



TEAM AGREEMENT (Between Associate-Licenses) (C.A.R. Form TEAM, 12/17)

This Team Agreement ("Agreement") is made between the following parties:

\_\_\_\_\_ ("Team Leader" or "TL"), DRE Lic # \_\_\_\_\_ and \_\_\_\_\_ ("Team Member" or "TM"), DRE Lic # \_\_\_\_\_.

The Team ("Team") consists of TL and TM and may include other Team members, all licensed as salespersons or broker-associates in California under the Broker identified in paragraph 15 ("Broker"). At TL's discretion and with Broker's consent, new Team members may be added to, and existing Team members may be removed from, the Team. In consideration of the covenants and representations contained in this Agreement, TL and TM agree as follows:

1. TERM OF AGREEMENT:

A. Commencement Date: The term of this Agreement begins on \_\_\_\_\_ (Date) or if no date is specified, the Agreement begins on the date of the last signature below ("Commencement Date").

B. Expiration Date:

(1) This Agreement shall continue uninterrupted until terminated by either party as specified below;

OR (2) [ ] This Agreement shall terminate 12 (or \_\_\_\_\_) months from the Commencement Date ( [ ] or on \_\_\_\_\_ (Date)) or earlier if terminated by either Party as specified below. In the absence of written termination by either party, this Agreement shall continue for successive periods of equal duration, or [ ] this Agreement shall automatically terminate at the end of the fixed term.

C. Termination:

(1) Written Notice: Whether ongoing or fixed term, either party may terminate this Agreement by giving at least 30 (or [ ] days) written notice to the other;

(2) Licensing: Both TL and TM must remain licensed in California during the term of this Agreement. Regardless of the duration of the Agreement as specified in 1B above, this Agreement shall terminate immediately if the California real estate license of either TL or TM is revoked, suspended, or forfeited.

(3) Broker Affiliation: This Agreement shall terminate immediately if either TL or TM no longer conducts licensed activity through Broker.

(4) For Cause: TL may immediately terminate this Agreement at TL's sole discretion if TM engages in activity which harms the reputation of the Team or exposes the Team or any of its members to legal, financial, or regulatory risk.

D. Other Notice: Each party has an affirmative obligation to immediately notify the other if TL or TM's California license is suspended, revoked, or forfeited, or if the TL or TM no longer conducts licensed activity through Broker.

2. SCOPE OF AGREEMENT/COVERED TRANSACTION:

A. "Covered Transaction": This Agreement shall apply to all transactions entered into during its term for which TM is entitled to Compensation, EXCEPT transactions involving:

(1) [ ] TM's own property

(2) [ ] Family members of TM

(3) [ ] The following named persons or entities: \_\_\_\_\_

(4) [ ] Commercial, [ ] residential income (exceeding 4 units), [ ] business opportunities, [ ] agricultural, [ ] vacant land, [ ] lease/rentals, [ ] outgoing referrals, [ ] mobile homes, [ ] other \_\_\_\_\_

(5) [ ] Transactions outside the [ ] city(ies), [ ] county(ies) of \_\_\_\_\_

(6) [ ] Other: \_\_\_\_\_

B. All licensed activity conducted by TM, other than that excepted in 2A or as separately agreed to in writing, shall be conducted through the Team and under the license and supervision of Broker.

C. TM agrees that TM's role as part of the Team is to primarily: [ ] Represent Buyers, [ ] Represent Sellers, [ ] Represent both Buyers and Sellers, [ ] Act as a transaction coordinator for the Team, [ ] Other \_\_\_\_\_

3. BROKER: Nothing in this Agreement shall alter TL or TM's relationship or status with Broker. If any provision in this Agreement conflicts with an agreement with Broker or Broker policy, the Broker agreement or policy shall supercede. TL and TM shall obtain Broker consent regarding this Agreement. The parties to this Team Agreement are TL and TM. Broker is not a party to this Agreement notwithstanding Broker's consent to it.

4. PREEXISTING CLIENT RELATIONSHIPS:

A. [ ] Attached is a list of all clients that have a relationship with TM prior to the Commencement Date ("Preexisting Clients").

B. Both TL and TM agree that this list, if any, represents the complete identification of any Preexisting Clients brought into the Team for all purposes of this Agreement.

