTIONS:** If agent represents both sides of a transaction, the following fee adjustments will apply: A $695.00 fee for both sides for a total of $1390.00. Also, the transaction coordinator fee will be raised from $350 to $425 to cover

303 W. Pico Road • Palm Springs, California 92262 • (760) 969-8050
Email: California@EsteemTeamProperties.com • Website: www.EsteemTeamProperties.com

the additional paperwork. Note: If Associate-Licensee is selling their own property, they are not permitted to conduct dual agency transactions by representing the buyer.

6.2.2 **PAYMENT:** (i) All compensation collected by Broker and due to Associate-Licensee shall be paid to Associate-Licensee, after deduction of expenses and offsets, immediately or as soon thereafter as practicable, except as otherwise provided in this agreement, or a separate written agreement between broker and Associate-Licensee. (ii) Compensation shall not be paid to Associate-Licensee until both the transaction and file are complete. (iii) Broker is under no obligation to pursue collection of compensation from any person or entity responsible for payment. Associate-Licensee does not have the independent right to pursue collection of compensation for activities which require a real estate license which were done in the name of the Broker. (iv) Expenses which are incurred in the attempt to collect compensation shall be paid by Broker and Associate-Licensee in the same proportion as set forth for the division of compensation. (v) If there is a known or pending claim against Broker or Associate-Licensee on transactions for which Associate-Licensee has not yet been paid, Broker may withhold from compensation due Associate-Licensee on that transaction amounts for which Associate-Licensee could be responsible for under Paragraph titled Indemnity and Hold Harmless, until such claim is resolved. (vi). Broker can withhold any or all commissions due to an associate-licensee to offset other sums owed by the agent including any insurance deductibles or other outstanding liabilities.

6.2.3 **REFERRAL COMPENSATION:** Associate-Licensee may receive a referral fee or some other sort of compensation from another broker. Premier Realty Associates will charge a 10% flat fee for this activity (max to broker is $500). This item is applicable only when Associate-Licensee is receiving a referral payment from another broker. In order to be paid, you will need to provide our office with the CAR standard form, “Referral Fee Agreement”, signed by all parties to the transaction.

6.2.4 **BROKER PRICE OPINIONS (BPO):** With Broker’s approval, upon performing Broker’s Price Opinions, Associate-Licensee is permitted to receive checks directly from the company for which the BPO’s are submitted. If an Associate-Licensee receives a check for doing a BPO written to Esteem Team Properties, Esteem Team Properties will take a flat fee of 10% (max to broker is $500), and Associate-Licensee will receive the remaining 90% of the check.

6.2.5 **COMPENSATION AFTER TERMINATION:** Upon termination of this agreement, payments under this section shall cease; provided, however, that so long as Associate-Licensee is not in default of any provision of this Agreement, Associate-Licensee shall be entitled to payments for periods or partial periods that occurred prior to the date of termination and for which Associate-Licensee has not yet been paid. Associate -Licensee authorizes Broker to deduct from any commissions due at termination of this Agreement all financial obligations owed to Broker that are imposed by terms of this Agreement. Furthermore, in the event Associate-Licensee voluntarily leaves or is terminated, and has transactions pending that require further work normally rendered by the Associate-Licensee, Broker shall make arrangements for Broker or another Licensee in the company to perform the required work, and the Broker or Licensee assigned shall be compensated for completing the details of pending transactions and such compensation shall be deducted from the terminated associate-licensee's share of the commission. Broker has full authority to determine the commission to be paid to each associate-licensee.

6.2.6 **RECRUITMENT INCENTIVE COMPENSATION:** If Associate-Licensee refers other real estate agents to join Broker, Associate-Licensee will receive $100 compensation every time that agent closes a transaction with Broker as long as Associate-Licensee is still licensed with Broker.

6.2.7 **DIRECT COMPENSATION TO ASSOCIATE-LICENSEE:** Associate-Licensee cannot directly receive any compensation for performing real estate business without Broker's approval.

6.2.8 **ADVANCE FEE**: Collecting any kind of advance fee from a client is prohibited for AssociateLicensee.

