

## Real Estate Salesman Agreement (Independent Contractor)

**This Packet Includes:**

1. General Information
2. Instructions and Checklist
3. Real Estate Salesman Agreement  
(Independent Contractor )

## **General Information**

### **Real Estate Salesman Agreement (Independent Contractor)**

This Real Estate Salesman Agreement (Independent Contractor) is between a real estate agent and a real estate company, or broker, who will hire the agent to act as a referral agent of broker. This document sets forth the effective date of the agreement, obligations of both the salesman and the broker and reasons why the agreement can be terminated. It also sets forth that the real estate salesman is an independent contractor and not an employee of the real estate company.

It is important that this type of business arrangement be set out in writing rather than oral agreement. A written Real Estate Salesman/Independent Contractor Agreement will prove invaluable in the event of disagreements, misunderstandings or litigation between the parties.

## Instructions and Checklist

### Real Estate Salesman Agreement (Independent Contractor)

- The parties should read the document carefully.
- Insert all requested information in the spaces provided on the form.
- This form contains the basic terms and language that should be included in similar agreements.
- Read the "Rights and Obligations" provisions for both the independent contractor and the broker carefully. If there are disagreements, they will likely focus on these provisions.
- The parties should retain either an original or copy of the signed agreement.
- All legal documents should be kept in a safe location such as a fireproof safe or safe deposit box.

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**REAL ESTATE SALESMAN AGREEMENT  
(INDEPENDENT CONTRACTOR)**

**THIS INDEPENDENT CONTRACTOR AGREEMENT** is made and executed on this the \_\_\_\_\_ (date) Day of \_\_\_\_\_ (Month), \_\_\_\_\_ (Year) by and between:

**PARTIES**

1. \_\_\_\_\_, a company incorporated under the laws of the State of \_\_\_\_\_ and having its principal office at \_\_\_\_\_ represented by its \_\_\_\_\_ (hereinafter referred to as the "Broker") which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include all persons deriving title under the "Broker".

**AND**

2. \_\_\_\_\_, an individual, aged \_\_\_\_, having an Social Security Number: \_\_\_\_\_, residing at \_\_\_\_\_ (hereinafter referred to as the "Independent Contractor") which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include all persons deriving title under the Independent Contractor.

**RECITALS: (Please change the recitals in accordance with your needs)**

- A. **WHEREAS**, the Broker is licensed as a real estate broker in the State of \_\_\_\_\_.  
The Broker also maintains an office at \_\_\_\_\_ and is completely equipped to render services in the field of real estate to the public.
- B. **WHEREAS**, the Independent Contractor, is adequately licensed as a Real Estate Salesman and is duly qualified to solicit real estate for sale or for exchange or for other purposes.
- C. **WHEREAS**, the Broker has expressed his desire to hire the services of the Independent Contractor and Independent Contractor has expressed his willingness towards the same.

**NOW THEREFORE**, in consideration of the mutual promises contained herein, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and for the reasons set forth and in consideration of the covenants and promises of the parties hereto, parties

agree as follows:

## **1. INTERPRETATIONS**

Unless the context of this Agreement otherwise requires:

- 1.1 The headings of the clauses to this Agreement are for convenience only and shall be ignored in construing this Agreement;
- 1.2 The singular includes the plural and vice versa;
- 1.3 References to a party or the parties are references to either the Broker or the Independent Contractor or both, as deem and appropriate;
- 1.4 References to other agreements and documents shall be deemed to be references to such agreements and documents as amended, replaced, substituted, assigned, novated, supplemented or otherwise modified from time to time; and the words "include" and "including" shall be deemed to be qualified by a reference to without limitation.

## **2. EFFECTIVE DATE**

The effective date of this Agreement shall be \_\_\_\_ of \_\_\_\_\_, 20\_\_ and all rights and obligations of the parties hereunder shall be effective as of that date.

## **3. INDEPENDENT CONTRACTOR'S RIGHTS AND OBLIGATIONS**

It is agreed that:

- 3.1 The Independent Contractor shall act as a referral agent for the Broker and is not to be treated as an employee of the Broker for the purposes of tax;
- 3.2 The Independent Contractor shall not have any fixed hours of work;
- 3.3 The Independent Contractor shall conduct his business in accordance with and in conformance with the applicable laws and rules governing the real estate industry and a real estate salesman.
- 3.4 The Independent Contractor further agrees to act in accordance with the ethical rules of conduct governing a real estate salesman in an real estate industry.
- 3.5 The Independent Contractor will abide by the rules governing the Broker's business, with regard to which the Broker shall inform the Independent Contractor from time to time.

- 3.6 The Independent Contractor shall devote his time and energy in the best possible manner and towards the growth of Broker's business.
- 3.7 The Independent Contractor is himself liable for all the expenses incurred by him in the course of this agreement and for the purpose of further developing the Broker's business.
- 3.8 At the time of making a referral it is the responsibility of the Independent Contractor to secure a percentage referral agreement with the receiving real estate agency.
- 3.9 The Independent Contractor has to renew his / her license as and when the license becomes due for renewal without any fail.

#### **4. RESTRICTIVE COVENANTS**

- 4.1 The Independent Contractor shall not hire, employ, contract with or for, retain license or sponsor any sub agents.
- 4.2 The Independent Contractor shall not list or sell real estate;
- 4.3 The Independent Contractor shall not give the impression that he / she is not affiliated.

