



## INDEPENDENT CONTRACTOR AGREEMENT

(Between Broker and Licensee)

This Independent Contractor Agreement ("Agreement"), "Exhibit B", dated \_\_\_\_\_ is made between River Region Realty Group LLC, The Virtual Realty Group ("Broker") and \_\_\_\_\_ ("Licensee"). In consideration of the covenants and representations contained in this Agreement, Broker and Licensee agree as follows:

**1. BROKER:** Broker is duly licensed in Alabama, under the name of "River Region Realty Group LLC dba, "The Virtual Realty Group". Broker shall keep license current during the term of this Agreement.

**2. LICENSEE:** Licensee represents that he or she is duly licensed by the State of \_\_\_\_\_ and or \_\_\_\_\_ as a real estate broker or salesperson, and has not used any other names within the past five years, except \_\_\_\_\_. Licensee shall keep his/her real estate license current and active during the terms of this Agreement, including satisfying all applicable continuing education and provisional license requirements for the state in which they are licensed in.

### 3. BROKER AND LICENSEE RELATIONSHIP:

**3.1.** Broker and 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 licensee.

**3.2.** Licensee assumes and agrees to perform no other activities in association with Broker, except to solicit and obtain listings and sales of property for the parties mutual benefit, and to do so in accordance with law and with the ethical and professional standards as required so that licensee commits no act of any type for which the Real Estate Commission of the state of \_\_\_\_\_ is authorized to suspend or to revoke a license.

**3.3.** Broker shall not limit 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.

**3.4.** 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. Licensee agrees and does hereby contribute all right and title to such listings to Broker for the benefit and use of Broker, licensee and other licensees of Broker. Licensee agrees to provide Broker a complete copy package of each closed transaction with all necessary documentation. Upon termination of Licensee, as long as Licensee is in good standing with Broker and has no open escrows or closings, Licensee may take their listings with them\*.

**3.5.** 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 licensee unless Broker specifically authorized it in writing.

**3.6.** Licensee is considered to be an Independent Contractor for tax purposes and will be responsible for all tax issues at the end of each calendar year. Broker will not issue an IRS 1099 to licensee unless Broker was issued one on behalf of a transaction licensee was involved in. Broker does not withhold taxes or Social Security from Licensee's compensation. Payment of taxes and Social Security contributions are Licensee's responsibility. Licensee is considered an independent contractor and company does not provide unemployment insurance.

**4. BUSINESS EXPENSES:** Broker shall not be liable to licensee for any expenses incurred by licensee or for any of its acts. Licensee agrees to provide and pay for all necessary professional licenses and dues. Licensee understands and agrees that Broker shall not pay for any office(s), place of business, supplies, advertisements, marketing materials and that licensee is responsible for conducting business at its own costs, if any. Broker shall not be liable to reimburse licensee for any expenses unless specifically agreed to in writing.

**5. LICENSED ACTIVITY:** 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 to title companies, escrow companies, home inspection companies, pest control companies and other settlement service providers pursuant to the state in which they are licensed in and the Real Estate Settlement Procedures Acts (RESPA).

#### **6. COMPENSATION / COMMISSION:**

**6.1.** Compensation shall be charged to the parties who enter into listing or other agreements for services requiring a real estate license. 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 licensee for licensee's share of commissions not collected, nor shall licensee be entitled to any advance or payment from Broker upon future commissions, Licensee's only remuneration being a licensee's share of the commission paid by the party or parties for whom the service was performed. Nor shall licensee be personally liable to Broker for any commission not collected. 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.

**6.2. COMMISSION SCHEDULE / PROGRAMS:** Dual agency (Any deal where licensee has 2 sides of a single transaction) is counted as 2 separate transactions with Broker collecting fees for 2 transactions based on the appropriate commission plan the licensee has chosen. A licensee may change commission plans once during the calendar year at a cost of \$200 payable to the broker.

**A.** The Flat Fee plan has a *minimum* due owed of \$100 to the Broker. The following pertain to the Flat Fee plan. Sales at or over \$500,000, add \$199. Sales at or over \$750,000, add \$299. Sales at or over \$1MM, add \$399. Only 1 of these add ons would apply per transaction.

**B.** The Mentor plan and Park Your License commission plan is a 90%-10% split with 10% going to the Broker.

**C.** The Brand New Agent plan is a 75%-25% split with 25% going to the Broker. An agent must perform 5 transactions on the 75%-25% split with 3 of those 5 being a standard sale or listing (the other 2 can be a rental or lease) before moving on to another plan.

**6.3.** Any commission plan a Licensee enters a closing with, must close that transaction with the same commission plan as entered.

