



**INDEPENDENT CONTRACTOR AGREEMENT  
(Between Broker and Associate-Licensee)**

This Independent Contractor Agreement (“Agreement”), dated {{\_es\_signer\_date}} is made between 4 USA Loans, Inc. d.b.a. USA Realty and Loans (USA) and {{\_es\_signer\_fullname}} (“Associate-Licensee”).

In consideration of the covenants and representations contained in this Agreement, Broker and Associate-Licensee agree as follows:

1. **BROKER:** Whereas, Broker is a duly licensed real estate broker under the laws of the State of California, doing business as USA Realty and Loans, and is qualified to and does engage in the real estate and mortgage brokering business; and

Whereas, Broker maintains an office equipped with furnishings, equipment and facilities adequate for the proper operation of a real estate and mortgage brokerage business, staffed with trained employees engaged in serving the public as a real estate and mortgage business, and

Whereas, Broker supervises and manages the activities of the Licensee as required by the CA Department of Real Estate and reviews the files and transactions of the Licensee for compliance with Commissioner’s Regulations and state and federal laws; and

Whereas, Licensee is now engaged in business as a real estate licensee, licensed by the State of California; and

Whereas, the purpose of this agreement is to meet the requirements of DRE Commissioner’s Regulation 2726, Broker-Salesman Relationship Agreements, Now Therefore, in consideration of the premised and the mutual agreements herein contained, it is understood and agreed as follows:

2. **ASSOCIATE-LICENSEE:** Associate-Licensee represents that he or she is duly licensed by the State of California as a real estate broker or salesperson, and has not used any other names within the past five years, except \_\_\_\_\_. Associate-Licensee shall keep his/her California DRE license current during the terms of this Agreement, including satisfying all applicable continuing education and provisional license requirements.

**3. BROKER AND ASSOCIATE-LICENSEE RELATIONSHIP:**

3.1. Broker and Associate-Licensee 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 Associate-Licensee.

3.2. Associate-Licensee assumes and agrees to perform no other activities in association with Broker, except to solicit and obtain listings and sales of property for the parties mutual benefit, and to do so in accordance with law and with the ethical and professional standards as required so that Associate-Licensee commits no act of any type for which the Real Estate Commissioner of the state of California is authorized by section 10176 of the California Business and Professions Code to suspend or to revoke a license.

3.3. Broker shall not restrict Associate-Licensee’s activities to geographical areas, 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,

Associate-Licensee’s Initials  
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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 Broker. Associate-Licensee agrees and does hereby contribute all right and title to such listings to Broker for the benefit and use of Broker, Associate-Licensee and other Licensees of Broker. Associate-Licensee agrees to work with company approved transaction coordinators to provide Broker a complete package of each closed transaction with all necessary documentation.
- 3.5. Associate-Licensee 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 Associate-Licensee unless Broker specifically authorized it in writing.
- 3.6. The Broker will provide worker's compensation insurance for Broker's own benefit but this fact shall not create an inference of employment and Associate-Licensee shall not be treated as an employee for state and federal tax purposes.
- 3.7. Associate-Licensee is considered to be an Independent Contractor for tax purposes and will receive IRS 1099 form at the end of each calendar year. The Broker will not withhold taxes or Social Security from Associate-Licensee's compensation. Payment of taxes and Social Security contributions are Associate-Licensee's responsibility. Associate-Licensee is also considered an independent contractor for purposes of Unemployment Insurance.

**4. BUSINESS EXPENSES:** Broker shall not be liable to Associate-Licensee for any expenses incurred by Associate-Licensee or for any of its acts. Associate-Licensee agrees to provide and pay for all necessary professional licenses and dues. Associate-Licensee understands and agrees that Broker shall not provide any office, place of business, supplies, advertisements, marketing materials and that Associate-Licensee is responsible for conducting business at its own costs, if any. Broker shall not be liable to reimburse Associate-Licensee for any expenses.

**5. LICENSED ACTIVITY:** : 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. Associate-licensee agrees to and does hereby contribute all right and title to such listings to Broker for the benefit and use of broker, associate-licensee, and other licensees associated with Broker.

Associate-licensee shall provide and pay for all professional licenses, supplies, services, and other items required in connection with associate-licensee's activities under this agreement, or any listing or transaction, without reimbursement from Broker except as required by law. Associate-licensee shall work diligently and with his/her best efforts: (i) sell, exchange or lease properties listed with Broker or other cooperating brokers; (ii) solicit additional listings, clients, and customers; and (iii) otherwise promote the business of serving the public in real estate transactions to the end that Broker and Associate-Licensee may derive the greatest benefit possible, in accordance with the law.

