

**BROKER—SALESPERSON
INDEPENDENT CONTRACTOR AGREEMENT**

THIS AGREEMENT is entered into this ___ day of _____, 20___,
between _____ (“Broker”) and _____
_____ (“Salesperson”).

RECITALS:

Broker is engaged in business as a duly licensed real estate broker in
_____, Indiana, and operates a general real estate business;

Salesperson is engaged in business as a duly licensed real estate salesperson or
broker in _____, Indiana; and

It is deemed to be the mutual advantage of Broker and Salesperson to enter into
an independent contractor relationship whereby Salesperson will sell real estate on behalf
of Broker. Broker and Salesperson have set forth below all items pertaining to such
independent contractor relationship.

IT IS AGREED AS FOLLOWS:

1. FACILITIES AND SALES EFFORTS

- A. Efforts by Salesperson.** Salesperson shall proceed diligently, loyally, legally
and with best efforts to sell, trade, lease or rent all real estate listed with Broker
(except for any special listings which are exclusively placed by Broker with
another Salesperson), to solicit additional listings and customers or clients for
Broker, and otherwise to promote the business of serving the public in real estate
transactions.
- B. Use of facilities.** Salesperson may share with other salespersons or brokers all the
facilities in the office now maintained by Broker at _____,
in _____, Indiana in carrying out the terms of this
Agreement.
- C. Listings and cooperation.** Broker shall make available to Salesperson all current
listings, except such listings as Broker, for valid business reasons, may place
exclusively with some other salesperson, and agrees, upon request, to assist
Salesperson by advice and instruction. Broker has the sole right to approve,
extend, cancel or release any exclusive listing contract on any property at any
time by written notice to Salesperson and Seller. However, where Salesperson
has secured an exclusive listing contract and cancellation may cause Salesperson
to lose a commission earned or to be earned by virtue of securing the listing, then
Broker may not cancel without the written consent of Salesperson. All listings
and all action taken in connection with the real estate business shall be taken by
Salesperson in the name of Broker. All listings shall be filed with Broker within
twenty-four (24) hours after receipt by Salesperson. In accordance with Indiana

law, all listings shall be remain the separate and exclusive property of Broker unless otherwise agreed in writing by the parties.

2. ETHICS AND TRADE ORGANIZATIONS

- A. Conduct of business.** Salesperson shall conduct business and regulate habits and working hours in order to promote the good will, business, profits and reputation of Broker and Salesperson, and Broker and Salesperson agree to obey all applicable laws, rules and regulations.
- B. Membership.** Salesperson agrees to become and maintain status as a REALTOR® in a local Board/Association. Salesperson and Broker shall be governed by the NAR Code of Ethics, the Constitution and Bylaws of the Broker's and Salesperson's Boards/Associations of REALTORS®, and the rules and regulations of any Multiple Listing Service with which the Broker and Salesperson now or in the future may be affiliated. Each party acknowledges receipt of a copy of the Code of Ethics, local Board/Association Constitution and Bylaws and the rules of any applicable Multiple Listing Service. Salesperson shall pay all professional Board/Association dues.
- C. License laws and Commission rules.** Salesperson acknowledges receipt of a current copy of and shall obey the Indiana Real Estate License Law and Rules of the Indiana Real Estate Commission.

3. COMMISSIONS

- A. Compensation of Salesperson.** The commissions and fees for services rendered in the sale, rental, trade or listing of real estate shall be established from time to time by Broker. In no event shall Salesperson charge less than the commission or fee established by Broker without a prior written agreement pertaining to a particular transaction. Broker shall advise Salesperson of any such special arrangement. Commissions, when earned and paid pursuant to this Agreement, shall be divided between Broker and Salesperson after deduction of all expenses according to Salesperson's Commission Schedule, which is attached hereto and incorporated herein.
- B. Payment of commissions.** In the event that two (2) or more salespeople under contract with Broker participate in a sale and each claims a commission, the amount of the commission shall be divided equally among the salespeople or otherwise according to a written agreement among the salespeople; or if they shall be unable to agree, then it shall be submitted to arbitration. In no case shall Broker be personally liable to Salesperson for any commissions, nor shall Salesperson be personally liable to Broker for any commissions not collected. If commissions have been collected from the party for whom the service was performed, such sum shall be deposited with Broker and subsequently divided according to the terms of this Agreement. The division and distribution of collected commissions shall take place as soon as practicable.