At no time is a licensee with the Broker to request, receive, ask or authorize any closing company to release a commission check on a transaction they may be involved in. All transaction files must be completed in the Online TC and have been certified by the manager or broker before a licensee can be paid directly from closing. Signing commission instructions by a licensee or unauthorized release of a commission check to a licensee is grounds for immediate termination

**6.4. All licensees please choose a commission plan below by checking the appropriate box.**

- A.  - Flat Fee Commission Plan
- B.  - Mentor Commission Plan
- C.  - Brand New Agent Commission Plan
- D.  - Park Your License Commission Plan
- E.  - Other Commission Plan

**6.5. COMMISSIONS ON RENTALS / LEASES & REFERRALS:** A Licensee can list a rental property on the MLS, market it, and show it to potential tenants. A Licensee must never accept a rental / lease payment or deposit. Any payments must go directly to the owner, property management or closing company. Also, a Licensee must never accept any type of compensation in regards to a rental or lease transaction. The compensation must be paid to the Licensee through the Broker unless we have made prior arrangements. The transaction must be reported to the Broker within 48 hours. Any commissions to be paid to a Licensee will be paid once all the appropriate documents are uploaded into the transaction coordinator for that transaction and certified by the broker or manager or other arrangements are made. Referral fees shall only be paid to the Broker of any state licensed salesperson / broker in accordance with a written agreement between salespersons / broker, approved by your broker prior to close of any deals. All referral fees are to be paid out of the Licensee's gross share of the referral fee. A social security number of the referring broker or EIN number is required, along with a signature of the referring broker, in order to process the referral fee. The fee to our Broker on any referral is 10% of the gross referral fee. The fee for a rental or lease is 10% of the gross commission not to exceed the flat fee.

**6.6. COMMISSION PAYMENT DELAYS and HUD HOMES:** If a particular escrow/closing company (and there may be a couple) doesn't honor our commission disbursement agreement (CDA), (HUD WILL NOT), then you could potentially experience up to a 2 week delay in receiving your check, while we wait to receive the check from the escrow/closing company or HUD and for the funds to clear our bank. In the event this happens, the only choices available to you, once the funds clear our bank, is for us to PayPal you the money which may be subjected to a PayPal service charge, for us to mail you a check via regular mail or for us to wire you the funds which will be subjected to a wire service charge. Furthermore, regarding HUD home commissions, we reserve the right to charge an admin fee of up to \$150 for each closed HUD transaction.

**7. PAYPAL PAYMENTS:** The tri-annual membership fee is paid through Paypal. You do not have to have a Paypal account, but it will be paid through Paypal. Any payments that are "skipped" (Paypal's word for insufficient funds or bad credit card) more than 2 times and the account suspended by Paypal, may result in a \$75 fee owed to the Broker, or licensee being put on inactive status. It is the responsibility of the licensee upon termination from the Broker to terminate any or all recurring Paypal payment(s) they may have initially set up and agreed to, that are associated with the Broker. Broker will make no refunds to licensee after termination.

**8. FREE BUSINESS CARDS & REAL ESTATE or MAGNETIC CAR SIGNS:** We offer 500 free business cards printed 1 sided on 14pt glossy coated cover with UV coating and 2 yard signs (choose from 4 templates) printed 2 sided on 18x24 cor-plastic material with or without 2 grommets at the top corners for hanging, or 2 magnetic car signs 9x12 printed digitally with UV curable inks. These cards and signs are absolutely free with no strings attached. However, you must request these cards and signs by filling out our order forms (located in our Agent Virtual Backoffice) within **10** days of your hire date, or pay for them.

**9. COMPENSATION UPON HIRE OR AFTER TERMINATION:** Upon termination of this agreement, payments under this section shall cease; provided, however, that so long as licensee is not in default of any provision of this Agreement, licensee shall be entitled to payments for periods or partial periods that occurred prior to the date of termination and for which licensee has not yet been paid. 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 licensee leaves and has transactions pending that require further work normally rendered by the 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 share of the commission. Any transaction(s) already in closing and brought over to us upon hire, or released from us upon termination are subject to a 10% charge of gross commissions earned by the licensee who is hiring on or terminating.

**10. DOCUMENTS AND FILES:** All files and documents pertaining to listings, leads and transactions are the property of Broker and shall be delivered to Broker by licensee according to the manner and term indicated in Broker's Office Policy and Procedure Manual.

**11. AUTOMOBILE INSURANCE:** Licensee shall maintain automobile insurance coverage for liability and property damage in the amounts of \$100,000 / \$300,000. Broker shall be indemnified and held harmless against any claims or demands resulting from any automobile accident of licensee or as a result of licensee's default in this paragraph.

**12. EARNEST MONEY DEPOSITS:** Licensee acknowledges and understands that **Broker does not maintain a trust fund account** and that any earnest money deposits shall **never ever be touched** by licensee. Licensee should notify closing immediately to arrange for any earnest money deposits needing to be picked up or delivered and submitted on behalf of the client and then it should be reported to the broker.

Licensee shall not ever receive ANY funds from clients 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.

**13. FICTITIOUS BUSINESS NAMES AND LOGOS:** While affiliated with Broker, licensee shall use Broker's name "River Region Realty Group LLC" or, "The Virtual Realty Group" and distinctive logo on signage, stationary, websites, and/or any other marketing materials unless otherwise agreed to. Licensee agrees that Broker retains exclusive rights to the trademark logos and graphics.