Associate-Licensee shall be familiar with, and comply with all applicable laws, policies, and procedures, including, but not limited to anti-discrimination laws and restrictions against the giving or accepting a fee, or other things of value, for the referral of business to title companies,

Associate-Licensee's Initials  
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Escrow companies, home inspection companies, pest control companies and other settlement service providers pursuant to the California Business and Professions Code 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. Associate-Licensee may use its own discretion regarding what commission fee to charge its clients for these services. In no event shall Broker be personally liable to Associate-Licensee for Associate-Licensee's share of commissions not collected, nor shall Associate-Licensee be entitled to any advance or payment from Broker upon future commissions, Associate-Licensee's only remuneration being Associate-Licensee's share of the commission paid by the party or parties for whom the service was performed. Nor shall Associate-Licensee be personally liable to Broker for any commission not collected. Associate-Licensee 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.

Should broker decide to remove associate-licensee from a current transaction, for any reason, broker will either complete the transaction himself or he will appoint a different associate-licensee from the company to take over transaction. Upon completion of transaction and receipt of commission from escrow, broker reserves the right to split the commission between associate-licensee and the Broker or associate-Licensee assigned to transaction. This new associate-licensee shall be compensated for completing the details of pending transactions and such compensation shall be deducted from the original associate-licensee's share of the commission. Broker has full authority to determine the commission to be paid to each associate-licensee or to broker.

**6.1. BROKER COMPENSATION:** Please see attached Schedule A, "Duties, Term and Compensation".

**6.2. ASSOCIATE-LICENSEE COMPENSATION:** Please see attached Schedule A, "Duties, Term and Compensation".

**6.2.1 DUAL TRANSACTIONS:** If agent represents both sides of a transaction, the following fee adjustments will apply: The administration and E&O fee will be raised from \$125 to \$225 to cover both transactions. Also, the transaction coordinator fee will be raised from \$295 to \$395 to cover the additional paperwork.

**6.2.2 PAYMENT:** (i) All compensation collected by Broker and due to Associate-Licensee shall be paid to Associate-Licensee, after deduction of expenses and offsets, immediately or as soon thereafter as practicable, except as otherwise provided in this agreement, or a separate written agreement between broker and Associate-Licensee. (ii) Compensation shall not be paid to Associate-Licensee until both the transaction and file are complete. (iii) Broker is under no obligation to pursue collection of compensation from any person or entity responsible for payment. Associate-Licensee does not have the independent right to pursue collection of compensation for activities which require a real estate license which were done in the name of the Broker. (iv) Expenses which are incurred in the attempt to collect compensation shall be paid by Broker and Associate-Licensee in the same proportion as set forth for the division of compensation. (v) If there is a known or pending claim against Broker or Associate-Licensee on transactions for which Associate-Licensee has not yet been paid, Broker may withhold from compensation due Associate-Licensee on that transaction amounts for which Associate-Licensee

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could be responsible for under Paragraph titled Indemnity and Hold Harmless, until such claim is resolved. (vi) Broker can withhold any or all commissions due to an associate-licensee to offset other sums owed by the agent including any insurance deductibles or other outstanding liabilities. (vii) Associate-Licensee shall not be entitled to any advance payment from Broker upon future compensation.

**6.2.3 RISK-MANAGEMENT FEE:** is \$125.00 (one hundred twenty five) per closed transaction. This fee shall be deducted by Broker from Associate-Licensee's earned gross commission, per transaction 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. If Associate-Licensee is representing both the buyer and the seller in a dual transaction, the risk management fee will be raised to \$225 to cover the additional transaction.

**6.3. REFERRAL COMPENSATION:** Associate-Licensee may receive a referral fee or some other sort of compensation from another broker. USA will charge a 10% flat fee for this activity (max to broker is \$250). This item is applicable only when Associate-Licensee is receiving a referral payment from another broker. In order to be paid, you will need to provide our office with the CAR standard form, "Referral Fee Agreement", signed by all parties to the transaction.

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

**6.5. 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 Associate-Licensee according manner and term indicated in Broker's Office Police Manual.

