



NEW AFFILIATE SIGN-UP PROCEDURES

- 1) READ Broker-Salesperson Agreement
- 2) Complete & Sign The Personal Data Questionnaire
- 3) Complete DRE's E-Licensing Salesperson Change Procedure On-Line
- 4) Sign "E&O Liability Insurance" & "Basic Rules" Forms
- 5) Provide Proof Of Automobile Insurance
- 6) **RETURN ALL PAGES REQUIRING ORIGINAL INITIALS OR SIGNATURE ONLY (OTHER PAGES ARE PROVIDED FOR YOUR REFERENCE-PLEASE KEEP)**

IMPORTANT! The following must ALSO be Included:

- Your ORIGINAL D.R.E. License (A Copy Is Not Acceptable unless joining as a broker associate)
- Your E&O Insurance Prepayment (Make Check Payable To REALsmart)

Please be sure to provide the above-requested information to prevent delays in the processing of your application.

MAIL TO
REALsmart
Ben Van Gaasbeek
14866 Lyons Valley Rd
Jamul, CA 91935

Questions? Call (619) 647-4765 or (619) 270-8721

BROKER – SALESPERSON AGREEMENT

THIS AGREEMENT, made this _____ day of _____ 200_____

by and between REALSMART, hereinafter referred to as Broker, and

(Print Salesperson's First & Last Name)

Hereinafter referred to as Salesperson;

WHEREAS, Broker is duly licensed as a real estate Broker by the State of California, and

WHEREAS, Broker operates in El Cajon, California.

WHEREAS, Salesperson is now engaged in business as a real estate licensee, duly licensed by the State of California.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, it is understood and agreed as follows:

1. Broker agrees, at Salesperson's request, to make available to Salesperson all current listings in the office, except such as Broker may choose to place in the exclusive possession of some other Salesperson. In addition, at Salesperson's discretion and at Salesperson's request, Broker may, from time to time, supply Salesperson with prospective listings; Salesperson shall have absolute discretion in deciding upon whether to handle and the method of handling any such leads from Broker. Nothing herein shall be construed to require that Salesperson accept or service any particular listing or prospective listing available from Broker's inventory of listings; nor shall Broker have any right or authority to direct that Salesperson see or service particular parties, or restrict Salesperson's activities to particular areas. Broker shall have no right, except to the extent required by law, to direct or limit Salesperson's activities as to hours, leads, open houses opportunities or floor time, production, prospects, reports, sales, sales meetings, schedules, inventory, time off, training, vacation, or other similar activities.

Broker agrees that thereby Broker obtains no authority or right to direct or control Salesperson's actions or activities except as specifically required by law (including Business and Professions Code section 10177(h) and that Salesperson assumes and retains discretion for methods, techniques and procedures in obtaining and soliciting listings and sales of listed property. Salesperson shall not engage in Property Management or any related activities such as, but not limited to, Leases or Rentals of Residential, Industrial or Commercial Property.

INITIAL HERE: _____

2. Until termination hereof, Salesperson agrees to work diligently and with Salesperson's best efforts to sell any and all real estate available, to solicit listings and customers, and otherwise promote the business of serving the public in real estate transactions to the end that each of the parties hereto may derive the greatest profit possible, providing that nothing herein shall be construed to require that Salesperson handle and solicit particular listings, or to authorize Broker to direct or require that Salesperson do so. Salesperson 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 in paragraph 3 below.

Salesperson may use Broker's proprietary fictitious business name "REALsmart" and its Trademark logo on signage, stationary and / or any other marketing or advertising materials only while conducting activities requiring a real estate license, and under Broker's supervision. The use by Salesperson of any other fictitious business name(s) not duly registered by Broker with the Department of Real Estate is prohibited.

The use of Broker's business names and of its Trademark logo is not allowed in Salesperson's personal and / or private business without Brokers knowledge, oversight and supervision. Salesperson assumes full legal liability and agrees to indemnify Broker for any unauthorized use of Broker's business names and of its Trademark logo.

Salesperson understands and agrees that Broker retains exclusive rights to its business names and Trademark logo and graphics at all times. Salesperson agrees to discontinue the use of the REALsmart's name, proprietary logo and graphics immediately upon the termination of this agreement.

