

**LYNCHBURG ASSOCIATION OF REALTORS®
INDEPENDENT CONTRACTOR AGREEMENT BETWEEN
REAL ESTATE BROKER AND SALESPERSON**

This Agreement is made as of _____, 20__ between _____ (“Broker”), whose office address is _____, and _____ (“Salesperson”), whose mailing address is _____, and provides as follows:

RECITALS:

1. Broker is a corporation, limited liability company, partnership, or individual duly licensed in an active status by the Virginia Real Estate Board (“VREB”) as a real estate broker.
2. Salesperson is an individual or business entity duly licensed in an active status by VREB as a real estate broker or salesperson.
3. Broker operates a real estate brokerage business for the sale and/or leasing of real property at the office address listed above and at such other branch offices operated by Broker.
4. Broker and Salesperson desire to become affiliated with each other under Broker’s real estate business according to the terms of this Agreement.

AGREEMENT:

Now, therefore, in consideration of the mutual promises and benefits set forth herein, Broker and Salesperson agree as follows:

1. **Term.** Broker and Salesperson hereby affiliate with each other under Brokers real estate business commencing on _____, 20__ and terminating at 11:59 p.m. on _____, 20__; however, the term of this Agreement shall automatically renew for successive one (1) year terms unless terminated as set forth in Paragraph __ of this Agreement.

2. **Relationship.** Salesperson is associated with Broker as an independent contractor, not as an employee. Salesperson does not have an employee-employer relationship with Broker. As an independent contractor, Salesperson will receive a 1099 from Broker at the end of each calendar year. Broker will not withhold any employment taxes, Social Security, Medicare or any other taxes from Salesperson’s compensation. Payment of such taxes and governmental obligations are Salesperson’s sole responsibility. Salesperson is also considered an independent contractor for purposes of unemployment insurance and Workers Compensation insurance, which items are Salesperson’s sole responsibility.

3. **Office Space Provided.** Broker will provide the following to Salesperson during the term of this Agreement [select all applicable boxes]:

- ☐ private office **OR** ☐ shared private office **OR** ☐ private cubicle located at Broker’s office (the location of which may be changed by Broker at Broker’s discretion)
- ☐ cafe-style/open access office work space at Broker’s office
- ☐ office telephone and office answering service ☐ onsite computer access at Broker’s office
- ☐ copy and fax machine ☐ “For sale” signs with Broker’s name and logo
- ☐ other (described):

Salesperson agrees Broker's offices and equipment will be shared with other persons affiliated with Broker.

4. **Broker Supervision.** Salesperson acknowledges that Salesperson is subject to Broker's supervision as required by Sections 54.1-2030 et seq of the Code of Virginia, the Regulations of VREB and any other applicable law. Salesperson agrees to adhere to all Broker's supervision requirements, policies and procedures, which may be amended from time to time. Broker agrees, upon request, to assist Salesperson in his or her work by advice, instruction, and all practicable cooperation. Salesperson agrees that all client files and documents shall be maintained at Broker's office or stored electronically in Broker's computer system as required by VREB Regulations. Salesperson may keep a duplicate client file so long as Salesperson maintains custody and control of said files and adheres to all client confidentiality laws and VREB regulations relating to said files.

5. **Salesperson's Obligations.** Salesperson agrees to work diligently in the sale and lease of any and all real estate listed with Broker and made available to Salesperson, to solicit additional listings and clients in the name of Broker, and to promote the business of serving the public in real estate transactions so that Broker and Salesperson derive mutual benefit consistent with their professional obligations.

6. **Expenses.** Salesperson is responsible for Salesperson's own expenses and for providing all tools and equipment to perform his or her duties as a real estate licensee, such as business cards, signs and sign riders, specialty advertising items, licensing fees, personal office supplies, personal sales and listing tools, cell phone, automobile expenses (including insurance), self-employment taxes, income taxes, business license taxes, lock box fees, MLS fees, continuing education, etc. Any expenses paid by Broker on behalf of Salesperson, including but not limited to, MLS fees, E&O insurance, advertising _____, will be invoiced to Salesperson and are payable to Broker within ____ days of receipt. All expenses not paid within ____ days will be deemed past due and are subject to a ____% late fee.

7. **Errors and Omissions Insurance.** Salesperson must be covered by an Errors & Omission insurance policy ("E&O Policy") with coverage approved by Broker during the term of this Agreement. Broker [select one box]: ☐ will **OR** ☐ will not provide an E&O Policy covering Salesperson during the term of this Agreement. Salesperson [select one box]: ☐ will **OR** ☐ will not be responsible for reimbursing Broker for the cost of the E&O Policy applicable to Salesperson.

8. **Commissions and Fees.** All real estate brokerage commissions and fees payable by a seller/landlord or purchaser/tenant to Broker shall be set forth in a written brokerage agreement and shall be determined by Broker. All fees and commissions must be made payable to Broker per VREB Regulations. Salesperson will be paid out of the fees and commissions earned by such salesperson as set forth in the attached Fee Schedule which is incorporated into this Agreement. In the event of special arrangements with any client of Broker or Salesperson on property listed with Broker or controlled by Salesperson, a special division of fee may apply, and such division shall be mutually agreed upon in advance by Broker and Salesperson. In no event shall Broker be liable to Salesperson for any unpaid fee due by any client for any transaction.