4. EXPENSES

- A. Special and general expenses.** Broker shall not be liable to Salesperson for any expenses incurred by Salesperson nor shall Salesperson be liable to Broker for Broker's office help or expenses other than as specifically provided for in this Agreement. Certain "special expenses" directly attributable to a specific transaction shall be deducted from the gross commission prior to division of the net amount between Broker and Salesperson. Such expenses shall include travel expense outside of _____ County, attorney fees, accounting fees, renderings and items of a similar nature directly related to a specific transaction. Any "special expenses" shall not be allowable unless previously agreed upon in writing by the parties. Expenses of a general nature such as those for professional or customer relations which inure to the benefit of Broker, may be reimbursed to Salesperson by Broker if such reimbursement is previously agreed upon in writing by the parties.
- B. Real estate license, dues, taxes and bond.** Salesperson shall pay all fees or costs relating to Salesperson's real estate license and mandatory continuing education requirements, all professional dues, taxes and Notary Bond.

5. AUTHORITY

- A. Contracts in general.** Salesperson has no authority to bind Broker by any promise or representation, unless specifically authorized by Broker in writing in a particular transaction. Salesperson must submit to Broker promptly all purchase agreements, listing contracts and lease related documents.
- B. Correspondence, records and forms.** All correspondence, listing information, memoranda, files, photographs, reports, legal opinions, accounting information and any other documents or information concerning transactions handled by Broker or by Salesperson shall remain the sole property of Broker. Upon a reasonable request, Salesperson will be entitled to copies of such documentation.

6. LITIGATION AND CONTROVERSIES

- A. Broker's actions.** If Salesperson does not wish to enter into the following actions jointly with Broker, then Salesperson grants to Broker the power of attorney to institute an action in court concerning commissions or other matters related to the conduct of the real estate business of Broker and Salesperson under this Agreement, to conduct the same to a final decision, to negotiate settlements, to defend actions pertaining to the real estate business, to employ legal counsel and to conduct all matters in such manner as Broker deems desirable.
- B. Duty to cooperate.** If a transaction in which Salesperson is involved results in a dispute, litigation or legal expense, Salesperson shall cooperate fully with Broker. Broker and Salesperson shall share all expenses in the same proportion as they would normally share the commission resulting from any transaction if there were no dispute or litigation. It is the policy to avoid litigation whenever possible. Broker in Broker's sole discretion may determine whether or not any litigation or dispute shall be prosecuted, defended, compromised and settled. The terms of any settlement involving the payment of money or anything of value by Salesperson may be accepted by Broker without the prior written consent of Salesperson.

C. Default and hold harmless. If either party shall be in default of any provision of this Agreement and such breach shall result in damage to the other party, then the defaulting party shall pay the other party for such damage and shall defend and hold the other party harmless from any claim, demand, cause of action, lawsuit, attorney fees or costs which may result from any breach of this Agreement. There is hereby granted to the defaulted party a contractual lien upon any sum due to the other or which may be collected by the defaulted party and subsequently be due to the other party, to cover the items described in this provision.

7. QUALIFIED REAL ESTATE AGENT

A. Legal status and tax responsibilities. This Agreement does not constitute a hiring by either party, nor shall it be construed as one of employment or partnership, and neither party shall be liable for any obligation incurred by the other except as provided in this Agreement. It is understood that Salesperson is a qualified real estate agent under the Internal Revenue Code and will not be treated as an employee with respect to the services performed by Salesperson for federal tax purposes. Accordingly, Broker shall not withhold from Salesperson's commissions any amount of taxes. The parties are and shall remain independent contractors under this Agreement. Also, Salesperson will not be treated as an employee with respect to the services performed as a real estate agent for state tax purposes. Broker will not make any contributions with regard to social security taxes (FICA) on the earnings of Salesperson. Broker will provide the Salesperson with a Form 1099 MISC. summarizing annual income. Salesperson is responsible for all income taxes and self-employment taxes.

