



ILLINOIS ASSOCIATION OF REALTORS®
SPONSORING BROKER-SALESPERSON CONTRACT



THIS AGREEMENT made and entered into this ___ day of ___, 2___, by and between ___ hereinafter referred to as "Sponsoring Broker", and ___ hereinafter referred to as "Salesperson".

WITNESSETH:

WHEREAS, Sponsoring Broker is duly licensed and does engage in business as a real estate broker in the City of ___ State of Illinois;

WHEREAS, Salesperson is now duly licensed and does engage in business as a real estate salesperson, and whereas, it is deemed to be to the mutual advantage of Sponsoring Broker and Salesperson to enter into this contract upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained and each act done pursuant hereto the undersigned hereby enter into the following agreement:

1. Facilities and Sales Effort.

- A. Salesperson agrees to proceed diligently, faithfully, loyally, legally and within his/her best efforts to sell, trade, lease or rent any and all real estate listed with Sponsoring Broker...
B. Sponsoring Broker agrees for the convenience of Salesperson to provide desk space, clerical service and office facilities...
C. Sponsoring Broker agrees to make available to the Salesperson all current listings of the office...

2. Termination.

- A. This agreement, and the relationship created hereby, may be terminated by either party hereto, with or without cause, at any time upon ___ (___) days written notice given to the other...
B. Upon termination of this agreement, all negotiations commenced by Salesperson during the term of this agreement shall continue to be handled through Sponsoring Broker...
C. Salesperson, upon such termination, shall furnish Sponsoring Broker with a bona fide list of all prospects, leads and probable transactions...
D. Upon termination of this agreement, Salesperson further agrees not to furnish to any person, firm, company or corporation engaged in the real estate business any information as to Sponsoring Broker's clients, customers, properties, prices, terms of negotiations nor Sponsoring Broker's policies or relationships with clients and customers...

3. Automobile. It is agreed that Salesperson shall furnish his/her own automobile and pay all expenses thereof and that Sponsoring Broker shall have no responsibility therefore. Salesperson agrees to carry public liability insurance upon that automobile with minimum limits of \$ ___ for each person and \$ ___ for each accident and with property damage limit of \$ ___.

4. Real Estate Licenses, Insurance and Dues. Salesperson shall pay all of the cost of his/her own real estate license and his/her dues for membership in the National Association of REALTORS®, Illinois Association of REALTORS® and the ___ Board/Association of REALTORS® and any associations, membership organizations or trade associations to which Salesperson wishes to belong. Salesperson shall obtain and pay for errors and omissions insurance with a company and in an amount acceptable to Sponsoring Broker.

5. Commissions.

- A. The commissions and fees for services rendered in the sale, rental, trade or leasing of real estate shall be those stated in the Sponsoring Broker's policy manual or other similar written document and shall be payable to the Sponsoring Broker. In no event shall Salesperson charge less than the commission or fee established by the Sponsoring Broker without the prior consent of the Sponsoring Broker. If Sponsoring Broker shall have entered into a special contract or agreement pertaining to any particular transaction the Sponsoring Broker shall advise Salesperson of such special arrangement. Commissions, when earned and paid pursuant to this agreement, shall be divided between Sponsoring Broker and Salesperson, after deduction of all expenses, according to the Salesperson's commission schedule as adopted by Sponsoring Broker from time to time. Sponsoring Broker shall notify Salesperson of any change in said commission schedule.
B. In the event that two (2) or more salespeople under contract with Sponsoring Broker participate in a transaction and claim a commission thereon, then and in that event the amount of the commissions allocable to each salesperson shall be divided equally among the salespeople or otherwise according to a written agreement among said salespeople.
C. In no case shall Sponsoring Broker be personally liable to Salesperson for any commission not collected, nor shall Salesperson be personally liable to Sponsoring Broker for any commission not collected. If commissions have been or are to be collected from the party or parties for whom the service was performed, it is agreed that such sums shall be deposited with the Sponsoring Broker and subsequently divided according to the terms of this agreement.
D. The division and distribution of the earned commissions as provided herein, which may be paid to or collected by Sponsoring Broker, but from which Salesperson is due certain commissions, shall take place as soon as practicable after collection and receipt of such commissions. However, Sponsoring Broker is first entitled to reimbursement for any expenses incurred such as attorney's fees, revenue stamps, abstract costs or expenses incurred in the collection of the commission with respect to any transaction.

*WITNESS the signature of the parties hereto on the day and year first above written in duplicate.

SPONSORING BROKER

SALESPERSON

By: _____

Capacity _____

*Original signature required on each copy

6. Supervision.

- A. Salesperson agrees to abide by the requirements and standards of Sponsoring Broker as set forth in Sponsoring Broker's Office Policy Manual.
- B. If Salesperson needs consultation in a transaction or situation, Salesperson agrees to seek the counsel of Sponsoring Broker or his/her designee.

7. Listings, Correspondence, Records and Forms.

- A. Salesperson agrees that any and all listings of property, and all actions taken in connection with the real estate business, shall be taken by Salesperson in the name of Sponsoring Broker. Such listings shall be filed with Sponsoring Broker within twenty-four (24) hours after receipt of same by Salesperson. All listings shall be and remain the separate and exclusive property of Sponsoring Broker unless otherwise agreed by the parties hereto.
- B. It is agreed by the parties hereto that all correspondence received, copies of all correspondence written, plats, listing information, memoranda, files, photographs, reports, legal opinions, accounting information, and any and all other instruments, documents or information of any nature whatsoever concerning transactions handled by Sponsoring Broker or by Salesperson, or jointly, are and shall remain the property of Sponsoring Broker, provided, however, that Salesperson is entitled to a copy of each upon reasonable request.
- C. The parties hereto shall mutually approve and agree upon all correspondence from the office of Sponsoring Broker pertaining to transactions being handled, in whole or in part, by Salesperson.
- D. The parties hereto agree that forms to be used by the Salesperson will be those provided or otherwise approved by the Sponsoring Broker.
- E. Sponsoring Broker shall have the right to review and approve all completed contracts and completed forms before they are presented to clients for signature.