9. **License Status.** At all times during the term of this Agreement, Salesperson shall maintain in active status Salesperson's VREB real estate license (including a business entity license, if applicable) and complete all legally required continuing education in a timely manner. If Salesperson's real estate license is revoked or terminated for any reason, this Agreement shall automatically terminate.

10. **Hours.** The manner in which Salesperson performs his or her services and the hours worked is to be determined by Salesperson, however, if there are any pending transactions when Salesperson is unavailable for any reason, Salesperson must advise Broker of Salesperson's unavailability and how any pending transactions will be handled in Salesperson's absence. Although Salesperson may set his or her own hours, Salesperson agrees to employ his or her best efforts to sell or lease real estate and act professionally in all real estate matters.

11. **Broker Property.** Salesperson acknowledges and agrees that all (i) pending sales and lease transactions, including all transactional documentation, (ii) all listings obtained by Salesperson during the term of this Agreement, and (iii) all client databases, forms, manuals and other items relative to Broker's business are and will remain Broker's property following termination of this Agreement.

12. **Compliance.** Salesperson shall keep abreast of all legal and other issues that affect the real estate industry as they may change from time to time. Salesperson will not commit any act that violates Virginia real estate law or VREB Regulations. Further, Salesperson agrees to comply with the Rules of the Richmond Association of REALTORS®/Central Virginia Regional MLS, and pay all of Salesperson's REALTOR® or MLS dues and fees when due. Salesperson will be responsible for payment of any and all fines levied against Salesperson and/or Broker resulting from Salesperson's noncompliance. Salesperson also agrees to adhere to all laws and rules relating to the making of unsolicited phone calls under the Do-Not-Call rules, Do-Not-Fax rules and rules governing the sending of unsolicited e-mails promulgated by the Federal Trade Commission, Federal Communications Commission or any other governmental entity.

13. **Use of Personal Assistants.** Any assistant employed by Salesperson will be required to abide all laws, rules, regulations, policies and procedure under which Salesperson is bound under this Agreement. Any compensation due to Salesperson's personal assistant shall be arranged between Salesperson and their assistant, and will not be Broker's responsibility. Salesperson shall be responsible for paying all employment taxes and withholding taxes, providing Workers Compensation insurance and paying all other employment expenses for any assistant employed by Salespersons. Broker shall have no responsibility for any expense or for providing any benefit related to Salesperson's personal assistants. Salesperson shall disclose the terms of this Paragraph 13 to any personal assistant employed by Salesperson.

14. **Termination.** This Agreement and the affiliation of Broker and Salesperson may be terminated at any time by either party upon ____ days prior written notice to the other party, but such termination shall not affect the respective right of the parties to their division of commissions earned before such notice of termination on both listings and transactions under contract, unless otherwise agreed between the parties. Upon termination of this Agreement for any reason, Salesperson shall immediately surrender all Broker's property, including all transactional files, listing files or other contracts, any other office files, office policy books, office keys, signs, books and supplies. Salesperson shall not engage in any real estate transactions nor shall Salesperson act under contract with another firm until completion and transmittal to VREB of the change of affiliation form and Salesperson's payment of any required fee to VREB.

15. **Indemnification.** Salesperson shall indemnify and hold Broker harmless in the event that Broker is required to respond in damages to a third party or parties by reason of any conduct of Salesperson which shall be in violation of any laws, rules, regulations, or codes of ethics applicable to Salesperson. Salesperson agrees to reimburse Broker for any fines or penalties incurred by Broker as a result of Salesperson's failure to comply with all applicable laws, rules, or regulations applicable to Salesperson.

16. **Noncompetition.** Salesperson shall not, after termination of this Agreement, use to his or her advantage, or to the advantage of any competitor of Broker, any information obtained by Salesperson during his or her affiliation with Broker and which is not known publically.

17. **Resolution of Disputes.** Salesperson agrees that any dispute or disagreement arising out of his or her activities as a real estate salesperson and between Salesperson and another salesperson associated with Broker, shall be submitted to Broker for decision. Salesperson agrees to accept and comply promptly with the decision of Broker as to any dispute or disagreement. Further, if a dispute arises between a seller, purchaser and/or a cooperating broker which cannot be resolved by negotiations between the parties and Salesperson, and Broker determines that it is in the best interest of Broker's business to resolve the matter rather than risk a potential claim, arbitration or litigation, then Broker may negotiate a resolution of the dispute, which may involve a reduction in the commission to be received, or a credit given to one of the parties. In that event, and regardless of actual Salesperson's liability or responsibility in the dispute, the actual amount of commission reduction or credit given to a party will be deducted from Salesperson's commission.