3. Salesperson agrees to commit no act of a 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.
4. Broker's commissions as set forth in the attached schedule, marked 'Exhibit A' and hereby incorporated by reference, shall be charged to the parties for whom the services are performed except that Broker may agree in writing to other rates with such parties. Broker will advise all Salespersons associated with Broker of any special commission rates made with respect to listings as provided in this paragraph. When Salesperson shall have performed any work hereunder whereby any commission shall be earned and when such commission shall have been collected, Salesperson shall be entitled to a share of such commission as determined by the attached commission schedule, marked "Exhibit B" and hereby incorporated by reference, except as may otherwise be agreed in writing by Broker and Salesperson before completion of any particular transaction. Salesperson shall also receive an override as described in "Exhibit C" on any transactions completed by other salespersons recruited into the company by Salesperson.
5. In the event that two or more Salespersons participate in such work, Salespersons' share of the commission shall be divided between the participating Salespersons according to agreement between them or by arbitration.
6. In accordance with section 10138 of the California Business and Professions Code., all commissions will be received by Broker; Salesperson's share of such commission shall be payable to Salesperson after a complete transaction file has been submitted to Broker and then within 2 business days or as soon as practicable thereafter.

INITIAL HERE: _____

7. In no event shall Broker be personally liable to Salesperson for Salesperson's share of commissions not collected, nor shall Salesperson be entitled to any advance or payment from Broker upon future commissions, Salesperson's only remuneration being Salesperson's share of the commission paid by the party or parties for whom the service was performed. Nor shall Salesperson be personally liable to Broker for any commission not collected. Salesperson 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.
8. Broker shall not be liable to Salesperson for any expenses incurred by Salesperson or for any of his or her acts. Salesperson shall have no authority to bind Broker by any promises or representation unless Broker specifically authorized in writing in a particular transaction. Salesperson agrees to provide and pay for all necessary professional licenses and dues. Broker shall not be liable to reimburse Salesperson therefore. In the event broker elects to advance sums with which to pay for the account of Salesperson's professional fees or other items, Salesperson shall repay the same to Broker on demand and Broker may deduct such advances from commissions otherwise payable to Salesperson.
- 9: **This agreement does not constitute a hiring by either party.** It is the parties' intention that so far as shall be in conformity with the law, the salesperson is an **independent contractor and not Broker's employee**, and in conformity therewith that Salesperson retains sole and absolute discretion and judgment in the manner and means of carrying out Salesperson's selling and soliciting activities. Therefore, the parties hereto are and shall remain independent contractors bound by the provisions hereof. Salesperson will not be treated as an employee with respect to the service performed by such Salesperson as a real estate agent for state tax and federal tax purposes or any other state. Salesperson is under the control of Broker only as a result of Salesperson's work as required by California Department of Real Estate and not as to the means by which such result is accomplished. This agreement shall not be construed as a partnership and Broker shall not be liable for any obligation, injury, disability or liability incurred by Salesperson.
10. In accordance with law, Salesperson agrees that any and all listings of property and all employment in connection with the real estate business shall be taken in the name of Broker. Such listings shall be filed within twenty-four hours after receipt of same by Salesperson. Salesperson shall receive a commission in accordance with the current commission schedule set forth in the Broker's written policy based upon commissions actually collected from each listing solicited and obtained by Salesperson. In consideration therefore Salesperson agrees to and does hereby contribute all right and title to such listings to the Broker for the benefit and use of Broker, Salesperson and all other Salespeople associated with Broker to whom Broker may give the listing. Salesperson shall have the right provided in paragraph 12 hereof with respect to listings procured by Salesperson prior to termination.

INITIAL HERE: _____

11. On completion of work in process, this agreement may be terminated by Salesperson at anytime. Except for cause, this agreement may not be terminated by Broker except on 30 days' notice to Salesperson. On the occurrence of any of the following, Broker may terminate this agreement:
 - (a) Election of Broker to sell its entire business, or to cease doing business;
 - (b) Any breach of this agreement by Salesperson;
 - (c) Cessation of Salesperson to be licensed;
 - (d) Failure of Salesperson to comply with any applicable law, or regulation of the Real Estate Commissioner;
 - (e) The filing by or against Salesperson of any petition under any law for the relief of debtors and Conviction of Salesperson of any crime, other than minor traffic offenses.
12. When this agreement has been terminated, Salesperson's regular proportionate share of commission on any sales Salesperson has made that are not yet closed, shall, upon the closing of such sales, be paid to Salesperson, if collected by Broker, and except in cases of termination for cause Salesperson shall also be entitled to receive the portion of the commissions received by Broker after termination allocable to the listing (but not to the sale) as set forth in Broker's current commission schedule, on any listing procured by Salesperson during Salesperson's association with Broker, subject, however, to deductions as provided in paragraph 13.
13. In the event Salesperson leaves and has transactions pending that require further work normally rendered by the Salesperson, Broker shall make arrangements for Broker or another Salesperson in the organization to perform the required work, and the Broker or Salesperson assigned shall be compensated for completing the details of pending transactions and such compensation shall be deducted from the terminated Salesperson's share of the commission. Maximum commission that will be paid to a terminated Salesperson in the event that pending transaction(s) are completed by Broker or another Salesperson is 25% of commission amount paid to Broker. This applies only to transactions already in escrow at the time of termination and does not apply to leads the terminated Salesperson was cultivating at the time of termination.
14. Arbitration. In the event of disagreement or dispute between Salespersons in the office or between Broker and Salesperson arising out of or connected with this agreement which cannot be adjusted by and between the parties involved, the disputed disagreement shall be submitted to Arbitration pursuant to the rules of the American Arbitration Association, which rules are referenced and incorporated herein.
15. Salesperson shall not after the termination of this contract use to Salesperson's own advantage, or to the advantage of any other person or corporation, any information gained for or from the files or business of Broker.
16. Salesperson agrees to indemnify Broker and hold Broker harmless from all claims, demands and liabilities, including costs and attorneys' fees to which Broker is subjected by reason of any action by Salesperson taken or omitted pursuant to this agreement.

