



AGREEMENT made this ____ day of _____ 200__, between Gwendolyn Cordial Duncan, doing business as Cordially Yours Marketing, a travel agency, having its principal place of business at 4400 Duncan Hill Road OR (P.O. Box 216) Rescue, California 95672, hereinafter referred to as the Travel Agency, and _____ Hereinafter referred to as the Independent Contractor.

1. Term of Agreement

The Travel Agent hereby retains the Independent Contractor to act as independent outside salesperson and the Independent Contractor agrees to act in such a capacity on behalf of the Travel Agency for a period of ____ months from _____. At the end of that period, the contract shall automatically be extended for an additional ____ months, unless either party serves the other with written notice 60 days prior to the expiration date of his intention not to renew.

2. Duties of Independent Contractor

The Independent Contractor is hereby retained by the Travel Agency as a self-employed business person to sell travel and travel services to the public on behalf of the Travel Agency.

3. Compensation of Independent Contractor

As compensation for the services rendered by OS/IC under this Agreement, the Independent Contractor shall be entitled to commission on sales as follows:

A. IN GENERAL. The Independent Contractor shall be entitled to 50 percent (50%) of the Gross Commissions received by the Travel Agency for sales of Travel or services by the Independent Contractor. All expenses relating to these sales shall be borne by the Independent Contractor, unless otherwise agreed in writing signed by the parties. Override commissions received by the Agency for volume sales shall not be considered a part of the Gross Commissions until certain conditions of sell quotas are met. (see below).

B. FOR REFERRAL OF ACCOUNTS. For the referral of accounts to the Agency, the Independent Contractor shall be entitled to the following share of commissions received by the Travel Agency:

*10 percent (**10%**) of the Net Commissions shall be paid for the referral of a client whereby the Agency services the entire referral.

*25 percent (**25%**) of the Net Commissions shall be paid for the referral of a client whereby the Agent contributes some research and assists the Agency in service to the client but not to include the administrative functions.

*40 percent (**40%**) of the Net Commissions shall be paid for compensation on any client activity whereby the Host Agency must contribute extraordinary time and effort on behalf of the clients servicing (TBD by agreement per booking).

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*50 percent (**50%**) of the Net Commissions shall be paid for compensation on any client activity until the Independent Contractor reaches a total amount of \$5,000.00 in earned personal commissions. Agent performs all activity with and for clients.

*60 percent (**60%**) of the Net Commissions shall be paid for compensation on any client activity until the Independent Contractor reaches a total amount of \$9,999.99 in earned personal Commissions.

*70 percent (**70%**) of the Net Commissions shall be paid for compensation on any client activity where the Independent Contractor earns an amount of \$10,000.00 or more in earned personal commissions.

The Net Commission is defined as the Commission to the Agency minus any gifts (i.e. flowers, tote bags, Christmas gifts, etc. [agent sets value see below for recommendations] and minus any commissions rebated to any account. Each year the Independent contractor must maintain at least percent (50%) of the total Net Commissions of the preceding 6 months or the Commission level will drop to the next lower scale until the required Income level is met again.

***OVERRIDES** are additional % points offered by a service provider to the Host Agency for meeting certain \$ goals which are set by the service provider. All overrides collected will be disbursed to all agents based on the % of the volume of business generated by each agent to that particular service provider. This % of business will be calculated for each agent relative to the whole of the collective agency sales to a particular service provider and calculated from a base commission of 10% in most cases. Money will be distributed accordingly on an annual basis.

***GIFTS** can be given to clients for their business and continued loyalty. They can be given as a 'sent off' for tours and cruises i.e. wine, photo albums etc. An agent will receive a full earned commission and purchase the gift on the OS/IC agent budget. The cost of the gift can be a % of an earned commission. An agent sells a cruise package valued at \$1,500 per person, a total of \$3,000 (not including taxes/port charges) for a total commission of \$300.00 to the Host Agency. At 50% commission the OS/IC agent would receive \$150.00. The agent determines the % of the \$150 he/she wishes to contribute. The Host Agency will match the OS/IC contribution up to but not exceeding 3% of the 50% commission. A copy of a receipt is required for the Host Agency contribution. A welcome back card and/or a follow-up call are advised to maintain open communication lines and continued loyalty. These cards are available from the Host Agency.

C. AGENCY TO RECEIVE ITS SHARE OF COMMISSION IF AGENCY'S PAN (Pseudo ARC #) IS USED.

While the Independent Contractor is free to do business with any other travel agency or customer, the Travel Agency shall receive its share of the commission paid by any supplier as set forth at Subparagraph A (1) above for any sale in which the Independent Contractor uses the Travel Agency's PAN or CLIA number to process the sale.

- a. Method of Payment
- b. Independent Contractor shall be paid monthly by Travel Agency. Travel Agency shall, within 15 days of the end of each month, provide Independent Contractor with an accounting of all commissions earned and expenses directly attributable to those sales during the previous month, accompanied by payment for Independent Contractor's share of those commissions earned and received from the service provider.

