



LIFE, LIBERTY AND THE PURSUIT OF REAL ESTATE

## INDEPENDENT CONTRACTOR AGREEMENT

THIS AGREEMENT made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between **Amir Feinsilber (Designated Broker/Owner)**, of **Liberty Realty Washington**, (hereinafter referred to as "Broker"), and

\_\_\_\_\_, (hereinafter referred to as "Salesman/Contractor").

### The Parties recite that:

A. Broker is duly registered and licensed with the States of **Nevada, California and Washington** as a real estate broker.

B. Salesman is duly registered and licensed with the State of Washington as a real estate salesman whose license expires \_\_\_\_\_.

In consideration of the mutual covenants set forth below, the parties agree as follows:

### 1. STATEMENT OF EMPLOYMENT

Effective as of the date of this Agreement, Broker employs Salesman as a real estate contractor.

### 2. DUTIES OF SALESMAN

Contractor agrees to work for Broker as an Independent Contractor, and not as an employee; however, Contractor understands that Broker is legally accountable for the activities of the Contractor. All costs and obligations incurred by Contractor in conducting his/her independent business shall be paid solely by Contractor, who will hold Broker harmless from any and all such costs and obligations. Contractor will act independently as to the management of his/her own expenses, such as industry association dues, licensing renewals, pagers, cellular telephones, etc., as they are incurred.

### 3. COMMISSIONS ON SALES AND OFFICE DUES

As commissions are earned by Broker through the efforts of Contractor, 100% of any and all such commissions shall be paid to Contractor by Broker promptly after receipt and processing, less any amounts owed to Broker, subject to the following provisions:

#### Please acknowledge each item with an initial or an "X"

\_\_\_\_ (initial): **\$50/Month \* \$350/Transaction (Plus B&O Taxes)**

\_\_\_\_ (initial): In consideration of the foregoing, Contractor will pay to Broker a non-refundable annual E&O (Errors and Omissions Insurance) supplement fee of \$100 upon execution of this agreement.

\_\_\_\_ (initial): Contractor agrees to enroll in our bank automated clearing house (ACH) agreement for monthly and annual dues and understands that additional third party expenses will be drafted as payment is due.

\_\_\_\_ (initial) The transaction fee will be withheld by and paid to Broker out of the commissions earned by Contractor in **each transaction**. The above fees are due on any transaction generated by agent, whether the agent chooses to "credit" commissions to anyone in or outside of the transaction.

\_\_\_\_ (initial) BUSINESS TRANSACTIONS: 10% of total commission to be paid to Broker on Business, Land, Leases, Referrals and Commercial (5+ units shall be considered a Commercial transaction). You may not do commercial or sell businesses without written approval by Broker. This is necessary to keep our E&O insurance premiums low. Commercial sales (or

leases) are 10% to the office of whatever commission you were offering in the MLS to the other agent. There are never transactions with "NO FEES" to the office.

\_\_\_\_ (initial) RESIDENTIAL RENTALS & REFERRALS: Such commissions will be subject to a 10% flat fee payable to Broker (with a cap of \$350). Paper checks under these transactions will be paid out within 5 business days of receipt.

\_\_\_\_ (initial) On some occasions, an agent (acting as seller or buyer) does not "collect" a commission for their own sale/purchases. The transaction fee is due Broker in either case. Double ending a transaction will be subject to twice your selected transaction fee schedule above.

\_\_\_\_ (initial) Contractor understands and agrees that because Contractor is an Independent Contractor, and not an employee of Broker, Broker will not withhold any Federal Income Tax, Social Security (FICA) or Unemployment (FUTA) taxes from Contractor's commissions paid. Contractor is personally responsible for paying any and all Federal, Social Security and other taxes, and for maintaining all expense records as required by law, and represents to Broker that all such amounts will be withheld and paid. Required B&O Taxes (State and Local) will be deducted. Contractor shall indemnify and hold Broker harmless from any liability or costs thereof.

\_\_\_\_ (initial) Office dues will be auto-debited from your banking institution on or before the 5<sup>th</sup> of each month. A \$25 fee will be assessed on all declined payments. Unpaid invoices delinquent by more than 30 days will result in immediate termination of your license. Any third party dues billed to Broker on behalf of Contractor will be collected as required for reimbursement.

#### **4. DURATION OF AGREEMENT; TERMINATION**

This agreement may be terminated by either party upon 60 day written notice to either party unless Contractor is being terminated due to non-compliance or non-responsiveness. Should Contractor terminate this agreement within 6 months of hire date, Contractor agrees to pay a termination fee of \$250. Contractor agrees to fully cooperate with Broker to resolve any transactions, claims or disputes, which are pending at the time or which arise after Contractor's contractual relationship with Broker terminates. **Fees are due to Broker on any opened escrows.** By law, any open escrows belong to the Broker. Our policy however is that any transaction(s) already in escrow will be subject to a processing fee of 25% of the total commission made payable to Liberty Realty Washington.

For the purpose of this Agreement, the term "transaction" shall be defined as the **recording of the deed following the sale of real estate**, or the execution by all parties to a purchase agreement or lease agreement.

#### **5. ACCESS TO LISTINGS AND OTHER INFORMATION**

Broker will give Salesman access to its confidential files pertaining to listings of property, prospects for the sale of such property, and other related matters. Broker shall also furnish Salesman personal contacts with persons interested in selling or buying such property, and shall generally aid Salesman in every way possible with respect to such sales and Salesman's duties hereunder.