Team Leader Initials (\_\_\_\_\_)

Team Member Initials (\_\_\_\_\_)

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5. **A. COMPENSATION:** Compensation earned under a Covered Transaction in which TM participates or generates, shall be split between TL and TM as follows and then paid by Broker subject to each licensee's contracted split with Broker:
- (1) For Covered Transactions generated or assigned by TL, either (i) \_\_\_\_\_% of the Compensation to TL and \_\_\_\_\_% of the Compensation to TM or (ii)  \$ \_\_\_\_\_ to TM and the balance to TL.
  - (2) For Covered Transactions generated by TM and assigned to TM, either (i) \_\_\_\_\_% of the Compensation to TL and \_\_\_\_\_% of the Compensation to TM or (ii)  \$ \_\_\_\_\_ to TM and the balance to TL.
  - (3) For Covered Transactions generated by TM but assigned to TL or another Team member, either (i) \_\_\_\_\_% of the Compensation to TL and \_\_\_\_\_% of the Compensation to TM or (ii)  \$ \_\_\_\_\_ to TM and the balance to TL.

OR B.  Other: Per attached addendum or as follows: \_\_\_\_\_

**AND C. Broker Instructions:** Both TL and TM hereby instruct Broker to pay them according to this Agreement. Both TL and TM agree that any distribution of payments will not be used to evade legal obligations of either. Both TL and TM acknowledge that Broker shall have the right, but not the obligation, to withhold total Compensation if there is a dispute between them.

D. **"Compensation"** means the dollar amount remaining from total (gross) compensation due to Broker after Broker first deducts franchise and other Broker fees, if any. The dollar amount is subject to the split between Broker and a salesperson or broker-associate in accordance with their agreement.

**6. EXPENSES:**

A. TL and TM agree that expenses for Covered Transactions shall be paid through TL and allocated as follows:

(1) TL shall pay for all transaction and marketing expenses. TM shall obtain the consent of TL before incurring any expense. If TM does not obtain consent, TL shall have the right to reject any expense and TM shall be solely responsible for payment.

OR (2)  TL and TM agree, except as otherwise specified, to split all transaction and marketing expenses using the same ratio as that specified for Compensation in paragraph 5. TM shall obtain the consent of TL before incurring any expense. If TM does not obtain consent, TL shall have the right to reject any expense and TM shall be solely responsible for payment.

OR (3)  Other \_\_\_\_\_

B. Broker shall not be responsible for allocating expenses for any expenses deducted by Broker pursuant to Broker's written agreement with either TL and TM or office policy.

C. TL and TM shall be solely responsible for the costs of obtaining, maintaining and keeping current that licensee's (i) real estate license, (ii) MLS fees, (iii) AOR dues, (iv) licensee charges from Broker, and (v) \_\_\_\_\_

D. Other Expenses: \_\_\_\_\_  or see attached.

E. Transaction Coordinators: If TL currently makes use of or thereafter hires the services of an unlicensed (  licensed) transaction coordinator or personal assistant not as a part of the Team ("TC"), then TL shall have a written agreement with the TC, such as C.A.R. Form Personal Assistant Contract (C.A.R. Form PAC). Payment to the TC will be in the same proportion as other expenses under paragraph 6A or other  \_\_\_\_\_. TM shall not use a TC without the written consent of TL.

**7. TEAM NAME:** TM agrees to conduct covered transactions under the following name: \_\_\_\_\_ ("Team Name").

A.  Team Name is considered a team name, for purposes of the California Department of Real Estate (DRE) and complies with all laws and regulations issued by DRE. Team Name is already in use by TL,  TM, or  other team member, or  no Team Name is in use prior to Agreement. No other team name will be used without the written consent of TL. All advertising and marketing under the Team Name shall comply with applicable laws. Upon termination of this Agreement, only TL (or  TM) shall have the right to continue to use Team Name.

B.  Team Name is a fictitious business name ("FBN") already used and owned by TL,  TM, or  other, or which will be owned by TL,  TM, or  other. If the FBN has not already been created, all costs and expenses of creating and maintaining the DBA shall be borne by  TL,  TM, or  both in the same proportion as their Compensation split. All advertising and marketing under the FBN shall comply with applicable laws. Upon termination of this Agreement, only TL (or  TM) shall have the right to continue to use the FBN.

C. Any multiple party ownership of the Team Name is subject to a separate written agreement.

**8. TEAM GUIDELINES AND POLICIES:**

A. **Policies:** To the extent they do not conflict with Broker policies, TM agrees to the following: TM agrees that TL shall have the authority to set goals and guidelines for the Team. TL may require TM to submit any documents to TL in order to review or approve before execution. TL retains the right to take over the control of all transactions, listings, buyer agreements and relationships with clients. TL may modify the goals and guidelines by giving notice to TM. TM shall work diligently and with his/her best efforts to: (i) accomplish the objectives set forth in this Agreement or established by TL; and (ii) otherwise promote and further the business to the end that TL, Team and TM may derive the greatest benefit possible, in accordance with applicable law.