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4. Examination of Books

The Independent Contractor shall have the right, either personally or by an accountant retained and paid by the Independent Contractor, at times mutually convenient to the Travel Agency and the Independent Contractor, but in any event at least once during each half of the calendar year to examine books and accounts of the Travel Agency insofar as they relate to transactions affecting the amount of the Independent Contractor's compensation.

5. Independent Contractor to Provide Own Business Supplies and be Responsible for Own Expenses

Independent Contractor shall provide his own business cards and other promotional materials and shall otherwise be responsible for all expenses incurred in performing his duties under this agreement.

6. Place of Work

The Independent Contractor may choose where the work is to be performed, is not required to work on the premises of the Travel Agency, and is not required to answer the phones, or perform any other duties at the Travel Agency's offices.

7. Hours

The Independent Contractor may work whatever hours he/she wishes. No fixed hours are required by the Travel Agency. The Independent Contractor shall not be required to attend office meetings or office training sessions.

8. Risk of Loss/Profit Potential

Independent Contractor assumes the risk of incurring a loss if his/her share of sales commissions does not cover the Independent Contractor's expenses. Similarly, Independent Contractor enjoys the right to earn a profit yielded by commissions shared pursuant to this Agreement.

9. No Entitlement to Vacation or Other Benefits as Independent Contractor

As a self-employed individual, the Independent Contractor shall not receive or earn any vacations or sick pay from the Travel Agency and is not covered under the agency's medical or dental plan.

10. Independent Contractor Shall Be Responsible For Filing of Federal, State, and Local Estimated Tax Payments On Commissions Received From Travel Agency, and For Other Assessments.

The Independent Contractor agrees to be fully responsible for complying with all federal, state, and local laws in connection with performance of this Agreement, including but not limited to, payment of any estimate or other federal, state or local income taxes, and payment of applicable charges for social security, FICA, and worker's compensation. Travel Agency shall not be responsible for payment or withholding of any such items in connection with services rendered by the Independent Contractor under this Agreement. Independent Contractor agrees to indemnify and hold Travel Agency harmless for any assessments against Travel Agent, because of any failure by Independent Contractor to properly pay federal, state or local income taxes (including estimated tax payments) and file returns in connections therewith, or to pay social security, FICA, or worker's compensation.

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11. Obligations of Independent Contractor

The Independent Contractor will not, at any time, either himself/herself or through others, solicit or divert, or attempt to solicit or divert, clients, customers, sales or business from the Travel Agency to, or for, any other travel agency, or other entity or individual either during the term of this Agreement or following termination, for a period of _____ years within the following counties: Sacramento, El Dorado, Amador, Placer, Solano, Alameda or San Joaquin. The Independent Contractor will not, at any time, either himself/herself, or through, or with the aid of an assistant of others, take, misappropriate, or misuse any client list, name, file, book, record or account or other confidential customer data used at or in the Travel Agency's business. These items are and shall remain the property of the Travel Agency.

12. Termination of Agreement

EVENTS CAUSING TERMINATION

This Agreement is NOT terminable prior to its expiration at the will of either party, but is instead terminable only on the following grounds:

- *the occurrence of circumstances that make it impossible or impracticable for the business of the Travel Agency to continue,
- *the death of the Independent Contractor,
- *the willful or negligent breach of duty by the Independent Contractor in the course of his performance under this Agreement;
- *the continued incapacity on the part of the Independent Contractor to perform his/her duties,

EFFECT OF TERMINATION ON COMPENSATION

In the event of the termination of this Agreement prior to the completion of its term specified herein, the Independent Contractor shall be entitled to the compensation earned by him/her prior to the date of termination as provided for in this Agreement computed pro rata up to and including that date; the Independent Contractor shall be entitled to no further compensation as of the date of termination.

TIME LIMIT FOR CLAIMING COMMISSIONS AFTER DATE OF TERMINATION

All claims of the Independent Contractor for commission on sales, regardless of whether the sales are made by the Independent Contractor or others, are waived by the Independent Contractor if not made within sixty (60) days of the date of termination.

13. Remedies

Any controversies of claims arising out of or relating to, this Agreement, or the making, performance, or interpretation thereof, shall be settled by arbitration in El Dorado County in accordance with the rules of the American Arbitration Association then existing, and judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy.

14. General Provision

PARTIAL VALIDITY

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any manner.

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LAW GOVERNING AGREEMENT

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

COMPLETE AGREEMENT; MODIFICATION OR WAIVER

This agreement represents the complete understanding of the parties with respect to the described outside sales relationship. It is not to be amended after the date hereof except by an instrument in writing signed by the parties. No amendment, modification, termination or waiver shall be binding unless in writing and signed by the part against whom the amendment, modification termination or waiver is sought to be enforced. No waiver of any provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, not shall any waiver constitute a continuing waiver.

Executed at _____ (City) _____ (State),

On the day and year first above written.

Independent Contractor

BY: _____ (Signature)
_____ (Print)

Cordially Yours Travel

BY: _____

Gwendolyn Cordial Duncan, Owner/Manager

Addendums to this contract can be added provided they are dated and signed by all parties.

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