



INDEPENDENT CONTRACTOR AGREEMENT
(Between Broker & Associate-Licensee)

This Agreement made and entered into this Date , by and between Magna Capital Group, Inc. (Broker) and _____ (Associate-Licensee). The parties hereto agree as follows:

1. **EMPLOYMENT.** Broker shall employ the Associate-Licensee, and the Associate-Licensee shall serve Broker the terms and conditions hereinafter set forth. Associate-Licensee acknowledges and agrees to the Associate-Licensee relationship with Broker.

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 name within the past 5 years, except _____. Associate-Licensee shall keep his/her California DRE license current during the term of this Agreement, including satisfying all applicable continuing education and provisional license requirements.

3. **TERMS AND EXTENSION.** The employment of the Associate-Licensee hereunder shall commence at the time that his DRE and/or NMLS licenses are transferred to Broker and shall continue until written notice from either party to this agreement is delivered to the other party expressing their desire to terminate. Associate-Licensee understands that this is an “at-will” relationship, which Broker may terminate for any reason, at any given time without notice and withhold any commissions to cover outstanding balances.

4. **DUTIES.** Associate-Licensee agrees to conduct themselves and their business activities in accordance with Broker’s standards of professional practice.

Associate-Licensee acknowledges that all agency relationships entered into for any real estate transaction exist between the Broker and the client, and that the Associate-Licensee owes a duty of reasonable care to the broker and the broker’s clients. During the period or periods of employment hereunder, the Associate-Licensee shall serve Broker and shall perform any and all general real estate services for real property required or requested in connection with their business.



Associate-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 standard as required so that the Associate-Licensee commits no act of any type for which the Real Estate Commissioner of the State of California is authorized by section 10176 of the California Business and Professions Code to suspend or revoke license.

5. **REAL ESTATE EXPENSES.** Associate-Licensee agrees to cover all related real estate costs to conduct business on his/her own. This is including, but not limited to all taxes (i.e. federal, social security, state, local), insurance premiums, business and division license fees, Realtor Fees, MLS fees, postage, copier, all types of phone service, business cards, signs, lockboxes, advertising, etc.
6. **BROKER COMPENSATION.** Broker compensation shall be charged to the parties who enter into listing or other agreements for services requiring a real estate license. This amount shall be payable only after transaction has been closed, except as may otherwise be agreed by Broker and Associate-Licensee before completion of any particular transaction.
Refer to "Exhibit A"
7. **ASSOCIATE-LICENSEE COMPENSATION.** Associate-Licensee shall receive 100% of compensation actually collected by Broker, minus Broker compensation, on listings or other agreements for services requiring a real estate license, which are solicited and obtained by Associate-Licensee, and where Associate-Licensee's activities 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 the completion of a particular transaction. All fees and commissions must be payable to the Company. You will be paid out of the fees and commissions earned by you, based on the terms mentioned in the Independent Contractor Agreement. Expenses of any kind incurred by Associate-Licensee with the Company, or incurred by the Company on Associate-Licensee's behalf, including but not limited to unpaid draws and advances, expenses for advertising, signs, supplies, and/or any such expenses that Associate-Licensee has agreed to pay the Company, but have not been paid in accordance with the Company policy, shall be deducted from the next commission payments due to Associate-Licensee.
Refer to "Exhibit B"



On the transactions that Associate-Licensee has not originated by himself or herself independently and Broker has introduced the deal or has spent any time in closing the transaction, Broker will pay 50% of gross commissions received by Broker for each completed transaction, minus \$250.00 transaction fee per escrow. Associate-Licensee hereby agrees to conduct all his business in real estate sales and loans exclusively with Broker.

8. **FEES.** Associate-Licensee agrees that any expense incurred in negotiating the transaction shall first be deducted from gross commission before any split.
9. **RISK MANAGEMENT FEE:** A Risk Management Fee will be charged per closed transaction (see Addendum 1 for details). This fee shall be deducted by Broker from Associate-Licensee's earned gross commission, per transaction, and will be used by the Company to offset the cost of E & O insurance, settlements, judgments, legal fees, costs of claims and litigation, and other risk-management costs.
10. **CONFIDENTIALITY.** Associate-Licensee agrees to maintain strict confidentiality with regard to brokerage clients, brokerage policy, brokerage procedure and any other brokerage information deemed confidential information for a period of no less than three years following termination or while employed by Broker.
11. **INDEMNIFICATIONS AND HOLD HARMLESS PROVISION.**
Associate-Licensee hereby agrees to indemnify and hold harmless Broker, its owner, officers, brokers, agents or representatives from any and all claims by the Associate-Licensee, which may arise out of and in the course of the performance of his/he duties hereunder. Any and all claims for unemployment benefits and or claims for workers' compensation benefits are hereby expressly waived by the within Associate-Licensee who agrees to maintain separate policies of liability, health, and accident insurance as may be necessary/required by Broker in connection with connection with performance of its duties.
12. **RECRUITMENT.** Associate-Licensee agrees not to solicit, recruit, employ, or entice Broker partners, affiliates, agents and/or employees in writing or any other manner, including furnishing information regarding Broker partners, affiliates, agents and/or employees to anyone, to leave Broker employment or association, for a period of no less than three years following termination or while employed by Broker.