INITIAL HERE: _____

17. All notices hereunder shall be in writing. Notices may be delivered personally, or by mail, postage prepaid, to the respective addresses noted below. Either party may designate a new address for purposes of this agreement by giving written notice to the other party. Notices mailed shall be deemed received as of 5:00 P.M. of the third business day following the date of mailing.
18. All prior agreements between the parties are incorporated in this agreement which constitutes the entire contract. Its terms are intended by the parties as a final expression of their agreement with respect to such terms as are included herein and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding, if and, involving this agreement. This agreement may not be amended, modified, altered or changed in any respect whatsoever except by a further agreement in writing duly executed by the parties hereto.
19. This document is a "living document" and may have additions and changes made as the demands of business dictate. Salesperson will be made aware of changes made to this document as they are made. Salesperson must agree to said changes to continue affiliation with REALsmart, Inc.

The signatures of the parties hereto the day and year first above written.

REALSMART

BROKER: _____

SALESPERSON: _____
(SALESPERSON'S SIGNATURE REQUIRED)

DATE: _____

EXHIBIT "A"

Agent may use his or her discretion regarding what commission fee to charge their clients.

INITIAL HERE: _____

EXHIBIT "B"

The Salesperson shall be entitled to keep a maximum of **90% (Ninety Percent)** of all commissions* earned and actually collected by Broker as follows:

10% (Ten Percent) of Salesperson's gross earned commission OR **\$595 (Five Hundred Ninety Five Dollars)**, *whichever is more*, shall be deducted by Broker from each Salesperson's earned gross commission, per transaction side, together with any applicable transactional Errors and Omissions (E&O) insurance contribution due by Salesperson.

In the event Salesperson buys or sells his / her own property, or requires a refinance, a transaction fee shall be payable to Broker, regardless of whether Broker is named in the transaction or whether any sales commission is stipulated or payable to any party to the transaction, as follows:

10% of 3% of the property's sales price, or a minimum of \$995 (Nine Hundred Ninety Five Dollars), whichever is greater.

A flat 20% (Twenty Percent) transactional fee shall be deducted by Broker from Any Referral Fee earned by Salesperson.

A flat 15% (Fifteen Percent) or \$595 (Five Hundred Ninety Five Dollars), whichever is greater, transaction fee shall be deducted by Broker from ALL Loan Fees, Commissions, Charges and / or Lender Rebates through REALsmart.

A flat 15% (Fifteen Percent) or \$696 (Six Hundred Ninety Five Dollars), whichever is greater, PLUS \$400 (four hundred dollar) transaction fee shall be deducted by Broker from ALL Loan Fees, Commissions, Charges and / or Lender Rebates through Stinson Financial on California loans. All out of state loans will be on a state by state basis due to different costs of doing business in different states. REALsmart has a strategic partnership with Stinson Financial for doing loans that REALsmart is not yet set up to do as a service to the Salespersons with REALsmart.

* Broker transaction fee is computed based on Salesperson's gross commission earnings before rebates, reductions, deductions, referral fees or credits paid by Salesperson to third parties.

Date: _____

SALESPERSON: _____

EXHIBIT "C"

Salesperson is entitled to receive a 3% override on each transaction completed by other salespersons recruited to Broker by Salesperson. The override amount shall be bound by the same restrictions and agreements governing payment of commissions as described in this contract in paragraph 4.

So long as Salesperson is affiliated with Broker, Salesperson is entitled to this override. Once the affiliation is broken, no further overrides will be paid to Salesperson.

