

INDEPENDENT CONTRACTOR AGREEMENT

(ICA)

This Independent Contractor Agreement ICA("Agreement"), dated is made between:

("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 represents that Broker is a duly licensed real estate broker by the State of California, 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. Associate-Licensee shall keep his/her California CalBRE license current during the term of this Agreement, including satisfying all applicable continuing education and provisional license requirements.
3. **BROKER AND ASSOCIATE-LICENSEE RELATIONSHIP :**
 - o Broker and Associate-Licensee are independent contracting parties and this Agreement does not constitute an employment agreement by either party, nor shall it be construed as a partnership. Also, Broker shall not be liable for any obligation, injury, disability, or liability incurred by Associate-Licensee.
 - o Associate-Licensee assumes and agrees to perform no other professional real estate activities other than those regulated by the Bureau of Real 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 management, loans modification, , 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.

- Broker shall not limit Associate-Licensee's activities to geographical areas, or manner in which services are to be performed, except to the extent required by all applicable laws, policies, regulations, agreements, and procedures.
 - All lawful actions, which are taken or performed pursuant to this Agreement, shall be taken and performed in the name of the Broker. Associate-Licensee agrees and does hereby contribute all rights and title to any listings to Broker for the benefit and use of Broker, Associate-Licensee, and any other Licensees of Broker. Associate-Licensee must provide the Broker a completed file of each transaction with all necessary documentation according Broker's provided checklists.
 - 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 the Broker specifically authorized the same in writing.
 - The Broker will provide workers' 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.
 - Associate-Licensee is considered to be an Independent Contractor for tax purposes and will receive an IRS Form 1099-MISC at the end of each calendar year. 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. 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, supplies, advertisements, or marketing materials, and that Associate-Licensee is responsible for conducting business pursuant to this agreement at their own cost.

5. **LICENSED ACTIVITY:** Associate-Licensee shall be familiar and comply with, all applicable laws, policies, and procedures, including, but not limited to, anti-discrimination laws, restrictions against giving or accepting a fees or other things of value for the referral of business pursuant to the California Business and Professions Code, 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. The minimum service fee required to cover Broker's expenses is posted on the Addendum No.1 of this Agreement. 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.
 - o **BROKER COMPENSATION:** Broker compensation shall be charged to the parties who enter into listing or other agreements for services requiring a real estate license. Broker's fees are provided in Addendum No.1 of this Agreement and shall be payable after the transaction has been closed, except as may otherwise be agreed by Broker and Associate-Licensee before completion of any particular transaction.
 - o **ASSOCIATE-LICENSEE COMPENSATION:** Associate-Licensee shall receive the commission split agreed upon in Addendum No.1 of this Agreement. This compensation is payable out of compensation actually collected by Broker on transactions which Associate-Licensee's actions are the procuring cause. This amount shall be payable after all necessary documentation is received, and Broker is paid; except as may otherwise be agreed upon by Broker and Associate-Licensee before completion of any particular transaction. Associate-Licensee may receive their commission directly from escrow, if the completed transaction file was presented for Broker's review a minimum of two (2) business days before close of escrow and accepted by 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 deductible, 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 commission 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.

- **RISK-MANAGEMENT FEE:** The risk-management fee shall be deducted by the Broker from the associate licensee's earned gross commission and will be used by the company to offset risk-management costs at sole Broker's discretion. The risk-management fees are listed in Addendum No. 1 of this Agreement.
- **REFERRAL COMPENSATION:** Associate-Licensee may receive a referral fee or some other sort of compensation from another broker, agent, or company. The referral fee must be paid to Broker. Associate-Licensee can't directly accept a referral fee. Broker's fees for referral are provided in Addendum No. 1 of this Agreement.
- **BROKER PRICE OPINIONS (BPO):** With Broker's approval, upon performing Broker's Price Opinions (BPO), Associate-Licensee is permitted to receive checks directly from the company for which the BPOs are submitted. Broker's fees for BPO are provided in Addendum No. 1 of this Agreement.
- **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 leaves the Broker and has pending transactions that require further work normally rendered by the Associate-Licensee, Broker shall make arrangements for Broker or another Associate-Licensee in the company to perform the required work, and the Broker or Associate-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.
- **RECRUITMENT INCENTIVE COMPENSATION:** If Associate-Licensee refers other real estate agents to join Broker, Associate-

Licensee may receive recruiting compensation from the Broker. The amount and requirements to receive recruitment compensation are provided in Addendum No. 1 of this Agreement.

