



NEW JERSEY REALTORS® STANDARD FORM OF
BROKER-SALESPERSON
INDEPENDENT CONTRACTOR AGREEMENT

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THIS AGREEMENT, is made and entered into this \_\_\_ day of \_\_\_, 20\_\_\_, by and between
(hereinafter referred to as the "Broker"),
having its principal office at \_\_\_, and
(hereinafter referred to as the "Salesperson"), residing at \_\_\_

WITNESSETH:

WHEREAS, Broker is engaged in business as a real estate broker trading as \_\_\_, with its principal office at \_\_\_, and as such is duly licensed to engage in activities including, but not limited to, selling, offering for sale, buying, offering to buy, listing and soliciting prospective purchasers, and negotiating loans on real estate, leasing or offering to lease, and negotiating the sale, purchase or exchange of leases, renting or placing for rent, or managing real estate or improvements thereon for another or others; and

WHEREAS, Broker has and does enjoy the goodwill of the public, and has a reputation for fair and honorable dealing with the public; and

WHEREAS, Broker maintains an office in the State of New Jersey equipped with furnishings, listings, prospect lists and other equipment necessary, helpful, and incidental to serving the public as a real estate broker; and

WHEREAS, Salesperson is duly licensed by the State of New Jersey as a real estate salesperson; and

WHEREAS, it is deemed to be to the mutual advantage of Broker and Salesperson to enter into this Agreement; and

WHEREAS, Salesperson acknowledges that he has not performed any acts on behalf of Broker nor has he been authorized to act on behalf of Broker; and

WHEREAS, the parties acknowledge that they deem it desirable to enter into an agreement in compliance with the provisions of N.J.A.C. 11:5-4.1;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. SERVICES. Salesperson agrees to proceed diligently, faithfully, legally, and with his best efforts to sell, lease, or rent any and all real estate listed with Broker, except for any listings which are placed by Broker exclusively with another salesperson(s), and to solicit additional listings and customers for Broker, and otherwise to promote the business of serving the public in real estate transactions, and for the mutual benefit of the parties hereto.

2. OFFICE SPACE. Broker agrees to provide Salesperson with work space and other facilities at its office presently maintained at \_\_\_, or at such other location as determined by Broker at which Broker may maintain an office. The items furnished pursuant to this Paragraph 2 shall be for the convenience of the Salesperson.

3. RULES AND REGULATIONS. Salesperson and Broker agree to conduct business and regulate habits and working hours in a manner which will maintain and increase the goodwill, business, profits, and reputation of Broker and Salesperson, and the parties agree to conform to and abide by all laws, rules and regulations, and codes of ethics that are binding on, or applicable to, real estate broker and real estate salespeople. Salesperson and Broker shall be governed by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the real estate laws of the State of New Jersey, the Constitution and By-Laws of the \_\_\_ Board/Association of Realtors®, the rules and regulations of any Multiple Listing Service with which Broker now or in the future may be affiliated with, and any further modifications or additions to any of the foregoing. Salesperson acknowledges that it is his responsibility to familiarize himself with all current Code of Ethics, the Local Board/Association By-Laws, the rules and regulations of any Multiple Listing Service with which Broker is now affiliated, the Rules and Regulations of the Real Estate Commission and the License Law of the State of New Jersey. Broker agrees to maintain copies of all the foregoing and to make the same available to Salesperson. Salesperson agrees also to abide by the rules, regulations, policies and standards promulgated by Broker.



51 4. **LICENSING AND ASSOCIATION MEMBERSHIP.** Salesperson represents that he is duly licensed by the State of New  
52 Jersey as a real estate salesperson. Salesperson acknowledges that Broker is a member of the \_\_\_\_\_  
53 \_\_\_\_\_ Board/Association of Realtors®, the New Jersey Association of REALTORS® and the NATIONAL  
54 ASSOCIATION OF REALTORS®, and as a result thereof, Broker is subject to the rules and regulations of those organizations.  
55 Salesperson agrees to be subject to and act in accordance with said rules and regulations. If Broker requires Salesperson to become a  
56 member of any real estate organization, then Salesperson agrees that he shall become a member thereof and shall pay all applicable fees  
57 and dues required to maintain said membership. As a result of Broker being a member of the aforesaid groups, Broker and Salesperson  
58 agree to abide by all applicable rules, regulations and standards of such organizations, including, but without limitation, those pertaining  
59 to ethics, conduct and procedure.  
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61 5. **COMPENSATION.** Salesperson's sole compensation from Broker shall be in the form of commissions. The commissions for  
62 services rendered in the sale, rental, or leasing of any real estate and the method of payment, shall be determined exclusively by Broker.  
63 Commissions, when earned and collected by Broker, shall be divided between Broker and Salesperson after deduction of all expenses and  
64 co-brokerage commissions in accord with the Salesperson's Commission Schedule attached to this Agreement as Schedule A which is an  
65 outline of compensation to be paid by Broker to Salesperson during the Salesperson's affiliation with Broker.  
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67 6. **MULTIPLE SALESPeOPLE.** In the event that two (2) or more salespeople under contract with Broker participate in a sale  
68 and claim a commission thereon, then and in that event the amount of commissions allocable to each salesperson shall be divided in  
69 accordance with a written agreement among said salespeople. In the event that the salespeople shall be unable to agree, the dispute shall  
70 be submitted to and be determined by Broker, in his sole discretion.  
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72 7. **RESPONSIBILITY OF BROKER FOR COMMISSIONS.** In no event shall Broker be liable to Salesperson for any commissions  
73 not collected, nor shall Salesperson be personally liable for any commissions not collected. It is agreed that commissions collected shall be  
74 deposited with the Broker and subsequently divided and distributed in accordance with the terms of this Agreement.  
75