#### **6. LOYALTY TO BROKER'S INTEREST**

Salesman will not during the term of this Agreement be engaged in any other business activity, whether or not pursued for gain, profit, or other pecuniary advantage that is similar or in direct competition with broker.

#### **7. NONDISCLOSURE OF TRADE SECRETS**

Salesman recognizes and acknowledges that the information that will be furnished concerning Broker's customers, listings, holdings, investments, transactions, and other confidential matters constitutes a valuable, special and unique asset and trade secret of Broker's business. Accordingly, Salesman will not, during the term of his employment hereunder (or 3 years after termination), disclose any such information or any part thereof to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever.

#### **8. WRITTEN CONTRACT AS CONSTITUTING ENTIRE AGREEMENT**

This Agreement constitutes the entire contract and agreement between parties, and there are no verbal understandings or other agreements of any nature with respect to the subject matter hereof except those contained in this Agreement.

#### **9. BINDING EFFECT**

This Agreement shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.

## **10. GOVERNING LAW**

This Agreement shall be governed, interpreted and construed by, through and under the laws of the state of WASHINGTON.

## **11. ATTORNEYS' FEES**

In the event of any legal or equitable action, including any appeals, which may arise hereunder between or among the parties hereto, the prevailing party shall be entitled to recover a reasonable attorneys' fee. Attorneys' fees shall also include hourly charges for paralegals, law clerks and other staff members operating under the supervision of an attorney.

## **12. SEVERANCE**

The invalidity or unenforceability of any portion of this Agreement shall not affect the remaining provisions and portions hereof.

## **13. INSURANCE**

Contractor will utilize his/her own automobile and will maintain a minimum \$100,000/\$300,000 liability and property damage insurance policy, naming Broker as a co-insured, covering any vehicles used to transport third parties or to show and inspect properties, and shall furnish a copy of said policy to Broker upon request.

13 (a). The Errors and Omissions Insurance Carrier shall be chosen at Broker's discretion. Contractor understands that he/she is responsible for the payment of the deductible amount upon request, for each Errors and Omissions claim (currently \$5,000 as of the date of this contract).

13 (b). Contractor shall immediately notify Broker of any circumstances likely to give rise to any kind of claim against Contractor and/or Broker. In the event of a claim, lawsuit or Arbitration demand which is not wholly covered by insurance, Broker may withhold from Contractor's commissions payable, an amount adequate to satisfy any amounts not covered, which Broker shall place in its Claims and Disputes Retention Account, pending settlement or other disposition of the matter. Broker may, in Broker's sole discretion, apply such sums as necessary to settle or to satisfy any such claim or award.

## **14. LOANS**

\_\_\_ **(initial)** Agents may not represent themselves on their own loans at any time! If using one of our preferred lenders, please be sure to fill out the necessary disclosure form posted within the Contact Management Software.

## **15. FILE PROCEDURES AND DUES**

Complete office files should be uploaded into the system or turned in to our coordinator for processing 3-5 days prior to closing for audit. Files must be complete, with the exception of the final closing statement (HUD) which usually comes with escrow's closing statements.

### **FILE SUBMISSION POLICIES AND LATE FEES:**

Files must be completed by the closing date. All files must be uploaded to our paperless system within 3 business days of opening escrow to avoid late fees. They are considered "late" if they are incomplete or turned in 3 business after escrow was opened. Under such circumstances, you will incur an initial penalty fee of \$50 and \$25 per day thereafter until the file is uploaded and/or completed for final auditing. File reviews beyond the 2nd review are subject to an additional \$25/review fee. For a complete step-by-step guide on utilizing our paperless document management system, please attend our next scheduled training class.

Any documentation that cannot be obtained requires a paper (and digital) trail of your attempts to get it. Paper trail must include copies of written correspondence and a fax confirmation requesting items from the Broker of an agent/office refusing to provide proper documentation. A letter from the Broker stating their refusal should be obtained. Always keep a digital conversation log in the software to further document your transaction whenever possible.

Once files are complete, commission checks will be paid within 3 business days from receipt of the final document turned in via Direct Deposit only. Contractor should keep a copy of files for future reference. Once audited, "closed" files are no longer available for you to work with but may be accessed for viewing purposes only.

### **TEAMS POLICY:**

Many of you have formed teams and we encourage you to do so. Please remember that if a "new" agent joins your team, they must be approved by the broker and must be under your direct supervision at all times. All agency disclosures must include the names of each team member.

**16. HEADINGS**

The paragraph headings contained herein are for convenience of reference only and are not to be used in the construction or interpretation hereof.

**17. INFORMATION (Please update broker with any changes)**

Contractor Name: \_\_\_\_\_

Current Employer: \_\_\_\_\_

Reason for leaving: \_\_\_\_\_

Do you have any pending law suits? \_\_\_\_ Y or N? Please Explain: \_\_\_\_\_

Home Address: \_\_\_\_\_

City \_\_\_\_\_, State \_\_\_\_\_, Zip \_\_\_\_\_

Email Address: \_\_\_\_\_

Mailing Address (If different from above): \_\_\_\_\_

Home Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Business/Cell #: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

R.E. License #: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ SSN/EIN #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Referred By: (if any)  
\_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused these presents to be duly executed.

**AGREED TO AND SIGNED BELOW:**

\_\_\_\_\_  
"BROKER/AGENT" (Please Sign Above) Date: \_\_\_\_\_

\_\_\_\_\_  
"DESIGNATED BROKER" Date: \_\_\_\_\_

Contact Phone: (888) 243-4243 / (425) 903-3770

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