

(NAME OF BROKER)

**BROKER-SALESPERSON CONTRACT**

**INDEPENDENT CONTRACTOR**

**THIS AGREEMENT**, made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ ("Broker"), and \_\_\_\_\_ ("Salesperson");

**WITNESSETH:**

**WHEREAS**, Broker is now and has for many years been engaged in business as a general real estate broker in the City of \_\_\_\_\_, County of \_\_\_\_\_, State of \_\_\_\_\_, and is qualified to and does operate a general real estate business and is fully qualified to and does procure the listings of real estate for sale, lease or rental to prospective purchasers, lessees and renters of real estate, and has and does enjoy the goodwill of, and a reputation for, fair dealing with the public; and

**WHEREAS**, Broker maintains an office in \_\_\_\_\_ (City or County) equipped with furnishings and other equipment necessary and incidental to the proper operation of the business, and staffed with employees, suitable to serving the public as a real estate broker; and

**WHEREAS**, Salesperson is now, and has been, engaged in business as a real estate salesperson, and has enjoyed and does enjoy a good reputation for fair and honest dealing with the public as such; and

**WHEREAS**, it is deemed to be to the mutual advantage of Broker and Salesperson to form an association under the terms and conditions of this Agreement;

**NOW, THEREFORE**, in consideration of the promises and mutual covenants hereinafter contained, it is mutually agreed as follows:

1. Broker agrees to make available to Salesperson all current listings of the office, except such as the Broker for valid and usual business reasons may place exclusively in the temporary possession of some other salesperson, and agrees, upon request, to assist the Salesperson in his/her work by advice and instruction, and agrees to provide full cooperation in every way possible.

2. Broker agrees that the Salesperson may share with other salespeople all the facilities of the office now operated by Broker in connection with the subject matter of this contract, which office is now maintained at \_\_\_\_\_ (location of office).

3. Salesperson agrees to work diligently and with his/her best efforts to sell, lease or rent any and all real estate listed with the Broker, to solicit additional listings and customers of Broker, and otherwise promote the business of serving the public in real estate transactions to the end that each of the parties may derive the greatest profit possible.

4. Salesperson agrees to conduct his/her business and regulate his/her habits so as to maintain and to increase the goodwill and reputation of the Broker and the Salesperson, and the parties agree to conform to and abide by all laws, rules and regulations, and codes of ethics that are binding upon or applicable to real estate brokers and real estate salespeople.

5. It is expressly agreed and understood between the parties that the Salesperson or Broker, in the performance of his or her services hereunder, is not to be treated or otherwise considered as an employee of the Broker with respect to such services for federal tax purposes, or for any other tax purposes. It is further agreed and understood between the parties that the Broker will not withhold or pay over on behalf of the Salesperson or Broker any amounts relating to federal, state and local income taxes, unemployment compensation, workers' compensation or any other employer liability or responsibility. The Salesperson or Broker agrees and understands that he or she is totally responsible for the timely reporting and payment of all income taxes and other governmental liabilities resulting from the performance of his or her services hereunder, which responsibility is not borne nor shared by the Broker in any manner whatsoever.

6. The commissions to be charged for any services performed hereunder shall be those determined by the Broker. The Broker shall advise the Salesperson of any special contract relating to any particular transaction which he/she undertakes to handle. When the Salesperson shall perform any service hereunder whereby a commission is earned, the commission shall, when collected, be divided between the Broker and the Salesperson, in which division the Salesperson shall receive a proportionate share as set out in the rider attached headed "Commission Schedule," and the Broker shall receive the balance. In the event of special arrangements with any client of the Broker or the Salesperson on property listed with the Broker or controlled by the Salesperson, a special division of commission may apply, such rate of division to be agreed upon in advance by the Broker and the Salesperson. In the event that two or more salespeople participate in such a service, or claim to have done so, the amount of the commission over that accruing to the Broker shall be divided among the participating salespeople according to agreement among them or by arbitration under the rules and regulations of the National Association of REALTORS®, as amended to conform with Michigan law. Any decision rendered in an arbitration may be enforced through entry of a

judgment by a court of competent jurisdiction. In no case shall the Broker be personally liable to the Salesperson for any commission, nor shall Salesperson be personally liable to Broker for any commissions, but when the commission shall have been collected from the party or parties for whom the service was performed, Broker shall hold it in trust for Salesperson and himself, to be divided according to the terms of this Agreement.

7. The division and distribution of the earned commissions as set out in paragraph 6 which may be paid to or collected by either party shall take place as soon as practicable after collection of such commissions from the party or parties for whom the services have been performed.