- **DIRECT COMPENSATION TO ASSOCIATE-LICENSEE:** Associate-Licensee cannot directly receive any compensation for performing real estate business without Broker's approval.
 - **ADVANCE FEE:** Collecting any kind of advance fee from a client is prohibited for Associate-Licensee.
7. **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 Associate-Licensee according to the manner and term indicated in Broker's Office Policy Manual.
 8. **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.
 9. **TRUST FUND (EARNEST MONEY DEPOSIT) HANDLING:** According to the Business and Professions Code and Commissioner's Regulation, trust funds received **MUST** be placed into a neutral escrow depository (escrow/title company), or a trust account maintained by the Broker no later than three business days after receiving the funds. Associate-Licensee agrees to follow Broker's instructions listed on the REeBroker website when handling earnest money funds. Associate-Licensee agrees to refrain from receiving funds from clients in its personal or company name, to include receiving any cash payments from clients.
 10. **FICTITIOUS BUSINESS NAMES AND LOGOS:** While affiliated with Broker, Associate-Licensee shall use Broker's name(s) and/or corresponding distinctive logo on signage, stationery, Web sites, and/or any other marketing materials. Associate-Licensee agrees that Broker retains exclusive rights to the Broker's name(s), trademark logo and graphics. Associate-Licensee agrees to discontinue the use of the Broker's trademark logo and graphics immediately upon the termination of this Agreement.
 11. **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 indemnify and hold Broker blameless for any costs or damages, legal or otherwise, specifically arising as a result of Associate-Licensee's failure to comply with the guidelines outlined in this paragraph.

12. LIABILITY/INDEMNITY, FRAUD AND MISREPRESENTATION: In addition to all other legal or equitable remedies of Broker, Associate-Licensee shall indemnify and hold Broker and its owner(s), affiliates, shareholders, directors, officers, agents, employees, successors, and assigns harmless and shall reimburse the same with respect to any and all losses, damages, demands, claims, liabilities, costs and expenses, including reasonable attorney fees (collectively "Losses"), incurred by reason of, arising out of, or in connection with any fraud or misrepresentation, or claim or accusation thereof, concerning Associate-Licensee, including, but not limited to, Associate-Licensee's misrepresentation of its relationship with Broker to any third party or any action or omission by Associate-Licensee taken or omitted pursuant to this Agreement. 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.

- 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, and representation costs, resulting from, or in connection with, Associate-Licensee's real estate transaction(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 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 affiliation with Broker.
- Associate-Licensee agrees to assist Broker in the defense or mitigation of any controversy legal or otherwise that arises from, out of, or in relation to Associate-Licensee's real estate transaction(s) or affiliation with Broker. Associate-Licensee's assistance will include, but not be 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.
- 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.
- Associate-Licensee must receive approval from Broker prior to filing an E & O insurance claim, and any unauthorized claims will result in Associate-Licensee being held responsible for payment of the E & O insurance deductible.

- 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.
- 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 attorneys fees, court costs and other expenses incurred by Broker for such collection action, 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.

13. **INJURIES TO ASSOCIATE-LICENSEE:** 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.

14. **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.

15. **WORKING PLACE:** Broker doesn't provide an office space for the Associate-Licensee. Associate-Licensee may work from home, personal office, vehicle or any other locations of Associate-Licensee's choice. However, Associate-Licensee is responsible to store all transaction documents in a secure place and be able to present them at the Broker's request within 24 hours. Associate-Licensee must be accessible by phone, e-mail and postal mail, and respond to voicemails within a maximum time frame of 24 hours. Associate-Licensee must maintain current contact information in Associate-Licensee's profile on Broker's online system. Broker may register Associate-Licensee office as a Broker's branch, if Associate-Licensee requests it.

16. **ACTIVITY REPORTING:** Associate-Licensee is required to report all his/her real estate activities to the Broker within 48 hours of the 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(s). Proper reporting is when the Associate-Licensee opens a new transaction, makes changes, uploads documents, or writes notes in the transaction file on the Broker's online system.

17. **ENTIRE AGREEMENT:** This Agreement contains the entire Agreement of the parties and there are no promises or conditions in any other Agreement, whether verbal or written. This Agreement supersedes any prior written or verbal 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.
18. **APPLICABLE LAW:** This Agreement is entered into in the County of San Diego, California, and shall be governed by the laws of the State of California. Consent to Jurisdiction and Forum Selection, the parties hereto agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the State courts located in the County of San Diego, State of California.
19. **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.
20. **CONFIDENTIAL INFORMATION AND NON-DISCLOSURE:** 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.
21. **PASSWORD AND LOGIN TO BROKER'S ONLINE SYSTEM:** Associate-Licensee will be provided a secured access to Broker's online system (website) via a password and login identification. Associate-Licensee agrees to keep their password and login identification in secret, and has been provided notice of the importance thereof.
22. **ASSOCIATE-LICENSEE AGREES AND UNDERSTANDS THAT:**

- Broker's Office Policy Manual contains important information about the Company's general office policies. Associate-Licensee is advised to read, understand, and adhere to Broker's policies. The Broker may, in its sole and absolute discretion, change any policies, benefits, or practices in the Manual, with or without prior notice.
- Associate-Licensee agrees to comply with all aspects of the important rules and Broker regulations posted on Associate-Licensee home webpage provided and maintained by Broker.
- Associate-Licensee agrees with fees, fines and charges posted in Addendum #1 which is undivided part of this agreement.
- Associate-Licensee's electronic certification below confirms that he/she has read Broker's Office Policy Manual, this Independent Contractor Agreement and Addendum #1, and agrees to abide by its provisions during his/her association with Broker. It supersedes all prior Agreements, understandings, and representations concerning Associate-Licensee's association with the Broker.
- Associate-Licensee understands, and hereby agrees, that he/she can sign this Agreement electronically (by certifying below) or by signing and submitting a paper copy of this Agreement to the Broker.