**6.5.1 DISPUTE RESOLUTION:**

A. Mediation: Mediation is recommended as a method of resolving disputes arising out of this agreement between broker and Associate-Licensee.

B. Arbitration: All disputes or claims between Associate-Licensee and other licensee(s) associated with Broker, or between Associate-Licensee and the Association of Realtors of which all such disputing parties are members for arbitration pursuant to the provisions of its Bylaws, as may be amended from time to time, which are incorporated as part of this Agreement by reference. If the bylaws of the Association do not cover arbitration of the dispute, or if the Association declines jurisdiction over the dispute, then arbitration shall be pursuant to the rules of California law. The Federal Arbitration Act, Title 9, U.S. Code, Section 1, et seq., shall govern this Agreement.

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**6.5.2 ATTORNEY FEES:** In any action, proceeding, or arbitration between Broker and Associate-Licensee arising from or related to this agreement, the prevailing Broker or Associate-Licensee shall be entitled to reasonable attorney fees and costs.

**6.5.1. PROPRIETARY INFORMATION AND FILES:** All files and documents pertaining to listings, leads and transactions are the property of Broker and shall be delivered to Broker by Associate-Licensee immediately upon request or termination of this agreement. Associate-Licensee acknowledges that Broker's method of conducting business is a protected trade secret. Associate-Licensee shall not use to his/her own advantage, or the advantage of any other person, business, or entity, except as specifically agreed in writing, either during Associate-Licensee's association with Broker, or thereafter, any information gained for or from the business, or files of Broker.

**7. AUTOMOBILE INSURANCE:** Associate-Licensee shall maintain automobile insurance coverage for liability and property damage. Broker shall be held harmless against any claims or demands resulting from any automobile accident of Associate-Licensee or as a result of Associate-Licensee's default in this paragraph.

**8. EARNEST MONEY DEPOSITS:** Associate-Licensee acknowledges and understands that Broker does **NOT** maintain a trust fund and that all earnest money deposits received by clients must be made payable and deposited immediately to escrow and reported to Broker. Associate-Licensee shall not ever receive funds from clients in its personal name nor receive any cash payments from clients. All trust funds shall be handled in compliance with the Business and Professions Code, and other applicable laws.

**9. FICTITIOUS BUSINESS NAMES AND LOGOS:** While affiliated with Broker, Associate-Licensee shall use Broker's name "USA Realty and Loans" or distinctive logo on signage, stationary, websites, and/or any other marketing materials. Associate-Licensee agrees that Broker retains exclusive rights to the "USA Realty and Loans" trademark logo and graphics. Associate-Licensee agrees to discontinue the use of the USA Realty and Loans's trademark logo and graphics immediately upon the termination of this Agreement.

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

**11. LIABILITY:** In addition to all other legal or equitable remedies of Broker, Associate-Licensee 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 Associate-Licensee, including, but not limited to, Associate-Licensee's misrepresentation of its relationship with Broker to any third party or any action by Associate-Licensee taken or omitted pursuant to this Agreement. Any such claims or costs payable pursuant to this Agreement, are due to paid in

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full by Associate-Licensee, who hereby agrees to indemnify and hold harmless Broker for all such sums.

**12. INJURIES TO ASSOCIATE-LICENSEE:** Associate-Licensee acknowledges and agrees that Broker will provide worker's compensation insurance for Broker's own benefit and for Associate-Licensee only (not for **Associate-Licensee's employees**). It is Associate-Licensee's obligation to obtain appropriate insurance coverage for the benefit of Associate-Licensee and its employees, if any, for any injuries. Associate-Licensee and its employees waive any rights to recovery from Broker for any injuries that Associate-Licensee and/or its employees may sustain while performing services under this Agreement.

**13. ASSOCIATE-LICENSEE'S EMPLOYEES:** Associate-Licensee's employees, if any, who perform services for Broker under this Agreement shall also be bound by the provision of this Agreement. Associate-Licensee'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, Associate-Licensee shall provide evidence that such persons are Associate-Licensee's employees and are bound by the provisions of this Agreement.

**14. WORKING PLACE:** Broker does not provide an office space for the Associate-Licensee. Associate-Licensee may work from home, personal office, vehicle or any other places of Associate-Licensee's choice. However, Associate-Licensee is responsible to store all transaction documents in a safe place and be able to present them at the Broker's request within 24 hours. Associate-Licensee must be accessible by phone, fax, e-mail and postal mail, and respond to voicemails within a maximum time frame of 24 hours.