6.2.9 **PROPERTY MANAGEMENT:** Property Management is not allowed. The conducting of a property management business (soliciting owners and renters, renting, leasing and maintaining properties in expectation of compensation) with the public without the knowledge and permission of the employing broker is in violation of Sections 10130, 10131(b), 10137 and 10145(c) of the Business and Professions Code. This action is subject to real estate license suspension or revocation and/or civil lawsuit.

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6.2.10 **LEASE AGREEMENTS:** Associate-Licensee can write lease agreements for their clients, as long as they do not have any ownership interest in the property and it is a residential property. Premier Realty Associates will take a flat fee of 10% (max to broker is $500), and Associate-Licensee will receive the remaining 90% on any commission earned. In order to be paid, you will need to provide our office with the CAR standard form, "Lease Listing Agreement", signed by all parties to the transaction.

6.2.11 **COMMERCIAL TRANSACTIONS:** (VACANT SPACE ONLY) If Associate-Licensee represents either a buyer or a seller in a commercial transaction, the following commission fees will be charged by Broker, in lieu of standard residential fees: If purchase price is under $1,000,000, company fee will be 5% of the commission received by the agent. If the purchase price is over $1,000,000, the company fee will be 10% of the commission received by the agent. The transaction coordinator fee on a commercial transaction is $395 and the E&O fee is $250. Commercial leases will be charged a fee of 10% or $500.00 whichever is less or 5% max of $1,000 for commissions received over $10,000 with a transaction coordinator fee of $75.00.

7. **DISPUTE RESOLUTION:** Broker and Associate-Licensee agree to mediate all disputes and claims between them arising from or connected in any way with this Agreement before resorting to court action. If any dispute or claim is not resolved through mediation, or otherwise, instead of resolving the matter in court, Broker and Associate-Licensee may mutually agree to submit the dispute to arbitration.

8. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Broker and Associate-Licensee arising from or related to this agreement, the prevailing Broker or Associate-Licensee shall be entitled to reasonable attorney fees and costs.

9. **PROPRIETARY INFORMATION AND FILES:** All files and documents pertaining to listings, leads and transactions are the property of Broker and shall be delivered to Broker by Associate-Licensee immediately upon request or termination of this agreement. Associate-Licensee acknowledges that Broker's method of conducting business is a protected trade secret. Associate-Licensee shall not use to his/her own advantage, or the advantage of any other person, business, or entity, except as specifically agreed in writing, either during Associate-Licensee's association with Broker, or thereafter, any information gained for or from the business, or files of Broker.

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10. **AUTOMOBILE INSURANCE:** Associate-Licensee shall maintain automobile insurance coverage for liability and property damage. Further, Associate-Licensee agrees to indemnify Broker against any claims or demands resulting from any automobile accident involving Associate-Licensee.

11. **EARNEST MONEY DEPOSITS:** Associate-Licensee acknowledges and understands that Broker does not maintain a trust fund and that all earnest money deposits received by clients must be made payable and deposited immediately to escrow and reported to Broker. Associate-Licensee shall not ever receive funds from clients in its personal name nor receive any cash payments from clients. All trust funds shall be handled in compliance with the Business and Professions Code, and other applicable laws.

12. **FICTITIOUS BUSINESS NAMES AND LOGOS:** While affiliated with Broker, AssociateLicensee shall use Broker's name "Esteem Team Properties" or distinctive logo on signage, stationary, websites, and/or any other marketing materials. Associate-Licensee agrees that Broker retains exclusive rights to the "Esteem Team Properties" trademark logo and graphics. Associate-Licensee agrees to discontinue the use of the Esteem Team Properties' trademark logo and graphics immediately upon the termination of this Agreement.

13. **ADVERTISING AND SOLICITATIONS:** All advertising done by Associate-Licensee must receive prior written approval of Broker. No telephone solicitation is allowed by Associate-Licensee to people who have registered their telephone numbers on a national do-not-call registry. Broker is not liable or responsible for any advertising done by Associate-Licensee on its behalf and Associate-Licensee agrees to hold Broker harmless of any costs, damages, legal or otherwise, specifically arising as a result of Associate-Licensee's failure to comply with this paragraph.

