

INDEPENDENT CONTRACTOR AGREEMENT

(Between Broker and Independent Contractor)

This Independent Contractor Agreement (“Agreement”), dated, is made between **Key Factor Realty, LLC** (herein referred to as “Broker”) and (herein referred to as “Independent Contractor”). In consideration of the covenants and representations contained in this Agreement, Broker and Independent Contractor agree as follows:

1. **BROKER:** Broker represents that Broker is duly licensed as a real estate broker by the State of Arizona, doing business as Key Factor Realty, LLC. Broker shall keep Broker’s license current during the term of this Agreement.
2. **INDEPENDENT CONTRACTOR:** Independent Contractor represents that he or she is duly licensed by the State of Arizona as a real estate broker or salesperson. Independent Contractor shall keep his/her Arizona RE license current during the terms of this Agreement, including satisfying all applicable continuing education and provisional license requirements.
3. **BROKER AND INDEPENDENT CONTRACTOR RELATIONSHIP:**
 - 3.1. Broker and Independent Contractor 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 Independent Contractor.
 - 3.2. Independent Contractor assumes and agrees to perform no other activities other than those regulated by the Department of Real Estate in association with the Broker, except to solicit and obtain listings and sales of real estate for the parties’ mutual benefit, and to do so in accordance with the law and with the ethical and professional standards as required, so that the Independent Contractor commits no act of any type for which the Real Estate Commissioner of the State of Arizona is authorized to suspend or to revoke a license. Independent Contractor must obtain written approval from Broker to perform other business such as processing loans, BPO, property management, loans modification, legal consultation, etc.
 - 3.3. Broker shall not limit Independent Contractor’s activities to geographical areas, by 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 the Broker. Independent Contractor agrees and does hereby contribute all right and title to such listings to Broker for the benefit and use of Broker, Independent Contractor and other Licensees of Broker. Independent Contractor must provide the Broker a completed file of each closed transaction with all necessary documentation.
 - 3.5. Independent Contractor 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 Independent Contractor unless the Broker specifically authorized it in writing.
 - 3.6. Independent Contractor is considered to be an Independent Contractor for tax purposes and will receive IRS Form 1099-MISC at the end of each calendar year. The Broker will NOT withhold taxes or Social Security from Independent Contractor’s compensation. Payment of taxes and Social Security contributions are Independent Contractor’s responsibility. Independent Contractor is also considered an independent contractor for purposes of Unemployment Insurance.
 - 3.7 Independent Contractor agrees to work for Broker as an Independent Contractor and not as Employee for Federal Tax purposes, (I.R.S 3508), Workers Compensation (A.R.S § 23-910), or Employee Security Act (A.R.S § 23-617(14)).
4. **BUSINESS EXPENSES:** Broker shall not be liable to Independent Contractor for any expenses incurred by Independent Contractor or for any of its acts. Independent Contractor agrees to provide and pay for all necessary professional licenses and dues. Independent Contractor understands and agrees that Broker shall not provide any office or place of business, and that Independent Contractor is responsible for conducting business at his/her own cost, if any. Broker shall not be liable to reimburse Independent Contractor for any expenses.
 - 4.1 Key Factor Realty, LLC agrees to make available to Independent Contractor, as desired by Independent Contractor, the use of signs, brochures or other sales materials and equipment used by Key Factor Realty in the conduct of its business
5. **LICENSED ACTIVITY:** Independent Contractor shall be familiar and comply with, all applicable laws, policies, and procedures, including, but not limited to, anti-discrimination laws and restrictions against giving or accepting a fee, or other thing 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 Arizona Board of Realtors and the Real Estate Settlement Procedures Acts (RESPA).

6. COMPENSATION: Compensation shall be charged to the parties who enter into listing or other agreements for services requiring a real estate license. Independent Contractor may use its own discretion regarding what commission fee to charge its clients for these services. Independent Contractor 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.

6.1. 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 only after the transaction has been closed, except as may otherwise be agreed by Broker and Independent Contractor before completion of any particular transaction.

6.2. INDEPENDENT CONTRACTOR COMPENSATION: Independent Contractor shall receive a commission split agreed upon in Addendum No.1 of this agreement. This compensation is payable out of compensation actually collected by Broker, on listings or other agreements for services requiring a real estate license, which are solicited and obtained by Independent Contractor, and on transactions of which Independent Contractor'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 upon by Broker and Independent Contractor before completion of any particular transaction. Independent Contractor may receive his/her 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.

6.3. 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 the cost of E&O insurance, settlements, judgments, legal fees, costs of claims and litigation and other risk-management costs. The risk-management fees are listed in Addendum No. 1 of this agreement.

6.4. REFERRAL COMPENSATION: Independent Contractor 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. Independent Contractor can't directly accept a referral fee. Broker's fees for referral are provided in Addendum No. 1 of this agreement.

6.5. BROKER PRICE OPINIONS (BPO): With Broker's approval, upon performing Broker's Price Opinions (BPO), the agent 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.

6.6. COMPENSATION AFTER TERMINATION: Upon termination of this agreement, payments under this section shall cease; provided, however, that so long as Independent Contractor is not in default of any provision of this Agreement, Independent Contractor shall be entitled to payments for periods or partial periods that occurred prior to the date of termination and for which Independent Contractor has not yet been paid. Independent Contractor 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 Independent Contractor leaves the Broker and has pending transactions that require further work normally rendered by the Independent Contractor, Broker shall make arrangements for Broker or another Independent Contractor in the company to perform the required work, and the Broker or Independent Contractor assigned shall be compensated for completing the details of pending transactions and such compensation shall be deducted from the terminated Independent Contractor's share of the commission.