**15. ACTIVITY REPORTING:** Associate-Licensee is required to report all his/her real estate activities to the Broker within 72 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 Associate-Licensee and his/her client. If associate-licensee does not report within 72 hours, associate-licensee's commission will be reduced by 20% of the total gross commission.

Further, associate-licensee understands that under California Business & Professions Code 10137 it is unlawful for any real estate licensee who is not the broker of record to receive direct payment for any activity which requires a real estate license without said broker's prior written authorization. Accordingly, if associate-licensee does not report their real estate activities to this office as provided herein, and then closes a transaction without notifying our office, then either: (1) associate-licensee shall forfeit all commissions due on that transaction, or (2) if associate-licensee has already received his or her commission then associate-licensee shall pay over their entire commission received to Premier Realty Associates upon demand for violating the terms of this contract. The foregoing is in addition to any other measure and/or remedies that the Broker deems warranted under the circumstances and this includes without limitation the right of the Broker to proceed with litigation against the associate-licensee to recover any commission paid on the transaction or otherwise.

**16. ENTIRE AGREEMENT:** This Agreement contains the entire agreement of the parties and there are no promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties. This Agreement may be modified or amended, if the amendment is made in writing and is signed by both parties.

Associate-Licensee's Initials  
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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.

**17. APPLICABLE LAW:** This Agreement is entered into in the County of San Diego, California, and shall be governed by the laws of the State of California. Any lawsuit filed which arises out of or relates to this Agreement must be filed in the County of San Diego, State of California.

**17.1 INDEMNITY AND HOLD HARMLESS; NOTICE OF CLAIMS:** Regarding any action taken or omitted by Associate-Licensee, or others working through, or on behalf of Associate-Licensee in connection with services rendered or to be rendered pursuant to the Agreement: (i) Associate-Licensee agrees to indemnify, defend and hold Broker harmless from all claims, disputes, litigation, judgments, awards, costs and attorney's fees, arising there from and (ii) Associate-Licensee shall immediately notify Broker if Associate-Licensee is served with or becomes aware of a lawsuits or claim regarding any such action.

Any such claims or costs payable pursuant to this Agreement, are to be paid in full by Associate-Licensee, who hereby agrees to indemnify and hold harmless broker for all such sums. Payment from Associate-Licensee is due at the time Broker makes such payment and can be offset from any compensation due Associate-Licensee as above. Broker retains the authority to settle claims or disputes, whether or not Associate-Licensee consents to such settlement.

**18. TERMINATION OF AGREEMENT:** Broker or Associate-Licensee may terminate their relationship under this agreement at any time, with or without cause. After termination, Associate-Licensee shall not solicit: (i) prospective or existing clients or customers based upon company generated leads obtained during the time Associate-Licensee was affiliated with Broker; (ii) any principal with existing contractual obligations to Broker; or (iii) any principal with a contractual transactional obligation for which Broker is entitled to be compensated. Even after termination, this Agreement shall govern all disputes and claims between Broker and Associate-Licensee connected with their relationship under this agreement, including obligations and liabilities arising from existing and completed listings, transactions, and services.

**19. PROPERTY MANAGEMENT:** Property Management is **not** allowed. The conducting of a property management business (soliciting owners and renters, renting, leasing and maintaining properties in expectation of compensation) with the public without the knowledge and permission of the employing broker is in violation of Sections 10130, 10131(b), 10137 and 10145(c) of the Business and Professions Code. This action is subject to real estate license suspension or revocation and/or civil lawsuit.

**20. LEASE AGREEMENTS:** Associate-Licensee can write lease agreements for their clients, as long as they do not have any ownership interest in the property and it is a residential property. USA Realty and Loans will take a flat fee of 10%, and Associate-Licensee will receive the remaining 90% on any commission earned. In order to be paid, you will need to provide our office with the CAR standard form, "Lease Listing Agreement", signed by all parties to the transaction.

**20.1 BPO CHECKS:** If an Associate-Licensee receives a check for doing a BPO, USA Realty and Loans will take a flat fee of 10% (max to broker is \$250), and Associate-Licensee will receive the remaining 90% of the check.