Once Salesperson has been affiliated with Broker for a continuous uninterrupted period as a valid salesperson in the state of California for a period of 5 (five) years, Salesperson is considered vested for the purpose of the override. As long as Salesperson maintains a valid current real estate license in the state of California, Broker will continue to pay the override on real estate transactions (not loan) regardless of affiliation status. This agreement terminates upon the license becoming invalid or inactive.

INITIAL HERE:_____

**Errors & Omissions Liability Insurance
Available Exclusively For REALsmart Affiliates**

PURPOSE

The purpose of E&O Insurance is to provide professional liability coverage to all REALsmart Affiliates.

While we all are responsible professionals there are circumstances beyond our control that may require liability insurance protection. Our current insurance coverage is meant to protect you, your family and your assets in the event of a lawsuit. While E&O Insurance is costly, being without adequate insurance protection when it is needed could have a devastating financial impact. In our litigation-prone environment, E&O Professional Liability Insurance coverage is a must.

E&O INSURANCE COVERAGE LIMITATIONS

Liability coverage limits: \$1,000,000 **per annum.**

Deductible: \$5,000 per claim, per occurrence. *

* If claim is resolved through arbitration or mediation \$10,000 deductible if settled through court proceedings Coverage features and limits are subject to change annually, per insurance Carriers Requirements.

CLAIM PROCEDURES - AGENT RESPONSIBILITIES

In the event of a lawsuit, the Insurance Company will appoint an attorney to represent REALsmart and its agent(s). All efforts are made to minimize claim expenses by exploring the most cost-effective defense avenues. The insurance carrier assigns attorneys with extensive experience in real estate litigation.

Financial responsibility for legal defense and court costs and any settlements orders up to a maximum of \$1,000,000 per claim, per year is covered under the terms of REALsmart's insurance policy.

* The Salesperson is responsible for any insurance deductible amount, as required under the terms of the policy in force at the time the claim is made.

AGENT INSURANCE PREMIUM CONTRIBUTION OPTIONS

ANNUAL PAYMENT OPTION: \$900 E&O prepayment due upon affiliation. \$900 payment covers all your transaction closings for a 12-month period. \$900 is due annually upon your affiliation anniversary thereafter.

TRANSACTIONAL PAYMENT OPTION: \$360 E&O prepayment due upon affiliation covers your first two transactions closings during the current calendar year. \$180 per transaction is applicable thereafter. \$360 annual minimum prepayment is due annually, billed each January.

* Deductible, insurance coverage, terms and liability limitations may vary, subject to Insurance Policy in force at the time of claim occurrence.

Please check one box below to specify your insurance premium contribution option.
Prepayment is due upon affiliation. Please make check payable to: REALsmart.

I enclose \$360 to be credited in full for E&O insurance coverage of my first 2 (two) transaction closings this calendar year. I understand \$180 will be deducted from each subsequent commission earned in this calendar year.

I enclose \$900 for unlimited transaction coverage for a 12 month-period.

NOTE:

E&O payment due upon affiliation may not be prorated, retroactively credited, refunded or carried forward to the next year.

SIGNED: _____ DATE _____

BASIC RULES CONCERNING BROKER SUPERVISION AND AGENT DUTIES

1. Agent activity reporting.

Initial Here: _____

You are to report all your business activities to Broker within 48 hours of occurrence via a checklist form. Business activities are defined as: Listing Agreements, Purchase Agreements, loan origination, newly opened Escrows, closed Escrows and / or any business contract or arrangement involving you and a client. This reporting rule applies to agreements to purchase real estate property on your own account, i.e. whereby you are acting as a Principal “buyer” or “seller”. or to Broker-to Broker referral fee(s) earned while in broker’s employ.

2. Agent Advertising / Soliciting

Initial Here: _____

All advertisements must be reviewed and approved by Broker PRIOR to publication. NO TELEPHONE SOLICITATION OR “COLD-CALLING” IS ALLOWED to people who have registered their telephone numbers on a “do-not-call registry”.

3. Trademark Use

Initial Here: _____

The use of REALsmart’s name and its logo is allowed only in the case where agent conducts business under broker’s knowledge, control, supervision, and oversight. The use of REALsmart’s name and its logo is not permitted in the case of agent’s private business or where broker has no knowledge, oversight, financial interest, or control over agent’s activities. Agent agrees to indemnify broker and hold broker harmless for any lawsuits, claims, or demands arising as a result of agent’s failure to observe broker’s guidelines with respect to the use of REALsmart’s trademark and its logo.