B. Workers compensation (select i, ii or iii)

- (i)** Broker shall furnish workers compensation insurance at Broker's expense to Salesperson in accordance with Indiana law.
- (ii)** Broker shall furnish workers compensation insurance to Salesperson in accordance with Indiana law. Salesperson agrees to reimburse Broker for all workers compensation insurance premiums paid by Broker on Salesperson's behalf.
- (iii)** Salesperson shall bear any and all responsibility for providing Salesperson's own workers compensation insurance coverage.

8. TERMINATION

A. Termination by the parties. This Agreement may be terminated by either party with or without cause and without liability at any time on three (3) days written notice to the other, but the rights of the parties to any commissions which accrued before the termination shall not be divested by the termination of this Agreement, except as provided herein. On transactions "pending" (i.e. sales made or listings produced) at termination but closed after termination, Salesperson shall receive Salesperson's usual commission share, but Broker may deduct fair and reasonable charges, if any, for expenses incurred and efforts

expended by Broker or Broker's designate for any services in closing the transaction.

- B. Listings.** Upon termination, all current listings remain the sole and exclusive property of Broker, and Salesperson shall conduct no further negotiations with respect to such listings.
- C. Transfer of license.** Upon termination, if Salesperson desires to transfer Salesperson's license to another real estate broker, Broker shall cooperate in the transfer of the license despite any circumstances in connection with the termination of association.
- D. Prospects and leads list.** Upon termination, Salesperson shall furnish to Broker a legitimate list of all prospects, leads and probable transactions developed by Salesperson, or upon which Salesperson shall have engaged with respect to any transaction prior to termination of this Agreement.
- E. Records and information.** Upon termination, Salesperson shall not furnish to any person, firm, company or corporation engaged in the real estate business any information as to Broker's clients, customers, properties, prices, terms of negotiations nor Broker's policies of relationships with clients and customers nor any other information concerning Broker or Broker's business. Salesperson shall not, after termination, remove from the files or from the office of Broker any keys, maps, books, publications, card records, investor prospect lists, or any other material, files or data. It is expressly agreed that such keys, records and information are Broker's property. Salesperson shall be entitled to copies of documents pertaining to transactions in which Salesperson has a legitimate interest, and Broker shall not unreasonably withhold such items from Salesperson.

9. DEPOSITS

- A. Earnest money deposits.** All purchase agreements shall be accompanied by an earnest money deposit of _____% of the purchase price, unless a higher or lower sum shall be mutually agreed to in writing by Broker, Seller and Salesperson. Salesperson is expressly prohibited from accepting a less earnest money deposit, to accept a post-dated check, or to agree not to deposit an earnest money check, without having mutually agreed in writing with Broker and Seller.

10. TRANSPORTATION

- A. Automobile expenses.** Salesperson shall furnish Salesperson's own automobile and pay all expenses, and Broker shall have no responsibility for same. Salesperson shall carry public liability insurance upon his automobile with minimum limits of \$_____ for each person and \$_____ for each accident and with property damage limit of \$_____. Salesperson agrees to furnish to Broker a certificate certifying insurance coverage naming Broker as an additional insured.

11. ARBITRATION PROCEDURES

- A. Agreement between the parties.** In the event of a dispute between Salesperson and Broker or any Salesperson under contract with Broker arising out of this Agreement, the parties shall submit the dispute to arbitration in accordance with the rules of Broker's and Salesperson's Board/Association or applicable Multiple Listing Service. Broker and Salesperson agree to be bound by the decision of the panel named by the applicable Board/Association.

12. MISCELLANEOUS PROVISIONS

- A. Heirs, successors and assigns.** This Agreement is binding upon the respective parties' heirs, executors, administrators, legal representatives, successors and assigns.
- B. Governing law.** This Agreement is governed by the laws of the State of Indiana.
- C. Assignment.** This Agreement is personal to the parties and may not be assigned, sold or otherwise transferred by either party.
- D. Waiver.** The failure of any party to enforce at any time any of the provisions or terms of this Agreement shall not constitute a waiver of any provision or term.
- E. Entire agreement.** This Agreement constitutes the entire agreement between Broker and Salesperson, and there are no agreements or understandings concerning this Agreement which are not fully set forth or incorporated herein.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date written above.

BROKER

SALESPERSON