Associate-Licensee's Initials  
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**21. LOAN MODIFICATIONS:** Associate-Licensee is **NOT** allowed to help their clients with a loan modification in any way. This includes, but is not limited to:

1. Representing them as your clients with a loan modification company.
2. Calling a loan modification company on their behalf.
3. Referring them to a loan modification company.
4. Getting paid by a loan modification company.
5. Helping them in any way with a loan modification.
6. Accepting an advance payment for a loan modification.

The USA Realty and Loans E&O policy does not cover loan modifications.

**22. DEFINITIONS:** As used in this agreement, the following terms have the meanings indicated:

(a) "Listing" means an agreement with a property owner or other party to locate a buyer, exchange party, lessee, or other party to a transaction involving real property, a mobile home, or other property or transaction which may be brokered by a real estate licensee, or an agreement with a party to locate or negotiate for any such property or transaction.

(b) "Compensation" means compensation for acts requiring a real estate license, regardless of whether calculated as a percentage of transaction price, flat fee, hourly rate, or in any other manner.

(c) "Transaction" means a sale, exchange, lease or rental of real property, a business opportunity, or a manufactured home, which may lawfully be brokered by a real estate licensee.

**23. UNLAWFUL ACTS:** Associate-Licensee shall not commit acts for which the Commissioner of the Department of Real Estate of the State of California (DRE), RESPA or HUD are authorized to restrict, suspend or revoke Associate-Licensee's license or impose other discipline, under the California Business and Professions Code Section 10176 or 10177 or other applicable provisions of State or Federal Law. If Associate-Licensee does commit such an act, Associate-Licensee will forfeit any commissions due on transaction.

{{\_es\_signer\_signature}}

Agent Signature

{{\_es\_signer\_date}}

Date

#### **SCHEDULE A DUTIES, TERM, AND COMMISSION SCHEDULE**

##### **REAL ESTATE TRANSACTIONS**

##### **DUTIES:**

The Associate-Licensee will perform all the duties of a Licensed Real Estate Agent, including acting as either a Buyer's Agent, Sellers Agent and/or both, according to the laws of the California Department of

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Real Estate. Associate-Licensee is responsible for all marketing costs incurred to procure such transactions. He or she will report directly to broker. Associate-Licensee shall fulfill any other duties reasonably requested by the Company. Associate-Licensee agrees to abide by all laws set forth by the California Department of Real Estate.

On all real estate transactions, Associate-Licensee is required to use our in-house transaction coordinators. The fee for this is \$295.00. For a dual transaction (Associate-Licensee represents both buyer and seller), the transaction coordinator fee is \$395. Associate-Licensee will use only USA Realty and Loans approved Transaction Coordinators for each transaction, and no commissions will be paid out until the complete file is received from the transaction coordinator and reviewed at the USA Realty and Loans office.

**TERM:**

This engagement shall commence upon execution of this Agreement and shall continue in full force and effect through completion of assignment or upon completion of the Associate-Licensee's duties under this Agreement. The Agreement may only be extended thereafter by mutual agreement, unless terminated earlier by operation of and in accordance with this Agreement.

**COMPENSATION:**

**Broker Compensation:** Broker compensation is \$495 (four hundred ninety five dollars) or 10% of the commission check, whichever is less (note: the minimum to broker is \$195). If the sales price in the transaction is over \$1,000,000.00 (One Million Dollars), broker compensation is an additional \$50 for every \$100,000 price increment. In a dual transaction (agents represents buyer and seller), broker compensation is \$990 (nine hundred ninety dollars).

**Broker Associate Compensation:** Associate-Licensee shall receive 100% (one hundred percent) of compensation actually collected by broker, once the broker compensation and \$125 risk management fee has been deducted. Note: if the sales price is over \$1,000,000.00 (one million dollars), the risk management fee is an additional \$12.50 for every \$100,000 price increment.

If Associate-Licensee receives referral compensation from another broker, USA Realty and Loans will deduct a flat fee of 10% (max to broker is \$250), and Associate-Licensee will receive the remaining 90%. If Associate-Licensee collects a fee for doing a BPO (broker price opinion), USA Realty and Loans will deduct a flat fee of 10% (max to broker is \$250), and Associate-Licensee will receive the remaining 90%. If Associate-Licensee rents clients property, USA Realty and Loans will deduct a flat fee of 10% (max to broker is \$500), and Associate-Licensee will receive the remaining 90%.

Associate-Licensee will be paid as an independent contractor, and a 1099 will be issued at the end of the fiscal year. Fees and charges are assigned at the time of signing the Independent Contractor Agreement and may be changed by Broker with 30 days advance notification to Associate-Licensee.