8. Independent Contractor.

- A. This agreement does not constitute a hiring by either party. The parties hereto are and shall remain independent contractors bound by the provisions hereof. This agreement shall not be construed as a partnership, and neither party hereto shall be liable for any obligation incurred by the other except as provided elsewhere herein. Sponsoring Broker shall not withhold from Salesperson's commission any amounts for withholding or employment taxes or any other items. Salesperson will not be treated as an employee for federal and state tax purposes and will be responsible for the payment of any and all federal or state taxes based upon commissions earned and received. Sponsoring Broker will not make any premium payments or contributions for any workmen's compensation or unemployment compensation for Salesperson.
- B. Sponsoring Broker agrees to serve as Salesperson's sponsor as required by the Illinois Real Estate License Act of 2000, as amended, 225 ILCS 454/10-20 (a).

9. Default and Hold Harmless. The parties hereto mutually agree that if either party shall be in default of or breach any of the terms and conditions of this Contract and such default or breach shall result in any loss or damage to the other party, then and in that event, the defaulting party hereby agrees to pay to the other party any such loss or damage and further agrees to hold the other party harmless from any claim, demand, cause of action, or lawsuit which may result from or be caused by such breach of this Contract.

10. Ethics, Laws, and Trade Organizations.

- A. Salesperson and Sponsoring Broker each agree to conduct his/her business and regulate his/her habits and working hours so as to maintain and to increase the good will, business, profits and reputation of Sponsoring Broker and Salesperson, and the parties agree to conform to and abide by all laws, rules and regulations applicable to real estate brokers and real estate salespeople. Specifically, Salesperson and Sponsoring Broker shall be governed by the Code of Ethics of the National Association of REALTORS®, the Real Estate License Act of the State of Illinois, the constitution and bylaws of the local real estate board, the rules and regulations of any multiple listing service with which Sponsoring Broker now and in the future may be affiliated, and any further modifications or additions to the foregoing.
- B. Salesperson acknowledges Sponsoring Broker's commitment and support for all state, federal fair housing and antitrust laws and further understands the Sponsoring Broker expects Salesperson to be knowledgeable concerning these laws and to conduct his/her business practices accordingly.

11. Litigation and Controversies.

- A. In the event that Salesperson does not wish to enter into the following actions jointly with Sponsoring Broker, the Salesperson hereby grants to Sponsoring Broker the power of attorney in his/her name, place and stead to institute an action in a court of competent jurisdiction concerning commissions or other matters related to the conduct of such real estate business of Sponsoring Broker and Salesperson as have been pursued by the parties under this Agreement; to conduct the same to a final decision; to negotiate settlements; to defend actions, suits or proceedings pertaining to said real estate business; to employ counsel and to settle or pursue matters to a final conclusion in such manner and upon such terms as to Sponsoring Broker may seem expedient or desirable.
- B. In the event any transaction in which Salesperson is involved results in a dispute, litigation or legal expense, Salesperson shall cooperate fully with Sponsoring Broker. It is the policy to avoid litigation whenever possible, and Sponsoring Broker, within his/her discretion may determine whether or not any litigation or dispute shall be prosecuted, defended, compromised or settled, and the terms and conditions of any compromise or settlement, or whether or not legal expense shall be incurred; provided, however, that no compromise or settlement involving the payment of money or anything of value by Salesperson, or the foregoing of any commission not challenged or subject to dispute or portion thereof due Salesperson, shall be accepted by Sponsoring Broker without the written consent of Salesperson.
- C. Salesperson shall notify Sponsoring Broker of any transaction in which Salesperson is involved which Salesperson has reason to believe may result in litigation or arbitration involving the Sponsoring Broker.

12. Expenses. Sponsoring Broker shall not be liable to Salesperson for any expenses incurred by Salesperson or for any of his/her acts, nor shall Salesperson be liable to Sponsoring Broker for Sponsoring Broker's office help or expenses or any of Sponsoring Broker's acts, other than as specifically provided for herein.

13. Miscellaneous.

- A. Heirs, Successors and Assigns. This agreement shall be binding upon and the benefits shall inure to the heirs, successors and assigns of the parties hereto.
- B. Notices. All notices provided for under this agreement shall be in writing and shall be sufficient if sent by certified mail to the last known address of the party.
- C. Governing Law. This agreement shall be governed by the laws of the State of Illinois.
- D. Assignment. This assignment is personal to the parties hereto and may not be assigned, sold or otherwise conveyed by either of them.
- E. Waiver. The failure of any party hereto to enforce at any time any of the provisions or terms of this agreement shall not be construed to be a waiver of such provision or term, nor the right of any party thereafter to enforce such term or provision.
- F. Entire Agreement. This agreement constitutes the entire agreement between the Sponsoring Broker and Salesperson and there are no agreements or understandings concerning such agreement which are not fully set forth herein.
- G. Severability. If any provision of this agreement is invalid or unenforceable in any jurisdiction, the other provisions herein shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to effectuate the purpose and intent of this agreement, and the invalidity or unenforceability of any provision of this agreement in any jurisdiction shall not affect the durability or enforceability of such provision in any other jurisdiction.