**B. Leads:**

(1) All leads and clients received and obtained during the term of this Agreement shall belong to the TL.

(2) Leads generated by TL, shall be provided to Team Members in a fair manner determined by TL in furtherance of Team business, or  on a rotating basis, or  other \_\_\_\_\_.

(3) Leads generated by TM shall be provided to TM if TM is authorized to engage in the activity required for that lead ( or \_\_\_\_\_).

Team Leader Initials (\_\_\_\_\_)

Team Member Initials (\_\_\_\_\_)



- C. Confidentiality, Trade Secrets and Non-Disclosure:** Subject to Broker supervision, any and all information, including but not limited to, the databases, records, marketing materials, processes and systems of TL and Team are the property of TL and cannot be used for any purpose other than for conducting business for and on the behalf of the Team. Any such information is considered a trade secret and cannot be used by TM after termination of this Agreement. All materials, information, processes, systems, leads, clients and databases are strictly confidential and TM shall not discuss or share such items outside of the Team, without TL's prior written consent.
- D. Team Accounts:**  The Team and TL utilizes the zipForm® Team account. TM agrees to use this account for all Covered Transactions. TM understands and agrees that TL and other members of the Team may access and use the account.
- E. Name(s) on Transactions and Documents:** For any transaction or agreement where TM is named as licensee, TM shall (  shall not) name TL as an additional licensee on the transaction or agreement and use an Additional Agent Acknowledgement (C.A.R. Form AAA). If only TL is named, then no Additional Agent Acknowledgement is required.
- OR**  TM agrees to name TL as the licensee for any transaction or agreement, and TL shall (  may) name TM as an additional licensee on the transaction or agreement and use an Additional Agent Acknowledgement (C.A.R. Form AAA).
- F. Multiple Listing Service (MLS), Statistical Information, and Use of the Term "Sold":** The MLS shall maintain the sole discretion in accordance with its rules as to the use of the MLS, including whose account shall be used to list a transaction and receive credit or other statistical data associated with any transaction. Unless otherwise agreed, for any Covered Transaction, TM may only use the term "sold" in connection with references to the Team.
- 9. COMPENSATION AND OTHER RIGHTS AND OBLIGATIONS UPON TERMINATION:**
- A. Pending Transactions or Business:** Upon termination of this Agreement, TM shall deliver all documents and files under this Agreement to TL. For Covered Transactions resulting from a then-existing open escrow, or referral fee agreement, or contract for which escrow has not yet been opened, or listing or buyer representation agreement, TL shall make arrangements with another Team member to perform the required work him/herself. The licensee performing the work shall be reasonably compensated for completing work on those transactions or agreements, and such reasonable compensation shall be deducted from TM's share of Compensation. Except for such offset, TM shall receive the Compensation due as specified above.  TL and TM agree to a different arrangement as follows:
- B. Future Transactions With Preexisting Clients: "Future Transaction"** means any transaction involving either TL or TM and any Preexisting Client, where a contract is entered into by that client after the date of termination of this Agreement. If after termination of this Agreement, the client chooses to work with the TM who identified the Preexisting Client pursuant to paragraph 4, the TL shall not be entitled to any Compensation from the Future Transaction. If after termination of this Agreement, the Preexisting Client chooses to work with the TL or Team, then for any Future Transaction entered into by the Preexisting Client with the TL or other Team member within 12 (or  ) months from the date of termination, the TM who identified the Preexisting Client shall (  shall not) be entitled to a referral fee of \_\_\_\_\_% of the Compensation earned by TL or Team member based on the principal's side of the transaction, or  \_\_\_\_\_.
- C. Future Transactions With Team Clients: "Team Client"** means any client or lead generated prior to termination of this Agreement, other than a person or entity defined as a Preexisting Client pursuant to paragraph 4. Any Team Client shall belong to the TL. Should a Team Client, enter into a future transaction with TM or TM's then current broker within 12 (or  ) months from the date of termination, TL shall (  shall not) be entitled to a referral fee of \_\_\_\_\_% of the compensation earned by TM based on the principal's side of the transaction, or  \_\_\_\_\_.
- D. Expenses:** For all expenses incurred for a Covered Transaction covered under this paragraph, both TL and TM agree to abide by the provisions of paragraph 6.
- E. FBNs and Team Names:** All names, logos, trademarks, and like material concerning a FBN or Team Name shall be the property of the TL, or  \_\_\_\_\_.
- F. New Broker:** If either TL or TM leaves the Broker identified in paragraph 15 to conduct licensed activity under a different broker ("New Broker") and thereafter that TL or TM conducts licensed activity which could result in Compensation being owed to the TL or TM's New Broker pursuant to this paragraph, that licensee shall provide a referral fee agreement (such as C.A.R. Form RFA) to the leaving licensee's New Broker providing for a referral fee to the other licensee's Broker covering that principal or transaction.
- 10. LEGAL RELATIONSHIP:** This Agreement is a compensation agreement between two licensees that are licensed under Broker as independent contractors; it does not create a partnership or other separate entity between the parties even if TL has established an entity for compliance with laws or benefits pertaining to non-licensees, or to TL individually. The TM is not subject to the control of, but agrees to collaborate with the TL for day to day activities including training, supervision, licensing law supervision, etc. Based on a change of protocol or role, should the parties determine that the relationship should be one of employment, the TL will seek appropriate professional advice to comply with employment laws and to consult with Broker relating to that employment relationship. All payments to licensee for licensed activities shall be paid through Broker. **NOTE: Employment status may be created depending on the actions and intents of the parties and any control extended by one party over the other. The classification of a party as an employee or independent contractor is a legal determination and imposes numerous obligations under applicable laws, including wage and hour and tax issues for employees, and penalties for misclassification of independent contractors. Broker, TL, and TM are advised to seek legal and accounting advice as to the classification of the relationship between the parties.**