13. **RELATIONSHIP BETWEEN PARTIES.** Broker employs the Associate-Licensee only for the purposes and to the extent set forth in this agreement, and their relation to Broker shall, during the period of employment and services hereunder, be that of an independent contractor. Associate-Licensee shall be free to dispose of such portion of their entire time, energy, and skill during regular business hours as he/she is not obligated to devote hereunder to Broker in such manner as he/she sees fit and to such persons, firms, or corporations as he/she deems advisable. The Associate-Licensee shall not be considered as having an employee status or as being entitled to participate in any plans, arrangement, or distributions by Broker pertaining to or in connection with any insurance, pension, stock, bonus, profit-sharing, or similar benefits for their regular employees.

Upon disassociation, pending escrows to close at Broker and proceeds, minus fees/expenses, along with current listings, to be forwarded to the transferred brokerage in a reasonable time if the Associate-Licensee leaves in good standing, outstanding fees are paid in full and the clients sign necessary paperwork to transfer the files. Associate-Licensee will forfeit all proceeds and listings if a replacement brokerage is not found and/or he/she leaves the business. If terminated for cause, listings and pending files will be released at the discretion of the Broker/Manage.

14. **AUTOMOBILE INSURANCE:** Associate-Licensee shall maintain automobile insurance coverage for liability and property damage. Broker shall be held harmless against any claims or demands resulting from any automobile accident of Associate-Licensee or as a result of Associate-Licensee's default in this paragraph. Associate-Licensee shall keep his/her vehicle property maintained, and in safe driving condition at all times.

15. **PROFESSIONAL RESPONSIBILITY.** Associate-Licensee acknowledges the Broker-Associate-Licensee relationship as defined by California and common law whereby the Broker is the responsible party for the Associate-Licensee's conduct, and further agrees to conduct themselves at all time and is all transactions with honesty, integrity, professionalism and with utmost respect and adherence to any agency relationship between the Broker and a Client. Associate-Licensee pledges to Broker that all transactions will be fair, honest and ethical, in full compliance with all state and federal laws. Associate-Licensee shall consult the Broker/Manage regarding any questions of law, ethics, and standard real estate practices.



- 16. ASSOCIATE-LICENSEE'S ASSISTANTS/EMPLOYEES.** Associate-Licensee's assistants/employees, if any, who perform services for Associate-Licensee shall be bound by the provisions of this agreement. Associate-Licensee's responsibilities include advising its employees of the terms of this Agreement and supervising their activities to insure their compliance with all of its terms. At the request of the Broker, Associate-Licensee shall provide evidence that such persons are Associate-Licensee's employees and are bound by this Agreement. Associate-Licensee shall have a writing agreement with the assistant/employee which establishes the terms and responsibilities of the parties to the employment agreement, including, but not limited to compensation, supervision, and compliance with applicable law.
- 17. OFFICE POLICY MANUAL.** If Broker's office Policy Manual, now or as modified in the future, conflict with or differs from the terms of this Agreement, the terms of the Office Policy Manual shall govern the relationship between Broker and Associate-Licensee. Changes to Office Policy Manual may be made from time to time, with or without prior notice. The policies online at anytime represent the Company's current Office Policy Manual.
- 18. ACTIVITY REPORTING.** Associate-Licensee is required to report all real estate activities to the Broker within 48 hours of their occurrence. Real Estate activities include listing agreements, newly opened escrow (accepted purchase agreements), earnest money deposits, cancelled or expired agreements, renewed agreements, referral fee arrangements, and/or any other business contract or arrangement involving an Associate-Licensee and his/her client. There are penalties for ignoring this requirement (see Addendum 1 for details)
- 19. EARNEST MONEY DEPOSITS.** Associate-Licensee acknowledges and understands that Broker does not maintain a trust account, and that all earnest money deposits received from clients must be made payable and deposited immediately to escrow, and reported to broker. Associate-Licensee shall never 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.



