

INDEPENDENT CONTRACTOR AGREEMENT

(Between Broker and Associate-Licensee)

ADDENDUM No. 1

Broker's standard fees per closed real estate transaction are \$500 or 10% (whichever is less) and \$135 Risk-Management fee. There are no sign-up, recurrent, monthly, hidden or other fees that Associate-Licensee may be charged for performing common real estate business in California.

Bonus for recruiting other Associate-Licensees to REeBroker is \$100 for each closed transaction in which the Broker's fee is a minimum of \$500 (not including Risk Management fee). A recruiting fee will be paid on transactions as long as the Associate-Licensee remains with REeBroker.

The spreadsheet below contains and explains all possible Broker charges that may apply in nonstandard transactions or situations.

| | Fee/Charge | Note |
|--|---|---|
| Broker's fee per closed real estate transaction | | |
| When total commission is \$5000 or less: Minimum required commission per real estate transaction is \$2000 or 2.5% whichever is less. If Associate-Licensee wants to voluntary reduce his/her commission lower than \$2000 or 2.5%, he/she needs to ask for broker's approval. | 10% of commission | If agent voluntarily reduces his/her commission, the broker fee will then be calculated at 2.5% of the selling price. |
| When total commission is over \$5000 and sales price is less than \$1 million | \$500.00 | |
| When sales price is over \$1million | \$500.00+\$50.00 for every \$100,000 price increment over \$1 million | |
| Dual transaction (representing buyer and seller) | \$1000.00 | Plus \$100 for every \$100,000 price increment over \$1 million. Broker's 10% discounted fee program is applicable on dual transaction files also. |

| Risk Management/E&O Fee (more info at http://www.reebroker.com/eo_and_risk_management.aspx) | | |
|--|---|--|
| When sales price is less than \$1million | \$135 | |
| When sales price is over \$1million | \$135+\$13.50 for every \$100,000 price increment over \$1million | |
| For selling Associate-Licensee owned property (AOP) | \$335 | Plus \$33.50 for every \$100,000 price increment over \$1 million. |
| Dual transaction (representing buyer and seller) | \$270 | Plus \$27 for every \$100,000 price increment over \$1 million. |
| Commercial and income property over \$3 million | Varies | Adjusted according to the risk |

| Broker's fee for loan origination (more info http://www.reebroker.com/loans.aspx) | | |
|---|-----|---|
| Broker's fee when Associate-Licensee uses broker approved loan origination programs | \$0 | Broker will get paid directly from lenders. Associate-Licensee will received 100% commission promised and paid by lender. |

| Broker's fee for referral (more info http://www.reebroker.com/feerral_fee_from_another_broker.aspx) | | |
|---|-----------------|--|
| For referring client(s) to an Associate-Licensee within REeBroker | None | Associate-Licensee gets 100% of the referral |
| For referring client(s) to an outside broker (other than REeBroker) | 10% (\$500 max) | Associate-Licensee gets 90% of received referral (max broker's charges are \$500 per referral) |

| Broker's fee for Broker's Price Opinion (BPO) | | |
|--|------|-------------------------------------|
| If fees received for BPO's are \$500 or less per month | None | BPO is not covered by E&O insurance |
| If fees received for BPO's are \$500 or more per month | 10% | 90% goes to Associate-Licensee |

| Broker's fee for Rental/Lease (more info http://www.reebroker.com/DOCS/messages/property_management_rent.pdf) | | |
|---|-------------------------------|--|
| If Associate-Licensee rents/leases their own property | None | Rent/Lease transactions are not covered by E&O insurance |
| If Associate-Licensee rents/leases clients properties | 10% (\$50 min. and \$500 max) | Rent/Lease transactions are not covered by E&O insurance |

| Other fees | | |
|--|--|---|
| Transaction Coordinator (TC Fee) | \$350 single sided \$500 dual sided | Service is optional. Per closed transaction. |
| When Broker is requested to list a property on MLS because Associate-Licensee doesn't have MLS access | \$150 | Service is optional. Upfront fee. All listing information must be provided by Associate-Licensee. |
| For time spent on resolving Associate-Licensee problems, complaints, or additional work required on files. | \$100/hour | Applicable only if Associate-Licensee is liable for the problem and is unable to resolve the problem by him/herself |

| Penalties/Fines (more info http://www.reebroker.com/DOCS/messages/penalties.pdf) | | |
|---|--------------------|---|
| For not reporting Associate-Licensee's activities to the Broker | \$100+\$10/day | Associate-Licensee is required to report within 48 hours about all his/her real estate activities. Proper reporting is when Associate-Licensee makes changes, upload documents or write notes in his/her transaction file on www.reebroker.com . |
| For the third (and each additional) transaction file review(s) | \$100 | Broker will review each file twice free of charge. |
| For signing commission distribution/instructions issued by Escrow or other way instructing Escrow how to distribute commission without Broker's approval. | \$500 | All commission instructions and/or documents regarding commission distribution/demand must only be signed by the Broker |
| For cashing/depositing the full commission check (received from Escrow) without Broker's knowledge and permission. | \$1,000 | Associate-Licensee must inform Broker immediately if full commission check is received and comply with Broker's instructions. |
| For unnecessary faxing to Broker/Broker office | \$1/per page | Applicable when faxing more than 5 pages, if there is an alternate method to send documents to Broker |
| For complaints against Associate-Licensee received from client(s) or an outside broker | \$50 per complaint | Complaints from outside office agent(s) do not apply |

Fees, charges and penalties are assigned at the time of signing Independent Contractor Agreement and may be changed by Broker with 90 days advance notification to Associate-Licensee.