4. Earnest Money Deposits

Initial Here: _____

As REALsmart doesn’t not maintain a trust fund, all earnest money deposits by buyers must be payable directly to escrow and reported to Broker. Please use REALsmart’s checklist form to report all escrow deposits activity, as the D.R.E. requires Broker to keep a log of all trust fund deposits activity. **Under no circumstances** will an associate-licensee or associate-broker accept earnest money deposit checks. Do NOT handle any money in the form of a check, money order, cash, or otherwise, regarding good faith deposits, appraisals, home inspections, repairs, credit reports, or other service providers. Have the client photocopy you a copy of the checks that they are using to pay for services and for the good faith deposit. YOU ARE NOT AUTHORIZED TO RECEIVE FUNDS PAYABLE IN YOUR NAME - NEVER ACCEPT CASH PAYMENTS

5. Agreements/ Contracts — Agent Guidelines

Initial Here: _____

Broker’s Principal Place of Business Address and Phone Numbers must appear on all contracts you enter into. As an agent of REALsmart, you are authorized to add your contact information and sign or initial on behalf of Broker on transaction documents, however all pending contracts must be made available for Brokers review within 24 hours.

6. Transaction Documentation

Initial Here: _____

All new transaction activity must be communicated to Broker within 48 hours of occurrence. Use the DRE Checklist form for reporting purposes. Inasmuch as possible, be sure to include REALsmart’s 3-page supplement in all your transactions. This supplement conveys the importance of performing due diligence to all parties to a transaction. Other required forms can be found in the “Forms” link located on REALsmart’s website.

IMPORTANT! Complete transaction files are due in Broker’s office within 48 hours of closing of escrow. All documents pertinent to the transaction must be included in the file. Please refer to DRE Transaction Checklist for documentation requirements.

7. Commission Agreements

Initial Here: _____

Commission payment instructions must be signed by broker ONLY. **You are not authorized to sign on behalf of Broker.**

Please submit commission instructions to Broker via Fax at: (619) 330-4571 or email: ben@realsmartca.com

8. Trademark Use Restrictions

Initial Here: _____

The use of Broker’s proprietary fictitious business name “REALsmart’ and its Trademark logo is not permitted in the conduct of Salesperson’s private business or in activities outside of Broker’s direct control or supervision, or in Salesperson’s private dealings where Broker has no involvement or vested interest, REALsmart’s name must be removed from all documents, contracts, leases or notes, instruments or obligations concerning you personally. You must use REALsmart’s name and Trademark logo in all sales activities requiring a real estate license, under Broker’s supervision and oversight.

Receipt of a copy of this document is hereby acknowledged

I understand that failure to comply with the above rules, guidelines or timeliness requirements may be cause for immediate termination of my affiliation with REALsmart.

Date: _____ By: _____ (Agent’s Signature)

PLEASE SIGN AND RETURN

GETTING STARTED

(IMPORTANT-PLEASE READ & KEEP FOR REFERENCE)

Q. How do I go about signing up or changing my Board and/or M.L.S. Affiliation?

A. Contact your local Board and initiate your Broker affiliation Change procedure. There are forms for you to complete and sign, then forward to our main office for Broker's signature. Please inquire directly with your local Board about fees, dues and other membership requirements.

Q. What am I required to do when I take a new listing or when I open a new escrow?

A. Report all your new activity, including new escrow, new listing and / or earnest money deposit(s) to Broker via Transaction Update Form. Fax to (619) 330-4571 or email to ben@realsmartca.com. Blank DRE Checklist forms may be downloaded from www.realsmartca.com

Q. Where can I order business cards?

A. Go to www.printdirectforless.com and create an account. Soon they will have a system set up where you can order your cards completely online and see what they look like as you add your name and photo. You may also call Karen there at 800-301-8870 x205. You may also have cards printed by your local printer. Be sure REALsmart's logo appears on your card, as per DRE's requirements. REALsmart's logo may be downloaded from www.realsmartca.com

Q. Will I receive a 1099 Form at Year-End?

A. You'll be given a 1099 for all monies paid to you by REALsmart. No 1099 is issued when you are paid directly through escrow unless the party paying the commission requested a W9 Form from REALsmart. A blank commission disbursement breakdown form appears on the next page for your reference. This form allows you to receive your commission directly from Escrow immediately upon close of escrow.