18. **Litigation and Claims Handling.** Salesperson shall notify Broker immediately of any claim or potential claim made against Salesperson and/or Broker, including any demand for money, any claim alleging a negligent act or omission, or any written or verbal notice or threat that anyone intends to hold Salesperson and/or Broker responsible for any alleged wrongdoing. Salesperson must cooperate with Broker in the defense of a claim and promptly pay any amount that is Salesperson's responsibility (after payment of any insurance coverage, if applicable).

19. **Anti-Trust.** Salesperson shall not engage in any verbal or written conversations with other salespersons or brokers with other companies regarding the setting of commissions, charges or other fees to the public, boycotting or not doing business with a particular competitor, or the setting of rates or percentages of shared commission compensation to cooperating brokers.

20. **Problem Reporting.** Salesperson shall immediately report any of the following to Broker:

- Automobile accidents or other injuries occurring while Salesperson is participating in real estate brokerage transactions.
- Criminal charges filed against Salesperson, with the exception of traffic infractions.
- Civil lawsuits or administrative actions involving real estate brokerage transactions.
- VREB communications to Salesperson concerning disciplinary actions or other purposes.
- Threatened legal or administrative actions involving the parties and/or a real estate transaction.
- Acts of discrimination committed by any salesperson, brokers or parties to a transaction.
- Unresolved disputes between salespersons and brokers within or outside Broker's company.
- RAR/CVRMLS communications regarding disciplinary action.

21. **Survival of Certain Provisions.** Paragraphs 2, 6, 8, 11, 13, 15, 16, 17 and 18 of this Agreement shall survive termination of this Agreement.

22. **Notices.** Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given on the date of delivery if delivered personally, by overnight courier service or by electronic transmission with proof of receipt generated from the sender's system. Notices shall be addressed as to the appropriate party as set forth above on page one or to such other address as a party has designated by notice in writing to the other party in the manner provided by this Paragraph 22.

23. **Use of Listing Content; Intellectual Property Assignment.** Salesperson acknowledges and agrees that all photographs, images, graphics, video recordings, virtual tours, drawings, written descriptions, remarks, narratives, pricing information, and other copyrightable elements relating to the Property provided by Salesperson in connection with any listings obtained by Salesperson during the term of this Agreement, including any changes to such information (the "Listing Content"), may be filed with one or more multiple listing services and may be distributed, publicly displayed and reproduced by Broker. Salesperson hereby irrevocably assigns and transfers to Broker any and all copyright rights and other intellectual property rights, and all actions and causes of action related to the foregoing, and all damages, profits, and other recoveries related thereto, which Salesperson may have or acquire in and to any and all Listing Content. Salesperson represents and warrants to Broker that the Listing Content and this assignment of rights to Broker does not violate or infringe upon the rights, including any copyright rights, of any person or entity. Salesperson shall indemnify Broker against all damages, costs, and liabilities, including reasonable attorney fees, arising from any claim that the Listing Content or any portion of the Listing Content infringes the rights of any third party.

24. **Attorneys' Fees.** If legal proceedings are brought to enforce or interpret any provision of this Agreement, the prevailing party shall be awarded its reasonable attorneys' fees and costs in addition to any other relief or remedy which may be available.

25. **Other**

Terms:

26. **Miscellaneous.** This Agreement shall be governed by the laws of Virginia in all matters, including, without limitation, its validity, construction, interpretation, and performance, and neither it nor any of its provisions may be modified, waived, or discharged except by written instrument signed by the party against which enforcement of the modification, waiver, or discharge is sought, and shall supersede all previous agreements between the parties.

Witness the following duly authorized signatures:

Salesperson:

Broker:

By: _____
Print name: _____
Title (if business entity): _____

By: _____
Print name: _____
Title (if business entity): _____

COPYRIGHT©2016 by the LYNCHBURG ASSOCIATION OF REALTORS, INC.® ("LAR"). All rights reserved. This form may be used only by members in good standing with LAR. The reproduction of this form, in whole or in part, or the use of the names "LYNCHBURG ASSOCIATION OF REALTORS®" or "LAR", in connection with any other form, is prohibited without prior written consent from LAR.

FEE SCHEDULE

1. Broker and Salesperson agree to the following commission split:
 - i. _____% of the gross commission income, including incentives ("GCI") generated by Salesperson shall be paid to Salesperson and the balance retained by Broker for the GCI of \$1.00 to \$_____ during any calendar year.*
 - ii. _____% of the gross commission income ("GCI") generated by Salesperson shall be paid to Salesperson and the balance retained by Broker for the GCI exceeding \$_____ during any calendar year.*
 - iii. Other (explain):

*If two or more salespersons or brokers affiliated with Broker rendered brokerage services in the same transaction, the commission split shall be decided by such licenses and inserted on commission split form which has been executed and delivered to Broker. In the event of a conflict, Broker retains the authority to determine the specific commission between the licensees.

2. Broker and Salesperson agree the following monthly desk and other fees shall be payable to Broker by Salesperson:
 - i. The sum of \$_____ per month for payment of _____.
 - ii. The sum of \$_____ per month for payment of _____.
 - iii. The sum of \$_____ per month for payment of _____.
 - iv. The sum of \$_____ per month for payment of _____.