Team Leader Initials ( \_\_\_\_\_ )

Team Member Initials ( \_\_\_\_\_ )

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**11. DISPUTE RESOLUTION:**

- A. During or after the term of this Agreement, TL and TM agree to resolve disputes between them as follows: (1) If TL and TM cannot resolve a dispute between themselves, they agree to seek the assistance of Broker in accordance with Broker's dispute resolution policy. (2) If Broker does not have a policy governing disputes between associate-licensees conducting business under the Broker's license, or is unwilling or unable to resolve the dispute, TL and TM agree to submit the dispute to mediation. Mediation may be conducted at a local Association of REALTORS® to which both TL and TM belong, or through C.A.R Interboard Arbitration process, or through the C.A.R. Real Estate Mediation Center for Consumers or any another neutral third party mutually agreed to by TL and TM. TL and TM agree to share the cost of mediation equally. (3) If any dispute or claim is not resolved through mediation, or otherwise, TL and TM (i) may mutually agree to submit disputes to binding arbitration under the procedures and rules set forth in the California Code of Ethics and Arbitration Manual and (ii) **if initialed by both licensees ( \_\_\_\_\_ TL, \_\_\_\_\_ TM) the licensees agree to resolve disputes by neutral, binding arbitration.**
- B. TL and TM agree to timely notify the other and to mediate all disputes and claims between them arising from or connected in any way with this Agreement before resorting to arbitration or court action.
- C. TL and TM agree that all proceedings before Broker, a mediator or arbitrator will remain confidential between the parties, including, but not limited to, any depositions, discovery, pleadings, exhibits, testimony, or award. The confidentiality provisions herein will not apply to any court proceeding in which either party seeks to confirm, correct, or vacate an arbitration award.

**12. ADDITIONAL PROVISIONS:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**13. ATTORNEY FEES:** In any action, proceeding, or arbitration between TL or TM arising from or related to this Agreement, the prevailing party shall be entitled to reasonable attorney fees and costs.

**14. ENTIRE AGREEMENT:** All prior agreements between the TL and TM concerning their relationship are incorporated in this Agreement, which constitutes the entire Agreement. 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 except by further agreement in writing executed by both TL and TM.

**15. RESPONSIBLE BROKER:** TL and TM conduct licensed activity through the following Brokerage Company \_\_\_\_\_ "Broker", DRE Lic # \_\_\_\_\_.  
TL may have a separate agreement with Broker regarding operation of the Team within the brokerage.

**Team Leader:**

(Signature)	(Print name)	Date
(Address)	(City, State, Zip)	
(Telephone)	(Email)	

**Team Member:**

(Signature)	(Print name)	Date
(Address)	(City, State, Zip)	
(Telephone)	(Email)	

**BROKER:**

Broker acknowledges receipt of and consents to this Team Agreement, subject to separate agreement between TL and Broker, or TM and Broker.

Broker: \_\_\_\_\_ By \_\_\_\_\_ Date: \_\_\_\_\_  
(Brokerage Firm Name)                      Its  Broker  Office Manager (check one)

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