14. **INDEMNITY AND HOLD HARMLESS; NOTICE OF CLAIM**: Regarding any action taken or omitted by Associate-Licensee, or others working through, or on behalf of Associate-Licensee in connection with services rendered or to be rendered pursuant to this Agreement or Real Estate Licensed activity prohibited by this Agreement: (i) Associate-Licensee agrees to indemnify, defend and hold Broker harmless from all claims, disputes, litigation, judgments, awards, costs and attorney's fees, arising there from and (ii) Associate-Licensee shall immediately notify Broker if Associate-Licensee is

served with or becomes aware of a lawsuit or claim or possible lawsuit or claim regarding any such action. Any such claims or costs payable pursuant to this Agreement are to be paid in full by Associate-Licensee, who hereby agrees to indemnify and hold harmless Broker for all such sums. This paragraph shall include all damages related to claims of fraud independent of whether or not said claims have been adjudicated or are covered by E&O insurance.

14.1 Associate-Licensee agrees to pay, reimburse, or otherwise be liable to Broker, and its agents and assigns, for any reasonable legal expenses or expenditures, to include, but not limited to court fees, damages, E&O deductibles and representations costs, resulting from, or in connection with, Associate-Licensee's real estate transactions(s) or affiliation with Broker, regardless of whether or not said transaction(s) or affiliation produced any commissions paid to Associate-Licensee. Associate-Licensee agrees to immediately notify Broker if Associate-Licensee is served with or becomes aware of a lawsuit or claim regarding a real estate transaction.

14.2 Associate-Licensee agrees to indemnify and hold Broker blameless for any legal, equitable, or other actions arising from, out of, or in relation to Associate-Licensee's real estate transaction(s) or affiliations with Broker.

14.3 Associate-Licensee agrees to assist Broker in the defense of mitigation of any controversy legal or otherwise that arises from, out of, or in relation to Associate-Licensee's real estate transaction(s) or affiliations with Broker. Associate-Licensee's assistance will include, but not limited to, aiding Broker and its employees or counsel in: preparing testimony, attending court proceedings, presenting documents, and assisting in any, and all, other ways that Broker, or its counsel, deems necessary.

14.4 Associate-Licensee agrees to pay, reimburse, or otherwise be liable to Broker for any costs associated with Broker's recovery of past costs, damages, expenditures, or other amounts owed to Broker by Associate-Licensee pursuant to this Agreement.

14.5 Associate-Licensee understands, and agrees, they can seek their own legal counsel, as allowed by applicable laws and statutes, in all matters pertaining hereto. Further, Associate-Licensee understands, and agrees, they will be solely liable for their counsel's fees, and their choice of private counsel will not otherwise alter, change, or modify any agreements, conditions, or obligations set forth in this agreement.

14.6 In the event legal action is necessary to enforce the payment, liability or indemnity terms of this Agreement, Associate-Licensee agrees Broker shall be entitled to collect from Associate-Licensee any judgment or settlement sums due plus reasonable attorney's fees, court costs and other expenses incurred by Broker for such collection actions, and in addition, the reasonable value of Broker's , its agent's, assign's, or counsel's, time and expenses spent for such collection action, computed according to the Broker's, agent's, assign's, or counsel's, prevailing fee schedule and expense policies.

15. **INJURIES TO ASSOCIATE-LICENSEE:** Associate-Licensee acknowledges and agrees that Broker will provide worker's compensation insurance for Broker's own benefit and for Associate-Licensee only (not for Associate-Licensee's employees). It is Associate-Licensee's obligation to obtain appropriate insurance coverage for the benefit of Associate-Licensee and its employees, if any, for any injuries. Associate-Licensee and its employees waive any rights to recovery from Broker for any injuries that Associate-Licensee and/or its employees may sustain while performing services under this Agreement.