8. The Broker shall not be liable to the Salesperson for any expenses incurred by him/her, or for any of his/her acts, nor shall the Salesperson be liable to the Broker for office help or expense, and the Salesperson shall have no authority to bind the Broker by any promise or representation, unless specifically authorized in a particular transaction; but the expense of attorneys' fees, costs, revenue stamps, title abstracts and the like which must, by reason of some necessity, be paid from the commission, or are incurred in the collection of, or the attempt to collect the commission, shall be paid by the parties in the same proportion as provided for herein in the division of the commissions. Suits for commissions shall be maintained only in the name of the Broker, and the Salesperson shall be construed to be a subagent only, with respect to the clients and customers for whom services shall be performed.

9. Salesperson shall furnish an automobile at his/her sole expense when one is necessary to carry out the duties of the Salesperson under the terms of this Agreement. Salesperson shall at all times carry liability insurance on his or her automobile in a form and provided by an insurer acceptable to the Broker, with such insurance having minimum limits of \$ \_\_\_\_\_ for each person and \$ \_\_\_\_\_ for each accident, with a property damage limit of not less than \$ \_\_\_\_\_. The minimum amounts of insurance required under the terms of this paragraph may be adjusted by the Broker as is reasonably necessary. Salesperson shall, upon Broker's request, have the Broker listed as an additional insured under any such insurance policy or policies, and shall cause any such insurer to agree to provide Broker with thirty (30) days prior notice of any proposed cancellation of any such policies. Salesperson agrees, upon reasonable request, to furnish Broker with a certificate or other documentation acceptable to Broker evidencing that all insurance required under this paragraph has been obtained by the Salesperson and is then presently effective. Salesperson agrees to indemnify and hold Broker harmless from any claim for damages asserted against the Broker by reason of any act or omission by Salesperson in the use of their automobile, such indemnification to include reasonable attorneys' fees, costs and expenses incurred by Broker in defense of any such claim.

10. This contract and the association created hereby may be terminated by either party, with or without cause, at any time, upon \_\_\_\_\_ days notice given to the other.

The rights of the parties to any commission which accrued prior to notice of termination shall not be divested by the termination of this contract. Broker and Salesperson agree that the notice provided under this paragraph constitutes reasonable notice to the Salesperson to derive the potential economic benefit to the Salesperson of any listings or customers solicited for the Broker.

11. The Salesperson shall not, after the termination of this contract, use to his own advantage, or the advantage of any other person or corporation, any information gained for or from the files or business of the Broker.

12. In the event this Agreement is terminated for any reason, Salesperson shall immediately deliver all files to Broker, including active files.

a. **Pending Listings.** For listings procured by Salesperson which are pending at the time of termination (**select/modify as appropriate**):

- *Salesperson shall not be entitled to a commission on any sales which close after termination, unless this Agreement is terminated by Broker, in which case Salesperson shall receive all commissions earned prior to termination which are actually received by Broker. For purposes hereof, "earned" shall refer to transactions with a binding purchase agreement in place at the time of termination.*
- *As to commissions actually received by Broker pursuant to binding purchase agreements in place prior to termination of this Agreement, Salesperson shall receive \_\_\_\_\_ percent of the commission to which he/she would have otherwise been entitled if the Agreement was still in place.*
- *As to commissions actually received by Broker pursuant to purchase agreements signed after the termination of this Agreement, Salesperson shall receive \_\_\_\_\_ percent of the commission to which he/she would have otherwise been entitled if the Agreement was still in place. Salesperson shall not be entitled to any compensation in connection with purchase agreements signed during extensions to any such listings or on any re-listings.*

b. **Pending Cooperating Sales.** For cooperating sales procured by Salesperson which are pending at the time of termination (**select/modify as appropriate**):

- *Salesperson shall not be entitled to a commission on any sales which close after termination, unless this Agreement is terminated by Broker, in which case Salesperson shall receive all commissions earned prior to termination which are actually received by Broker. For purposes hereof, "earned" shall refer to transactions with a binding purchase agreement in place at the time of termination.*
  
- *As to commissions actually received by Broker pursuant to binding purchase agreements in place prior to termination of this Agreement, Salesperson shall be entitled to \_\_\_\_\_ percent of the commission to which he/she would have otherwise been entitled if the Agreement was still in place.*

13. This Agreement shall be construed in accordance with the laws of the State of Michigan.

**IN WITNESS WHEREOF**, the parties hereto have signed or caused to be signed these presents this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Broker

\_\_\_\_\_  
Salesperson