76 8. **DIVISION AND DISTRIBUTION OF COMMISSIONS.** The division and distribution of the earned commissions  
77 as provided for in this Agreement which may be paid to or collected by the Broker, but from which Salesperson is due certain commissions,  
78 shall take place as soon as practicable after collection and receipt of such commissions, but in no event more than ten (10) business days  
79 after receipt by the Broker, or as soon thereafter as such funds have cleared the Broker's bank.  
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81 9. **RESPONSIBILITY FOR EXPENSES.** Unless otherwise agreed in writing, Broker shall not be liable to Salesperson for any  
82 expenses incurred by Salesperson or for any of his acts, nor shall Salesperson be liable to Broker for Broker's office help or expenses, or  
83 for any of Broker's acts other than as specifically provided for herein.  
84

85 10. **ADVANCES.** Broker may from time to time and in his sole discretion make advances to Salesperson on account  
86 of future commissions; it being expressly agreed, however, that such advances are temporary loans by Broker for the accommodation  
87 of Salesperson which are due and payable on demand or as otherwise agreed to by the Broker, and are not compensation. Upon notice  
88 to Salesperson, Broker shall have the right to charge interest on any and all advances made to Salesperson, either at the time of making  
89 the advance or thereafter, at a rate chosen by Broker in his sole discretion, but not in excess of the maximum rate permitted by law. Upon  
90 receipt of payment of commissions, Broker shall credit the account of Salesperson (first toward interest, if any, and then toward principal)  
91 with the portion of such commissions due Salesperson. If at any time, the advances made to Salesperson together with interest thereon,  
92 if any, exceed the credits to his account for his share of commissions collected, then such excess shall be owing by Salesperson to Broker  
93 and shall be due and payable upon demand. After such demand, interest at the maximum rate permitted by law shall accrue upon the  
94 amount due Broker, notwithstanding the fact that any or all of the advances made to Salesperson have initially been interest free or at a  
95 reduced rate of interest.  
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97 11. **REAL ESTATE LICENSES, BONDS, DUES AND FEES.** Salesperson agrees to pay the cost of maintaining his real estate  
98 license, dues for membership in the NATIONAL ASSOCIATION OF REALTORS®, the New Jersey Association of REALTORS®,  
99 the local Board/Association of REALTORS® and other dues and fees related to the rendering of services by Salesperson as a real estate  
100 salesperson.  
101

102 12. **AUTHORITY TO CONTRACT.** Salesperson shall have no authority to bind, obligate, or commit Broker by any promise or  
103 representation, either verbally or in writing, unless specifically authorized in writing by Broker in a particular transaction. However,  
104 Salesperson shall be and is hereby authorized to execute listing agreements for and on behalf of Broker as his agent subject to Broker's  
105 office policy.  
106

107 13. **CONTROVERSIES WITH OTHERS.** In the event any transaction in which Salesperson is involved results in a dispute, litigation  
108 or legal expense, Salesperson shall cooperate fully with Broker. Broker and Salesperson shall share the payment of all judgments, awards,  
109 settlement and other expenses connected therewith, in the same proportion as they normally would share the commission resulting  
110 from such transaction if there were no dispute or litigation. It is the policy to avoid litigation wherever possible, and Broker, within his