#### **5. BROKER'S OBLIGATIONS**

It is agreed that:

- 5.1 The Broker in consideration of the commission which will be split with the Independent Contractor shall provide the Independent Contractor all the guidance so required with regard to the Independent Contractor referral business.
- 5.2 The commissions so payable to the Independent Contractor are negotiable;
- 5.3 The commission amount would be collected by the Broker and would be transferred in favor of the Independent Contractor within a time period of \_\_\_\_\_ days from the date of receipt of such commission.
- 5.4 The Broker shall retain \_\_\_\_\_% of the Commission and the Independent Contractor shall be entitled to \_\_\_\_\_% of the Commission.

#### **6. TERM OF THIS AGREEMENT**

This Agreement is entered into for a time period of \_\_\_\_\_ (Days / Months /Years) and begins from the effective date to \_\_\_\_\_, unless and until terminated by either of the parties in accordance with the Clause on Termination specified herein.

## **7. TERMINATION**

**7.1** If the Independent Contractor has committed any breach of the terms specified herein or has failed to conduct his business in accordance with the applicable law then the Broker is entitled to cancel this agreement, with or without notice to the Independent Contractor.

**7.2** The Parties may at any time, without cause terminate this agreement after giving written notice of \_\_\_\_\_ days to the other.

## **8. ASSIGNMENT**

The Independent Contractor shall not assign or otherwise transfer any of the rights and obligations so placed on the Independent Contractor hereunder. Any purported or attempted assignment or other transfer or delegation in violation of this Section shall be null and void.

## **9. INDEMNIFICATION**

Independent Contractor agrees to indemnify and hold harmless the Broker, its agents , employees, officers, successors, assigns and any other party deriving title under the term Broker from all fines, levies, suits, proceedings, claims, actions or causes of actions of any kind whatsoever including, but not limited to, all costs, court costs, litigation expenses and attorney fees arising from, growing out of, in connection with or incidental to the Independent Contractor activities and operation of a real estate business.

## **10. LIMITATION OF LIABILITY**

The Broker shall not be liable to the Independent Contractor for any expenses so incurred by the Independent Contractor nor shall the Independent Contractor have the authority to bind the Broker by any promise or representations, unless specifically authorized in advance and in writing by Broker. The Independent Contractor agrees to pay all costs and expenses incurred by the Broker in defending or satisfying any claim or judgment assessed against the Broker arising from any claims, complaints or litigation which arise against the Broker directly due to the activities of the Independent Contractor.

## **11. RELATIONSHIP BETWEEN PARTIES**

Each party is an independent contractor of the other party. Nothing herein will constitute a partnership between or joint venture by the parties”, or constitute either party the agent of



the other.

## 12. NOTICE

Any notice to be given by one Party to the other under, or in connection with this “Agreement” shall be in writing, signed by or on behalf of the Party giving it, and addressed to the recipient at the address or facsimile number set out below or to such other address or facsimile number as that Party may notify to the other Party:

To the Broker:

Address: (Mention full name and address) \_\_\_\_\_

Attention: \_\_\_\_\_

Facsimile no: \_\_\_\_\_

To the Independent Contractor:

Address: (Mention full name and address) \_\_\_\_\_

Attention: \_\_\_\_\_

Facsimile no: \_\_\_\_\_

## 13. AMENDMENTS & MODIFICATIONS

No modification of or amendment to this Agreement will be effective unless in writing signed by authorized representatives of both Parties.

## 14. NO WAIVERS

The rights and remedies of the parties to this Agreement are cumulative and not alternative. No waiver of any rights is to be charged against any Party unless such waiver is in writing signed by an authorized representative of the Party so charged. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege.

## 15. SEVERABILITY

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect, and, if legally permitted, such offending provision will be replaced with an enforceable provision that as nearly as possible effects the party's intent.

## 16. EXECUTION IN COUNTERPARTS

This Agreement may be executed in counterparts (which may be exchanged by facsimile), each of which will be deemed an original, but all of which together will constitute the same Agreement.

**17. GOVERNING LAW AND FORUM**

The validity, construction, interpretation of this Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_, without regard to principles of conflicts of law.

The Parties hereby consent and agree to the exclusive jurisdiction of the state and federal courts located in \_\_\_\_\_ for all suits, actions or proceedings directly or indirectly arising out of or relating to this Agreement, and waive any and all objections to such courts, including but not limited to objections based on improper venue or inconvenient forum, and each Party hereby irrevocably submits to the jurisdiction of such courts in any suits, actions or proceedings arising out of or relating to this Agreement

**18. ENTIRE AGREEMENT**

This Agreement constitutes the entire Agreement between the parties with respect to the subject matter contained herein, superseding all previous Agreement pertaining to such subject matter, and may be modified only by an amendment executed in writing by the authorized officers of both parties hereto. All prior agreements, representations, warranties, statements, negotiations, understandings and undertakings are superseded hereby. Both parties hereto represent that they have read this Agreement, understand it, agree to be bound by all terms and conditions stated herein, and acknowledge receipt of a signed, true and exact copy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal as of the day and year first written above.

\_\_\_\_\_  
BROKER

\_\_\_\_\_  
INDEPENDENT CONTRACTOR

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Witness)