Q. Are there additional forms or disclosures required in my transactions?

A. Yes, the following forms can be downloaded from www.realsmartca.com

TRANSACTION UPDATE FORM
3-PAGE SUPPLEMENT TO REAL ESTATE PURCHASE AGREEMENT
TOXIC MOLD DISCLOSURE
"AS-IS" ADDENDUM (If Applicable)

Q. How do I notify the DRE of my broker affiliation change?

A. Go On-Line to www.dre.ca.gov and initiate the E-Licensing Process, and follow the DRE's simple broker affiliation change procedure. When prompted, provide REALsmart's DRE Broker License #01770057.

Q. Where & How Do I Get Yard Signs Made?

A. Contact a Sign Maker near you for help. REALsmart's Trademark logo must be included on all your signage, flyers, brochures, business cards, etc. You may download a REALsmart logo from www.realsmartca.com and customize your yard sign and / or open house signs with your name and / or personal contact information. In San Diego County Call "Champion Signs" Company at (858) 622-0600 or Fax: (858) 622-0606. You can order your signs online at www.championsigns.net - Look for the REALsmart link. You can also try Advantage Signs & Design at (888) 214 8421, or contact a sign company in your area.



COMMISSION BREAKDOWN INSTRUCTIONS
(Broker Signature Is Required On All Commission Breakdown Requests)

Date: _____

TO: _____
(Escrow/Title Company / Officer Name)

Fax: _____ Phone: _____

Re: _____
(Property Address)

Escrow Number: _____

Please Disburse Commission As Follows:

1. To: REALsmart: _____ \$ _____
(Please forward REALsmart's Check To Main Office Address Shown Below)

2. To: _____ \$ _____
(Agent's Name)

3. To: _____ \$ _____
(Other if applicable)

4. Total Commission (1 + 2 + 3) \$ _____

By: _____
Benham B. Van Gaasbeek, Managing Broker-Officer

REALsmart
Corporate License #01770057
3177 Dehesa Road #15
El Cajon, CA 91935
Office: (619) 270-8721 or (619) 647-4765
Dedicated Fax Line: (619) 330-4571

Personal Data Questionnaire

(Type or print legibly & sign below)

Name: _____

Address: _____ State: _____ Zip: _____

Home Phone: _____ Bus. Phone: _____ Fax: _____

E-Mail Address: _____ Website/Webpage: _____

SSN# _____ DRE License # _____ Driver's License# _____

Do you currently carry Automobile Insurance Coverage? Yes _____ No _____

If yes please provide a copy of your insurance policy showing your current coverage limits. REALsmart must be added as "Additional Loss Payee" on your current policy as of your affiliation date.

Has your DRE License ever been suspended or revoked? Yes _____ No _____

If "Yes", Please explain:

Have you ever been convicted of any violation of law, crime or felony? Yes _____ No _____

If "Yes", please explain in detail. Use a separate sheet of paper if necessary:

List the names and phone numbers of your past 2 (two) Employing Brokers

Date: _____ Broker's Name: _____ Phone# _____

Date: _____ Broker's Name: _____ Phone# _____

Are you involved in a transaction dispute or a lawsuit that is still pending or unresolved? Yes ___ No ___

If YES, Please explain:

Do you have any other employment? If YES, please state name, address and phone # of your current employer and your job title:

While affiliated REALsmart, will you work: Full Time: _____ Part Time: _____

I hereby authorize Independence Realty or its agent(s) to verify the information in this affiliation packet. I understand that false or incomplete information provided by me may cause the termination of my affiliation with REALsmart.

Signed: _____ Date: _____

(Please sign and return.)



INDEPENDENT CONTRACTOR AGREEMENT (Between Broker and Associate-Licensee) (C.A.R. Form ICA, Revised 10/04)

This Agreement, dated _____ is made between _____ ("Broker") and REALsmart ("Associate-Licensee").

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

1. BROKER: Broker represents that Broker is duly licensed as a real estate broker by the State of California, [] doing business as REALsmart (firm name), [] a sole proprietorship, [] a partnership, or [X] a corporation.

Broker is a member of the SDAR Association(s) of REALTORS®, and a subscriber to the Sandicor Multiple Listing Service(s). Broker shall keep Broker's license current during the term of this Agreement.

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

3. INDEPENDENT CONTRACTOR RELATIONSHIP:

A. Broker and Associate-Licensee intend that, to the maximum extent permissible by law: (i) This Agreement does not constitute an employment agreement by either party; (ii) Broker and Associate-Licensee are independent contracting parties with respect to all services rendered under this Agreement; and (iii) This Agreement shall not be construed as a partnership.

B. Broker shall not: (i) restrict Associate-Licensee's activities to particular geographical areas or, (ii) dictate Associate-Licensee's activities with regard to hours, leads, open houses, opportunity or floor time, production, prospects, sales meetings, schedule, inventory, time off, vacation, or similar activities, except to the extent required by law.