111 sole discretion may determine whether or not any litigation or dispute shall be prosecuted, defended, compromised or settled, and the  
112 terms and conditions of any compromise or settlement, or whether or not legal expense shall be incurred. Salesperson shall not have the  
113 right to directly or indirectly compel Broker to institute or prosecute litigation against any third party for collection of commissions, nor  
114 shall Salesperson have any cause of action against Broker for its failure to do so. In the event a commission is paid to Broker in which  
115 Salesperson is entitled to share, but another real estate broker disputes or may dispute the right of Broker to receive all or any portion of  
116 such commission, Salesperson agrees that Broker may hold said commission in trust until such dispute is resolved or sufficient time has  
117 passed to indicate to Broker in his sole and absolute judgment that no action or proceeding will be commenced by such other real estate  
118 broker regarding the subject commission. In the event Broker shall pay any commission to Salesperson and thereafter, either during or  
119 subsequent to termination of this Agreement, Broker shall become obligated, either by way of final judicial determination, arbitration  
120 award or good faith negotiation, to repay all or any part of such commission to others, Salesperson agrees to reimburse Broker his pro  
121 rata share thereof. In any such instance, Broker agrees to keep Salesperson reasonably informed of any proceeding.  
122

123 **14. OWNERSHIP OF LISTINGS.** Salesperson agrees that any and all listings of property, and all actions taken in connection with  
124 the real estate business and in accordance with the terms of this Agreement shall be taken by Salesperson in the name of Broker. In the  
125 event Salesperson receives a listing, it shall be filed with Broker no later than twenty four (24) hours after receipt of same by Salesperson.  
126 Broker agrees, but is not obligated, to generally make available to Salesperson all current listings maintained by its office. However, all  
127 listings shall be and remain the separate and exclusive property of Broker unless otherwise agreed to in writing by the parties hereto.  
128

129 **15. DOCUMENTS.** Broker and Salesperson agree that all documents generated by and relating to services performed by either of  
130 them in accordance with this Agreement, including, but without limitation, all correspondence received, copies of all correspondence  
131 written, plats, listing information, memoranda, files, photographs, reports, legal opinions, accounting information, any and all other  
132 instruments, documents or information of any nature whatsoever concerning transactions handled by Broker or by Salesperson or jointly  
133 are and shall remain the exclusive property of the Broker.  
134

135 **16. COMMUNICATIONS.** Broker shall determine and approve all correspondence from the Broker's office pertaining to transactions  
136 being handled, in whole or in part, by the Salesperson.  
137

138 **17. FORMS AND CONTRACTS.** Broker shall determine and approve the forms to be used and the contents of all completed  
139 contracts and other completed forms before they are presented to third parties for signature.  
140

141 **18. INDEPENDENT CONTRACTOR.** This Agreement does not constitute employment of Salesperson by Broker and Broker and  
142 Salesperson acknowledge that Salesperson's duties under this Agreement shall be performed by him in his capacity as an independent  
143 contractor. Nothing contained in this Agreement shall constitute Broker and Salesperson as joint ventures or partners and neither shall  
144 be liable for any obligation incurred by the other party to this Agreement, except as provided herein. The Salesperson shall not be  
145 treated as an employee for Federal, State or local tax purposes with respect to services performed in accordance with the terms of this  
146 Agreement. Effective as of the date of this Agreement, Broker will not (i) withhold any Federal, State, or local income or FICA taxes  
147 from Salesperson's commissions; (ii) pay any FICA or Federal and State unemployment insurance on Salesperson's behalf; or (iii) include  
148 Salesperson in any of its retirement, pension, or profit sharing plans. Salesperson shall be required to pay all Federal, State, and local  
149 income and self-employment taxes on his income, as required by law, and to file all applicable estimated and final returns and forms in  
150 connection therewith.  
151

152 **19. NOTICE OF TERMINATION.** This Agreement, and the relationship created hereby may be terminated by either party  
153 hereto with or without cause, at anytime upon three (3) days written notice. However, this Agreement shall immediately terminate upon  
154 Salesperson's death. Except as otherwise provided for herein, the rights of the parties hereto to any commissions which were accrued and  
155 earned prior to the termination of this Agreement shall not be divested by the termination of this Agreement.  
156

157 **20. SERVICES TO BE PERFORMED SUBSEQUENT TO TERMINATION.** Upon termination of this Agreement, all  
158 negotiations commenced by Salesperson during the term of this Agreement shall continue to be handled through Broker and with such  
159 assistance by Salesperson as is determined by Broker. The Salesperson agrees to be compensated for such services in accordance with  
160 Schedule B attached hereto.  
161

162 **21. LIST OF PROSPECTS.** Upon termination of this Agreement, Salesperson shall furnish Broker with a complete list of all  
163 prospects, leads and foreseeable transactions developed by Salesperson, or upon which Salesperson shall have been engaged with respect to  
164 any transaction completed subsequent to termination of this Agreement in which Salesperson has rendered assistance in accordance with  
165 the terms of this Agreement. Except as expressly provided for in Paragraph 20 of this Agreement, Salesperson shall not be compensated  
166 in respect of any transaction completed subsequent to termination of this agreement unless agreed to in writing by the Broker.  
167