**SCHEDULE A**

**DUTIES, TERM, AND COMMISSION SCHEDULE**

**MORTGAGES**

**DUTIES:**

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The associate-licensee will secure residential conventional purchase and refinance loans, VA loans and FHA loans, according to the laws of the California Department of Real Estate. Associate-licensee is responsible for all marketing costs incurred to procure such loans. He or she will report directly to broker. Associate-licensee shall fulfill any other duties reasonably requested by the Company and agreed to by the associate-licensee.

On all mortgage loans, associate-licensee is required to use our in-house loan processors. Associate-licensee agrees that all closed files must be complete and stacked properly, and must pass USA Realty and Loans in house quality control before any compensation is dispersed to the associate-licensee.

### **TERM:**

This engagement shall commence upon execution of this Agreement and shall continue in full force and effect through completion of assignment or upon completion of the associate-licensee's duties under this Agreement. The Agreement may only be extended thereafter by mutual agreement, unless terminated earlier by operation of and in accordance with this Agreement.

### **COMPENSATION:**

The total broker compensation on all loans is 1.500% and is paid directly from the lender. From this 1.500%, the broker receives .500% and the associate-licensee receives 1.00%. This 1.500% broker compensation does not change, and is the same on all loans.

**Broker Compensation:** Broker compensation is .500% and is paid directly to broker from the lender. From this compensation, broker will pay the company loan processor, the company admin and E&O fees.

**Associate-Licensee Compensation:** Associate-Licensee shall receive a 1.00% commission of the loan amount on all loans. For example, if the loan amount is \$400,000, the associate-licensee will receive a commission of \$4,000.00. This applies to all closed loans that are generated by loan officer, and upon receipt of the check from the escrow company.

Associate-Licensee will be paid as an independent contractor, and a 1099 will be issued at the end of the fiscal year. Fees and charges are assigned at the time of signing the Independent Contractor Agreement and may be changed by Broker with 30 days advance notification to Associate-Licensee.

## **Policies and Procedures Manual** **Associate Licensee**

### **Introduction:**

The Company is licensed by the Department of Real Estate under the following name: 4 USA Loans, d/b/a USA Realty and Loans (USA). USA is a full-service real estate and mortgage company located in San Diego, committed to the very highest level

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of professionalism to our local and national clients. Our #1 goal is to have 100% customer satisfaction. This Policies and Procedures manual is a reference guide on how to conduct business on a day to day basis. This is only a guide; Associate Licensee should always use their professional judgment. Associate Licensee is not an employee of USA, but an independent contractor. Associate Licensee is under the direction of the Broker as the results of the work, but not by the methods by which such results are accomplished and will execute an Independent Contractors Agreement that defines this relationship in detail.

### **Company Philosophy:**

Achieving a reputation for service and excellence above and beyond the standards of our competition is our paramount goal in business. Achieving that reputation comes from a dedication to consistent service, focused agency activities and ethical business practices.

### **Agent Relationship:**

Agent is not an employee, but an independent contractor and must fill out an Independent Contractors Agreement and a 1099 tax form. You do not have an employee-employer relationship with this company. You are also considered an independent contractor for purposes of Unemployment Insurance. You are associated with the Company for an unspecified term on an at-will basis. Except where it is otherwise expressly agreed in writing with the company, either party may terminate their association at any time with or without cause or reason.

To complete their hire package, independent contractor is required to provide broker the following items:

- Signed Independent Contractors Agreement and Commission Schedule
- Signed Policies and Procedures Manual
- Fraud Policy
- W-9 Tax Form
- Copy of Valid Driver's License
- Copy of valid car insurance naming 4 USA Loans, Inc./John Lemkau as an additional insured.

If agent fails to provide the above items in the time specified above then the Agents first commission check will be withheld until completion of hire package.

### **Loan Processing and Transaction Coordinating:**

**All agents must use approved company transaction coordinators on all real estate transactions and approved company loan processors on all mortgage loans.** A list of approved personnel will be provided with the welcome letter.

### **Locking of Loans:**

Only company approved loan processors can lock a loan rate with one of our lenders. Please note: Do not guarantee your client a loan rate, until you have lock confirmation

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from your loan processor.

**Real Estate Forms:**

All forms must be accessed through Winforms or approved by company broker.