6.7. RECRUITMENT INCENTIVE COMPENSATION: If Independent Contractor refers other agents to join Broker, Independent Contractor may receive recruiting compensation from the Broker. The amount and requirements to receive recruitment compensation are provided in Addendum No. 1 of this agreement.

6.8. DIRECT COMPENSATION TO INDEPENDENT CONTRACTOR: Independent Contractor cannot directly receive any compensation for performing real estate business without Broker's approval.

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 Independent Contractor according to the manner and term indicated in Broker's Office Policy Manual.

8. AUTOMOBILE INSURANCE: Independent Contractor shall maintain automobile insurance coverage for liability and property damage. Broker shall be indemnified and held harmless against any claims or demands resulting from any automobile accident of Independent Contractor.

8.1 Independent Contractor shall maintain in force and effect personal automobile liability insurance in the face amounts of at least One Hundred Thousand Dollars (\$100,000) for any one person or Three Hundred Thousand Dollars (\$300,000) for any one (1) accident and with property damage coverage of at least Fifty Thousand Dollars (\$50,000)

9. TRUST FUND (EARNEST MONEY DEPOSIT) HANDLING:

According to 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 immediately after receiving the funds. Independent Contractor must follow Broker's instructions listed in the Broker Office Policy Manual when handling the earnest money funds. Independent Contractor shall never receive funds from clients in its personal or in its Company name nor receive any cash payments from clients.

10. **FICTITIOUS BUSINESS NAMES AND LOGOS:** While affiliated with Broker, Independent Contractor shall use Broker's name "**Key Factor Realty, LLC**" or "**Key Factor Realty**" or corresponding distinctive logo on signage, stationery, Web sites, and/or any other marketing materials. Independent Contractor agrees that Broker retains exclusive rights to the "Key Factor Realty, LLC" and "Key Factor Realty" trademark logo and graphics. Independent Contractor agrees to discontinue the use of the Key Factor Realty trademark logo and graphics immediately upon the termination of this Agreement.

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

12. **LIABILITY:** In addition to all other legal or equitable remedies of Broker, Independent Contractor shall indemnify and hold Broker and its owner(s), 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 (collectively "Losses"), incurred by reason of or arising out of or in connection with any fraud or misrepresentation of Independent Contractor, including, but not limited to, Independent Contractor's misrepresentation of its relationship with Broker to any third party or any action by Independent Contractor taken or omitted pursuant to this Agreement. Any such claims or costs payable pursuant to this Agreement are due to be paid in full by Independent Contractor, who hereby agrees to indemnify and hold harmless Broker for all such sums.

13. **INJURIES TO INDEPENDENT CONTRACTOR:** It is Independent Contractor's obligation to obtain appropriate insurance coverage for the benefit of Independent Contractor and its employees, if any, for any injuries. Independent Contractor and its employees waive any rights to recovery from Broker for any injuries that Independent Contractor and/or its employees may sustain while performing services under this Agreement.

14. **INDEPENDENT CONTRACTOR'S EMPLOYEES:** Independent Contractor's employees, if any, who perform services for Broker under this Agreement, shall also be bound by the provision of this Agreement. Independent Contractor'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, Independent Contractor shall provide evidence that such persons are Independent Contractor's employees and are bound by the provisions of this Agreement.

15. **WORKING PLACE:** Broker doesn't provide an office space for the Independent Contractor. Independent Contractor may work from home, personal office, vehicle or any other locations of Independent Contractor's choice. However, Independent Contractor 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. Independent Contractor must be accessible by phone, fax, e-mail and postal mail, and respond to voicemails within a maximum time frame of 24 hours.

Broker may register Independent Contractor office as a Key Factor Realty branch, if Independent Contractor requests it.

16. **ACTIVITY REPORTING:** Independent Contractor 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, cancelled and expired agreements, renewed agreements, referral fee agreements and/or any other business contract or arrangement involving an Independent Contractor and his/her client(s). Proper reporting is when the Independent Contractor opens a new transaction, makes changes, uploads documents or writes notes in the transaction file on the Broker's Web site.

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 Maricopa, Arizona, and shall be governed by the laws of the State of Arizona. Any lawsuit filed which arises out of or relates to this Agreement must be filed in the County of Maricopa, State of Arizona.

19. 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 Independent Contractor connected with their relationship under this Agreement, including obligations and liabilities arising from existing and completed listings, transactions and services.

20. CONFIDENTIAL INFORMATION AND NON-DISCLOSURE: The Independent Contractor will have access to and become acquainted with 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. Independent Contractor 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 Independent Contractor seek to derive benefit from such Confidential Information.

INDEPENDENT CONTRACTOR AGREES AND UNDERSTANDS THAT:

20.1. Key Factor Realty Office Policy Manual contains important information about the Company's general office policies. Independent Contractor is expected to read, understand, and adhere to Broker's policies. The Company may, in its sole and absolute discretion, change any policies, benefits, or practices in the Manual, with or without prior notice.

20.2. Office Policy Manual contains Broker's Policy against Harassment. Independent Contractor agrees to comply with all aspects of the policy against sexual harassment and other forms of harassment.

20.3. Independent Contractor's signature below certifies that he/she has read Broker's Office Policy Manual and agrees to abide by its provisions during his/her association with Broker. It supersedes all prior agreements, understandings, and representations concerning Independent Contractor's association with the Company.

IN WITNESS WHEREOF, the parties here hereto executed this agreement as of the day and year first above written.

COMPANY:
Key Factor Realty, LLC
An Arizona Limited Liability Company

INDEPENDENT CONTRACTOR:

BY _____
Date

Anna Devy
Designated Broker
9852 E. Redfield Rd
Scottsdale, AZ 85260

Date

Name:
Address:
City/ State, Zip:
Phone:

Please print this agreement for your records.