168 **22. DUTY OF NON-DISCLOSURE.** Salesperson agrees that upon termination of this Agreement, he will not furnish to any person,  
169 firm, company, corporation, partnership, joint venture, or any other entity engaged in the real estate business, any information as to  
170 Broker or its business, including, but not limited to, Broker's clients, customers, properties, prices,

171 terms of negotiations, nor policies or relationships with prospects, clients and customers. Salesperson, shall not, after termination of  
172 this Agreement, remove from the files or from the office of the Broker, any information pertaining to the Broker's business, including, but  
173 not limited to, any maps, books, publications, card records, investor or prospect lists, or any other material, files or data, and it is expressly  
174 agreed that the aforementioned records and information are the property of Broker.  
175

176 **23. COMPENSATION SUBSEQUENT TO TERMINATION.** Upon termination of this Agreement, Salesperson shall be  
177 compensated only in accordance with the appended Schedule B.  
178

179 **24. ESCROW DEPOSIT.** All contracts of sale shall be accompanied by an escrow deposit in an amount as determined by Broker.  
180 Salesperson will, at all times, require purchaser or prospective purchasers, to put up such escrow deposit unless a higher or lower sum shall  
181 be mutually agreed to by Broker and Salesperson. Salesperson is expressly prohibited from accepting a smaller escrow deposit, a post-  
182 dated check, or agreeing not to deposit an escrow check, unless such action has been expressly authorized by Broker.  
183

184 **25. AUTOMOBILE.** Salesperson agrees to furnish his own automobile, pay all expenses in connection with the operation  
185 and maintenance of said automobile, and that Broker shall have no responsibility therefore. Salesperson agrees to carry  
186 throughout the terms of this Agreement public liability insurance upon his automobile with minimum limits not less than  
187 \_\_\_\_\_ (\$ \_\_\_\_\_) for each person and  
188 \_\_\_\_\_ (\$ \_\_\_\_\_) for each accident,  
189 and property damage insurance with a minimum limit of not less than \_\_\_\_\_  
190 \$ \_\_\_\_\_. Upon request, Salesperson agrees to furnish to Broker certificates certifying as to  
191 such insurance prepared by the insurance company.  
192

193 **26. ASSIGNABILITY AND BINDING EFFECT.** This Agreement is personal to the parties hereto and may not be assigned, sold or  
194 otherwise conveyed by either of them.  
195

196 **27. NOTICE.** Any and all notices, or any other communication provided for herein shall be in writing and shall be personally delivered  
197 or mailed by registered or certified mail, return receipt requested prepaid postage, which shall be addressed to the parties at the addresses  
198 indicated herein, or to such different address as such party may have fixed. Any such notice shall be effective upon receipt, if personally  
199 delivered, or three (3) business days after mailing.  
200

201 **28. GOVERNING LAW.** This Agreement shall be subject to and governed by the laws of the State of New Jersey, including the  
202 conflicts of laws, irrespective of the fact that Salesperson may be or become a resident of a different state.  
203

204 **29. WAIVER OF BREACH.** The waiver by the Broker of a breach of any provision of this Agreement by the Salesperson shall not  
205 operate or be construed as a waiver of any subsequent breach by the Salesperson.  
206

207 **30. ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties and contains all of the agreement  
208 between the parties with respect to the subject matter hereof; this Agreement supersedes any and all other agreements, either oral or in  
209 writing between the parties hereto with respect to the subject matter hereof.  
210

211 **31. GENDER.** When used in this Agreement, the masculine shall be deemed to include the feminine.  
212

213 **32. SEPARABILITY.** If any provision of this Agreement is invalid or unenforceable in any jurisdiction, the other provisions herein  
214 shall remain in full force and effect such jurisdiction and shall be liberally construed in order to effectuate the purpose and intent of this  
215 Agreement, and the invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the durability or  
216 enforceability of any such provision in any other jurisdiction.  
217

218 **33. MODIFICATION.** This Agreement may not be modified or amended except by an instrument in writing signed by the parties  
219 hereto. Any modification to this Agreement between the parties after the date of the Agreement shall be of no effect unless such  
220 modification is in writing and is signed by both Broker and Salesperson.  
221

222 **34. PARAGRAPH HEADINGS.** The paragraph headings contained in this Agreement are for reference purposes only and shall not  
223 affect in any way the meaning or interpretation of this Agreement.  
224

225 **35. SURVIVAL OF PROVISIONS.** The provisions of this Agreement shall survive the termination of the Salesperson's services  
226 under this Agreement.  
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228 **36. COPY RECEIVED.** Salesperson acknowledges receipt of a fully executed copy of this Agreement, duly signed by Broker and  
229 Salesperson.  
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IN WITNESS WHEREOF, the undersigned have set their hands and seals, or if a corporation, has caused this Agreement to be signed and sealed by its duly authorized corporate officer, the day and year first above written.

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

(Broker)

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

(Salesperson)

Sample Form