20. **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/assistants). It is Associate-Licensee's obligation to obtain appropriate insurance coverage for the benefit of Associate-Licensee and its employee/assistants, if any, for any injuries. Associate-Licensee and its employee/assistants waive any rights to recovery from Broker for any injuries that Associate-Licensee and/or its employees may sustain while performing under this Agreement.
21. **WORKING PLACE:** Broker does not provide an office space for the Associate-Licensee. Associate-Licensee may work from home, personal office, or any other place 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 to Broker's request within 24 hours. Associate-Licensee must be accessible by phone, fax, email, and postal mail, and respond to voicemails within a maximum of 24 hours.
22. **PROPERTY MANAGEMENT.** Associate-Licensee is NOT allowed to provide property management services to the public. The conducting of a property management business (soliciting owners and renters, renting, leasing, and maintaining properties in expectation of compensation) to the public, without the knowledge and permission of the employing broker is in violation of Section 10131(b) and 10137 of the Business and Professions Code. This action is subject to real estate and license suspension or revocation and/or civil lawsuit.
23. **LEASE AGREEMENTS.** Associate-Licensee can write rental/lease agreements for their clients. Associate-Licensee can list a rental property on the MLS, market it, show it to a potential tenant, and introduce him/her to the owner. The owner or his/her representative must complete the rest of the rental process. Associate-Licensee can accept a rent payment or deposit, only if it is payable to the property owner or management company. Associate-Licensee must never sign any rental documents in place of an owner or tenant. Associate-Licensee must not accept any type of compensation directly from a property owner or tenant-the compensation must be approved by the Broker, and paid to the Company. The Broker's fee is waived if the agent is also the tenant, or the owner of the rental property (Agent's name is on the property title or lease agreement). All commission checks must be made payable to the Company. Broker will take a



flat fee of 10%, and Associate-Licensee will receive the 90% of any commission earned.

24. **LOAN MODIFICATIONS.** Associate-Licensee shall NOT help their clients with, or participate in, a loan modification in ANY way. This includes, but is not limited to: 1) Representing them as you 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) Assisting in any way with a loan modification.
25. **AGENT OWNED PROPERTY.** Any property in which you have , or will acquire, an ownership, financial, or other legal interest is considered “Agent Owned Property”. Associate-Licensee must disclose that they are a DRE licensee, and that they have ownership interest in the property. Also, all transactions involving Agent Owned Property must have a home warranty, home inspection, and applicable disclosures (see Agent Transaction Manual for details). You may NOT represent a buyer/prospective buyer in the sale of any Agent Owned Property, and you must notify Broker immediately in the event that any of the Company’s agents writes an offer on your property. In the event that any transaction involving Agent Owned Property, Associate-Licensee shall be solely responsible for the cost of defense, settlement, or judgment arising from any claim, suit, or action of any nature.
26. **SEVERABILITY.** Should any provision of this Agreement, or the application thereof, to any extent, be invalid or unenforceable, the remainder of this Agreement and that application thereof, other than those provisions as to which it will have been held invalid or unenforceable, will not be affected thereby and will continue to be valid and enforceable to the fullest extent permitted by law or equity.
27. **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 Associate-Licensee connected with their relationship under this Agreement, including obligations and liabilities arising from existing and completed listings, transactions and services.



28. **CHANGES.** Associate-Licensee agrees to abide by any changes to this Agreement or company policies either by email, company web site and/or any other method in writing, taking effect as stated in the notice.

29. **ENTIRE AGREEMENT.** The contents of this agreement shall be construed in accordance with California State law and shall constitute the entire Agreement between parties. Executed on the date first written above.

Sign (Associate-Licensee)
Date

Sign (Broker/Manager)
Date

Print Name

Print Name



AGENT INFORMATION

NAME: _____

ADDRESS: _____

CITY: _____ **STATE:** _____ **ZIP:** _____

CELL PHONE: _____ **FAX:** _____

HOME PHONE" _____ **OTHER PHONE:** _____

EMAIL(S): _____

EMAIL(S): _____

WEBSITE: _____

SOCIAL SECURITY#: _____ **BIRTH DATE:** _____

RE LIC#: _____ **ISSUED:** _____ **EXPIRES:** _____

SPOKEN LANGUAGE(S): _____

PREVIOUS FIRM: _____ **YRS in RE:** _____

REFERRED BY: _____

EMERGENCY CONTACTS:

1) NAME: _____

CELL PHONE: _____ **HOME PHONE:** _____

2) NAME: _____

CELL PHONE: _____ **HOME PHONE:** _____

NOTES: _____