C. Associate-Licensee shall not be required to accept an assignment by Broker to service any particular current or prospective listing or parties.

D. Except as required by law: (i) Associate-Licensee retains sole and absolute discretion and judgment in the methods, techniques, and procedures to be used in soliciting and obtaining listings, sales, exchanges, leases, rentals, or other transactions, and in carrying out Associate-Licensee's selling and soliciting activities, (ii) Associate-Licensee is under the control of Broker as to the results of Associate-Licensee's work only, and not as to the means by which those results are accomplished, (iii) Associate-Licensee has no authority to bind Broker by any promise or representation and (iv) Broker shall not be liable for any obligation or liability incurred by Associate-Licensee.

E. Associate-Licensee's only remuneration shall be the compensation specified in paragraph 8.

F. Associate-Licensee shall not be treated as an employee with respect to services performed as a real estate agent, for state and federal tax purposes.

G. The fact the Broker may carry worker compensation insurance for Broker's own benefit and for the mutual benefit of Broker and licensees associated with Broker, including Associate-Licensee, shall not create an inference of employment.

(Workers' Compensation Advisory: Even though Associate-Licensees may be treated as independent contractors for tax and other purposes, the California Labor and Workforce Development Agency considers them to be employees for workers' compensation purposes. According to this agency, (i) Broker must obtain workers' compensation insurance for Associate-Licensees and (ii) Broker, not Associate-Licensees, must bear the cost of workers' compensation insurance. Penalties for failure to carry workers' compensation include, among others, the issuance of stop-work orders and fines of up to \$1,000 per agent, not to exceed \$100,000 per company.)

4. 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 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. Broker shall make available to Associate-Licensee, equally with other licensees associated with Broker, all current listings in Broker's office, except any listing which Broker may choose to place in the exclusive servicing of Associate-Licensee or one or more other specific 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, lease, or rent 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 law. Associate-Licensee shall not commit any unlawful act under federal, state or local law or regulation while conducting licensed activity. Associate-Licensee shall at all times be familiar, and comply, with all applicable federal, state and local laws, including, but not limited to, anti-discrimination laws and restrictions against the giving or accepting a fee, or other thing of value, for the referral of business to title companies, 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). Broker shall make available for Associate-Licensee's use, along with other licensees associated with Broker, the facilities of the real estate office operated by Broker at _____ and the facilities of any other office locations made available by Broker pursuant to this Agreement.

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Broker's Initials () ()

Associate-Licensee's Initials () ()

Reviewed by _____ Date _____



INDEPENDENT CONTRACTOR AGREEMENT (ICA PAGE 1 OF 3)

5. **PROPRIETARY INFORMATION AND FILES:** (A) 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. (B) Associate-Licensee acknowledges that Broker's method of conducting business is a protected trade secret. (C) 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.
6. **SUPERVISION:** Associate-Licensee, within 24 hours (or _____) after preparing, signing, or receiving same, shall submit to Broker, or Broker's designated licensee: (i) All documents which may have a material effect upon the rights and duties of principals in a transaction, (ii) Any documents or other items connected with a transaction pursuant to this Agreement in the possession of or available to; Associate-Licensee and, (iii) All documents associated with any real estate transaction in which Associate-Licensee is a principal.
7. **TRUST FUNDS:** All trust funds shall be handled in compliance with the Business and Professions Code, and other applicable laws.
8. **COMPENSATION:**
- A. **TO BROKER:** Compensation shall be charged to parties who enter into a listing or other agreements for services requiring a real estate license: as shown in "Exhibit A" attached, which is incorporated as a part of this Agreement by reference, or as follows: As stated in the REALsmart New Affiliate Package, subject to its terms and conditions.
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- Any deviation which is not approved in writing in advance by Broker, shall be: (1) deducted from Associate-Licensee's compensation, if lower than the amount or rate approved above; and, (2) subject to Broker approval, if higher than the amount approved above. Any permanent change in commission schedule shall be disseminated by Broker to Associate-Licensee.
- B. **TO ASSOCIATE-LICENSEE:** Associate-Licensee shall receive a share of compensation actually collected by Broker, on listings or other agreements for services requiring a real estate license, which are solicited and obtained by Associate-Licensee, and on transactions of which Associate-Licensee's activities are the procuring cause, as follows: as shown in "Exhibit B" attached, which is incorporated as a part of this Agreement by reference, or other: As stated in the REALsmart New Affiliate Package, subject to its terms and conditions.
-
- C. **PARTNERS, TEAMS, AND AGREEMENTS WITH OTHER ASSOCIATE-LICENSEES IN OFFICE:** If Associate-Licensee and one or more other Associate-Licensees affiliated with Broker participate on the same side (either listing or selling) of a transaction, the commission allocated to their combined activities shall be divided by Broker and paid to them according to their written agreement. Broker shall have the right to withhold total compensation if there is a dispute between associate-licensees, or if there is no written agreement, or if no written agreement has been provided to Broker.
- D. **EXPENSES AND OFFSETS:** If Broker elects to advance funds to pay expenses or liabilities of Associate-Licensee, or for an advance payment of, or draw upon, future compensation, Broker may deduct the full amount advanced from compensation payable to Associate-Licensee on any transaction without notice. If Associate-Licensee's compensation is subject to a lien, garnishment or other restriction on payment, Broker shall charge Associate-Licensee a fee for complying with such restriction.
- E. **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 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 (paragraph 8(B)). (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 could be responsible under paragraph 14, until such claim is resolved. (vi) Associate-Licensee shall not be entitled to any advance payment from Broker upon future compensation.
- F. **UPON OR AFTER TERMINATION:** If this Agreement is terminated while Associate-Licensee has listings or pending transactions that require further work normally rendered by Associate-Licensee, Broker shall make arrangements with another associate-licensee to perform the required work, or Broker shall perform the work him/herself. The licensee performing the work shall be reasonably compensated for completing work on those listings or transactions, and such reasonable compensation shall be deducted from Associate-Licensee's share of compensation. Except for such offset, Associate-Licensee shall receive the compensation due as specified above.
9. **TERMINATION OF RELATIONSHIP:** 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.