**DRE Licensing and Education:**

You are required to maintain a valid California real estate salesperson license in good standing while associated with this company. If your license expires, is suspended or revoked, you may not engage in any activities on behalf of company for which a real estate license is required. The broker may designate another company salesperson to handle your prospects, listings and transactions during any time your license lapses, and allocate such reasonable compensation to that salesperson for work performed. Agent is responsible to meet the education requirements of the California Department of Real Estate. If agent's license status shows "expired" on DRE website ([www.dre.ca.gov](http://www.dre.ca.gov)), Agent will have 45 days to change status to "active" before agent will be terminated.

**Referral fees paid to outside brokers and/or salespersons:**

Referral fees shall only be paid to the broker of any state licensed agent/salesperson in accordance with a written agreement between salespersons, approved by the USA broker prior to close of escrow. All referral fees are to be paid out of the salesperson's gross share of commissions. A social security number of the referring broker or EIN number is required, along with a signature of the referring broker, in order to process the referral fee.

**E & O Insurance:**

All real estate transactions are covered under our company E & O Policy through our insurance carrier. Agent is responsible for the \$2,500 deductible on any transactions brokered through USA that results in a lawsuit.

**Trust Funds:**

**Broker DOES NOT have a trust fund account. DO NOT touch client's checks.** The mishandling of trust funds is the number one reason real estate agents and loan officers licensed by the California Department of Real Estate have their licenses suspended or revoked.

Under NO circumstances will an agent accept earnest money deposit checks. Do not handle any money in the form of check, money order, cash or otherwise, regarding good faith deposits, appraisals, home inspections, repairs, credit reports, or other service providers.

Have your client deliver or send escrow deposit directly to the escrow company. Give client escrow information needed for them to mail or drop off deposit directly to escrow within three business days after acceptance of offer. Have client pay for home inspections and/or appraisals at the time of inspection.

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### **Advertising and Marketing:**

All advertising and marketing materials must receive approval from the broker. All sales associates must strictly adhere to any state or federal “do not call” list regulations. Failure to do so may result in immediate termination.

### **Signs and Lockboxes:**

Agent is responsible for ordering, purchasing all signs and lockboxes from company approved vendors. This list is available on the company website.

### **Discrimination:**

USA does not discriminate, nor should agent, based on race, color, religion, sex, national origin, family status, sexual orientation or disability. It is the law. All agents are expected to assist all customers to purchase, sell or obtain financing.

### **Maintaining Files:**

Your files are a record of every event relative to your dealings with your clients on a listing or sale transaction. You must retain copies of all listings, deposit receipts and other documents executed by you or obtained by you in connection with a real estate transaction, whether the sale is consummated or not. You must maintain a neat and orderly file on every listing and sale on which you work. All files are property of the company and are to remain either in your possession or the company’s until the file is closed.

### **Litigation and Claims Handling:**

You are required to:

1. Promptly notify your Broker of any claim or potential claim made against you and or the company, including any demand received by you for money or services alleging a negligent act or omission; any notification of the commencement of a Lawsuit, arbitration or mediation process; or any written or verbal notice or threat that anyone intends to hold you and/or the company responsible for any alleged wrongdoing.
2. Cooperate with the company in the defense of the claim.
3. Promptly pay to the company any amounts due hereunder upon notice to you from the company.
4. The Company has the right to make all decisions concerning the defense of the claim, including choice of counsel. In the event you object to any decision made by the company, you may obtain your own attorney at your own expense; however, you shall not be relieved from the obligation to pay your portion of the cost of the claim as set forth herein.
5. Except as provided below, the cost of the defense of the claim, or to defend or protect against any potential or possible claim where the company or you are not involved as a party, including attorney’s fees, and the cost of any settlement or a

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judgment (collectively the “costs of defense”), shall be allocated between the company and you in the same percentages as per your Independent Contractor Agreement or prospective transaction that led to the claim, whether or not the transaction actually closed.

6. You shall be responsible for all costs of a claim if you fail to follow any law, regulation or company policy as set forth in this policy manual, and that failure results in a judgment or other final adjudication based on that failure.
7. You shall be solely responsible, and shall reimburse the company, for all the company’s costs of defense if a judgment or other final adjudication on any claim adverse to the company and/or you establishes that dishonest, fraudulent, criminal, or malicious acts, errors or omissions were committed or results in a finding of intentional tort, slander, defamation or any conduct which leads to the imposition of punitive, exemplary or multiple damages, or fines or penalties, or establishes discrimination on the basis of race, creed, religion, ethnic background, national origin, age, sex, handicap, familial status, physical disability, sexual preference, or any other unlawful classification.