Licensee agrees to discontinue the use of any of the Broker's trademark logo and graphics immediately upon the termination of this Agreement.

**14. ADVERTISING AND SOLICITATIONS:** All advertising done by licensee must receive prior written approval of Broker. NO TELEPHONE SOLICITATION IS ALLOWED by 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 licensee on its behalf and licensee agrees to hold Broker harmless of any costs, damages, legal or otherwise, specifically arising as a result of licensee's failure to comply with this.

**15. LIABILITY AND HOLD HARMLESS:** In addition to all other legal or equitable remedies of Broker, licensee shall indemnify and hold Broker and its owner(s), managers, affiliates, shareholders, directors, officers, agents, employees, successors, and assigns harmless from and against and shall reimburse the same with respect to any and all losses, damages, demands, claims, liabilities, costs, and expenses, including reasonable attorney fees (collective "Losses"), incurred by reason of or arising out of or in connection with any fraud or misrepresentation of licensee, including, but not limited to, licensee's misrepresentation of its relationship with Broker to any third party or any action by licensee taken or omitted pursuant to this Agreement. Any such claims or costs payable pursuant to this Agreement are due to paid in full by licensee, who hereby agrees to indemnify and hold harmless Broker or manager for all such sums.

**16. INJURIES TO LICENSEE:** Licensee acknowledges and agrees that Broker does not provide worker's compensation insurance for licensee as the licensee is an independent contractor. It is licensee's obligation to obtain appropriate insurance coverage for the benefit of licensee and its employees, if any, for any injuries. Licensee and its employees waive any rights to recovery from Broker for any injuries that licensee and/or its employees may sustain while performing services under this Agreement.

**17. LICENSEE'S EMPLOYEES:** Licensee's employees, if any, who perform services for Broker under this Agreement shall also be bound by the provision of this Agreement. 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, licensee shall provide evidence that such persons are licensee's employees and are bound by the provisions of this Agreement.

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

**19. ACTIVITY REPORTING:** Licensee is required to report all his/her real estate activities to the Broker within 48 hours of their occurrence. Real estate activities include listing agreements, newly opened escrows (accepted purchase agreements), earnest money deposits escrow or closing has handled, cancelled and expired agreements, renewed agreements, referral fee agreements and/or any other business contract or arrangement involving an licensee and his/her client.

**20. 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.

**21. APPLICABLE LAW:** This Agreement is entered into the state of Alabama, and shall be governed by the laws of that State. Any lawsuit filed which arises out of or relates to this Agreement must be filed in the state in which licensee is licensed.

**22. TERMINATION OF AGREEMENT:** This Agreement may be terminated by either party, any time, with or without cause. Even after termination, this Agreement shall govern all disputes and claims between Broker and licensee connected with their relationship under this Agreement, including obligations and liabilities arising from existing and completed listings, transactions, and services.

**23. DISPUTE RESOLUTION:**

- **Mediation:** Mediation is recommended as a method of resolving disputes arising out of this Agreement between Broker and licensee.
- **Arbitration:** All disputes or claims between licensee and other licensee(s) associated with Broker or manager, or between licensee and Broker or manager, arising from or connected in any way with this Agreement, which cannot be adjusted between the parties involved, shall be submitted to the Association of REALTORS® of which all such disputing parties are members for arbitration pursuant to the provisions of its Bylaws, as may be amended from time to time, which are incorporated as a part of this Agreement by reference. If the Bylaws of the Association do not cover arbitration of the dispute, or if the Association declines jurisdiction over the dispute, then arbitration shall be pursuant to the rules of law in the state in which the licensee is licensed in. The Federal Arbitration Act, Title 9, U.S. Code, Section 1, et seq., shall govern this Agreement.

**24. LICENSEE AGREES AND UNDERSTANDS THAT:**

**24.1.** The Broker has an Office Policy and Procedure Manual which contains important information about the Company's general office policies. Licensee is expected to read, understand, and adhere to the Broker's office policies. The Company may, in its sole and absolute discretion, change any policies, benefits, or practices in the manual, with or without prior notice.

**24.2.** The Office Policy and Procedure Manual contains Broker's Policy against Harassment. Licensee agrees to comply with all aspects of the policy against sexual harassment and other forms of harassment.



## Acknowledgement of Independent Contractor Agreement:

I \_\_\_\_\_, the undersigned associate licensee do hereby acknowledge that I have read this Independent Contractor Agreement and agree to abide by its provisions during my association with the Broker. Licensee acknowledges receipt of a copy of this agreement for their records.

Licensee Print Name \_\_\_\_\_

Licensee Signature \_\_\_\_\_

Date \_\_\_\_\_

VRG Broker or Manager Print Name \_\_\_\_\_

VRG Broker or Manager Signature \_\_\_\_\_

Date \_\_\_\_\_