Broker's Initials (_____) (_____)
 Associate-Licensee's Initials (_____) (_____)

Reviewed by _____ Date _____



10. 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 Broker, arising from or connected in any way with this Agreement, which cannot be adjusted between the parties involved, shall be submitted to 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 a 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.

11. AUTOMOBILE: Associate-Licensee shall maintain automobile insurance coverage for liability and property damage in the following amounts \$ 100,000.00 / \$ 300,000.00 . Broker shall be named as an additional insured party on Associate-Licensee's policies. A copy of the endorsement showing Broker as an additional insured shall be provided to Broker.

12. PERSONAL ASSISTANTS: Associate-Licensee may make use of a personal assistant, provided the following requirements are satisfied. Associate-Licensee shall have a written agreement with the personal assistant which establishes the terms and responsibilities of the parties to the employment agreement, including, but not limited to, compensation, supervision and compliance with applicable law. The agreement shall be subject to Broker's review and approval. Unless otherwise agreed, if the personal assistant has a real estate license, that license must be provided to the Broker. Both Associate-Licensee and personal assistant must sign any agreement that Broker has established for such purposes.

13. OFFICE POLICY MANUAL: If Broker's office policy manual, now or as modified in the future, conflicts with or differs from the terms of this Agreement, the terms of the office policy manual shall govern the relationship between Broker and Associate-Licensee.

14. INDEMNITY AND HOLD HARMLESS: Associate-Licensee agrees to indemnify, defend and hold Broker harmless from all claims, disputes, litigation, judgments, awards, costs and attorney's fees, arising from 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 this Agreement. Any such claims or costs payable pursuant to this Agreement, are due as follows:

- [X] Paid in full by Associate-Licensee, who hereby agrees to indemnify and hold harmless Broker for all such sums, or
[] In the same ratio as the compensation split as it existed at the time the compensation was earned by Associate-Licensee
[] Other:

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.

15. ADDITIONAL PROVISIONS: Additional conditions and standards are outlined in the REALsmart New Affiliate Package. All terms and conditions and standards outlined there must be agreed to before any transactions be initiated by Associate-Licensee.

16. 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.

17. 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.

18. ENTIRE AGREEMENT: All prior agreements between the parties concerning their relationship as Broker and Associate-Licensee are incorporated in this Agreement, which constitutes the entire contract. Its terms are intended by the parties as a final and complete expression of their agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. This Agreement may not be amended, modified, altered, or changed except by a further agreement in writing executed by Broker and Associate-Licensee.

Broker:
REALsmart
(Brokerage firm name)
By
Its [X] Broker [] Office manager (check one)
Ben Van Gaasbeek
(Print name)
3177 Dehesa Rd #15
(Address)
El Cajon, CA 92019
(City, State, Zip)
(619)270-8721 (619)330-4571
(Telephone) (Fax)

Associate-Licensee:
(Signature)
(Print name)
(Address)
(City, State, Zip)
(Telephone) (Fax)

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