**Disputes During Escrow:**

If a dispute arises during escrow between buyer and seller, buyer, the cooperating broker and/or the company, which cannot be resolved by negotiations between the parties and the agent(s) involved, and the company determines that it is in the best interest of the company to resolve the matter during escrow rather than risk a potential claim or litigation after close of escrow; then company broker has the right to 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 company or agent liability or responsibility in the dispute, the agent(s) and the company will participate in the commission reduction or credit pro rata.

**Sexual Harassment Policy:**

USA disapproves of and does not tolerate Sexual harassment of any kind. All agents must avoid offensive or inappropriate sexual behavior at work and are responsible for assuring that the workplace is free from sexual harassment at all times.

USA prohibits: unwelcome sexual advances, requests for sexual acts or favors, with or without accompanying promises, threats or reciprocal favors or actions, or other verbal or physical conduct of a sexual nature which creates a hostile or offensive working environment.

Complaints of sexual harassment will be promptly and carefully investigated, and all agents are assured that they will be free from any reprisal or retaliation from filing such complaints. Any agent who has a complaint of sexual harassment at work by anyone should immediately bring the complaint to the attention of the broker.

Office investigations will include interviews with all relevant persons, including the complainant, the accused, and other potential witnesses. Agents are assured that the privacy of the complainant and the person accused of sexual harassment will be kept strictly confidential.

The broker will review findings with the complainant at the conclusion of the

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investigation. If the investigation reveals that the complaint appears to be valid, immediate and appropriate corrective action, up to an including termination, will be taken to stop the harassment and prevent its recurrence. If the validity of the complaint cannot be determined, immediate and appropriate action will be taken to assure that all parties are acquainted with this sexual harassment policy and to avoid sexual harassment in the future. The above policy also applies to harassment of any kind.

### **Termination:**

Your association with the company can be terminated by either party, with or without cause, at any time upon written notice given to the other party. If this agreement is terminated while you have listings or pending transactions that require further work normally rendered by you, the broker will make arrangements with another salesperson in the company to perform the required work. The licensee performing the work shall be reasonably compensated for completing the work, and such reasonable compensation shall be deducted from your share of the commission.

### **Listings:**

Listings are property of the company, even upon your termination. Within 24 hours after notice of termination by either party, you must provide your broker with a list of all active listings taken by you, and all pending transactions in which, if completed, you will be entitled to compensation from the company in accordance with the terms of your Independent Contractor agreement, or other written agreement. You specifically agree that you may not contact the sellers of properties where listings were taken by you for the purpose of directly or indirectly soliciting or inducing the client to terminate their listing with the company.

### **Rental/Lease:**

1. The Premier agent on a rental/lease property can list a rental property on the MLS, market it, show it to a potential tenant and introduce him/her to the owner. The owner or his/her representative must complete the rest of the renting process.
2. A Premier agent can accept a rent payment or deposit payable only to the property owner or management company.
3. A Premier agent must never sign any rental documents in place of an owner or tenant.
4. A Premier agent must report the rent/lease transaction within 72 hours to the office manager at Premier.
5. A Premier agent must not accept any type of compensation directly from a property owner or tenant. The compensation must be paid through Premier Realty Associates.
6. The broker's fee for a rental/lease property is 10% of the total commission (max to broker is \$250)
7. The agent will receive his/her commission when all the documents/forms required in check list are uploaded to the transaction file.

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**Selling your own home:** As an agent for USA Realty and Loans, you are allowed to list and sell your primary residence. However, you must abide by the following conditions, per our E&O policy:

1. An accredited written home inspection report was issued in connection with the transaction.
2. An agent for USA Realty and Loans was not the buyer's agent.
3. A seller's disclosure form was signed and acknowledged by the buyer prior to closing.
4. A CAR approved Residential Purchase Agreement sales contract was used.

**Acknowledgement:**

I, the undersigned sales associate for USA Realty and Loans, do hereby acknowledge that I have read, understand and agree to abide by the policy stated herein and all subsequent amendments.

{{\_es\_signer\_fullname}}  
Agent Name

{{\_es\_signer\_signature}}  
Signature

{{\_es\_signer\_date}}  
Date

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