16. **ASSOCIATE-LICENSEE'S EMPLOYEES:** Associate-Licensee's employees, if any, who perform services for Broker under this Agreement shall also be bound by the provision of this Agreement. Associate-Licensee's responsibilities include advising its employees of the terms of this Agreement and supervising their activities to ensure their compliance with all of its terms. At the request of Broker, Associate-Licensee shall provide evidence that such persons are Associate-Licensee's employees and are bound by the provisions of this Agreement.

17. **WORKING PLACE:** Broker does not provide an office space for the Associate-Licensee. Associate-Licensee may work from home, personal office, vehicle or any other places of Associate-Licensee's choice. However, Associate-Licensee is responsible to store all transaction documents in a safe place and be able to present them at the Broker's request within 24 hours. Associate-Licensee must be accessible by phone, fax, e-mail and postal mail, and respond to voicemails within a maximum time frame of 24 hours.

18. **ACTIVITY REPORTING:** Associate-Licensee is required to report all his/her real estate activities to the Broker within 72 hours of their occurrence. Real estate activities include listing agreements, newly opened escrows (accepted purchase agreements), earnest money deposits, cancelled and expired agreements, renewed agreements, referral

fee agreements and/or any other business contract or arrangement involving an Associate -Licensee and his/her client. If associate-licensee does not report within 72 hours, associate-licensee's commission will be reduced by 20% of the total gross commission.

Further, associate-licensee understands that under California Business & Professions Code 10137 it is unlawful for any real estate licensee who is not the broker of record to receive direct payment for any activity which requires a real estate license without said broker's prior written authorization. Accordingly, if associate-licensee does not report their real estate activities to this office as provided herein, and then closes a transaction without notifying our office, then either: (1) associate-licensee shall forfeit all commissions due on that transaction, or (2) if associate-licensee has already received his or her commission then associate-licensee shall pay over their entire commission received to Esteem Team Properties upon demand for violating the terms of this contract. The foregoing is in addition to any other measure and/or remedies that the Broker deems warranted under the circumstances and this includes without limitation the right of the Broker to proceed with litigation against the associate-licensee to recover any commission paid on the transaction or otherwise.

19. **APPLICABLE LAW:** This Agreement is entered into in the County of Riverside, California, and shall be governed by the laws of the State of California. Any lawsuit filed which arises out of or relates to this Agreement must be filed in the County of Riverside, State of California.

20. **TERMINATION OF AGREEMENT:** This Agreement may be terminated by either party, at any time, with or without cause. Even after termination, this Agreement shall govern all disputes and claims between Broker and Associate-Licensee connected with their relationship under this agreement.

21. **CONFIDENTIAL INFORMATION AND NON-DISCLSOURE:** The Associate-Licensee will have access to and become acquainted with data, various trade secrets and confidential information which are owned by the Broker. "Confidential Information" means any information identified or reasonably identifiable as confidential and not generally available to third parties. Associate-Licensee shall keep confidential and not disclose, directly or indirectly, to anyone, or use Confidential Information during the period of association with Broker and after termination of this Agreement. Under no circumstances shall Associate-Licensee seek to derive benefit from such Confidential Information.

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22. **LOAN MODIFICATIONS:** Associate-Licensee is NOT allowed to help their clients with a loan modification in any way. This includes, but is not limited to:

1. Representing them as your clients with a loan modification company.
2. Calling a loan modification company on their behalf.
3. Referring them to a loan modification company.
4. Getting paid by a loan modification company.
5. Helping them in any way with a loan modification.
6. Receiving advance payments of any kind

The Esteem Team Properties E&O policy does not cover loan modifications.

23. **COMMISSION ADVANCE POLICY:** Broker does not allow Associate-Licensee to use commission advance companies to collect commissions before the transaction closes.

25. **ENTIRE AGREEMENT:** This Agreement contains the entire agreement of the parties and there are no promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties. This Agreement may be modified or amended, if the amendment is made in writing and is signed by both parties. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. Associate-Licensee's signature below confirms that he/she read the Independent Contractors Agreement and Office Policy Manual, and agrees to abide by its provisions during his/her association with Broker.

Esteem Team Properties	Associate-Licensee
_____	_____
Printed Name	Printed Name
_____	_____
(signature)	(signature)
_____	_____
(date)	(date)