



Marrokal Design & Remodeling's Referral Fee Agreement

This Referral Fee Agreement (hereinafter the "Agreement") is effective on the date on which you accept it (the "Effective Date") and is a legally binding contract made by and between Marrokal Design & Remodeling ("Marrokal"), 9842 River Street, Lakeside, CA 92040 (hereinafter referred to as "Seller" and you ("you" or the "Referrer"). By participating in the program you agree to abide by the Agreement, which includes and incorporates conditions for what constitutes a "Qualified Lead" and for what constitutes a "Qualified Project" as each may be updated from time to time.

Marrokal Design & Remodeling's Referral Program offers Referral Fees for Referring Qualified Leads to Marrokal. Subject to Marrokal's sole discretion, for each New *Qualified Lead you refer, Marrokal will pay you \$50.00. (Please see Exhibit A for definitions for a *Qualified Lead.) For each Qualified Lead that you refer who enters a Contractual Sales Agreement with Marrokal within 12 months of when you referred them, and meets the requirements for a *Qualified Project, Marrokal will pay you \$500.00 upon start of construction of said project. (Please see Exhibit A for definitions for a *Qualified Project).

WHEREAS, Seller desires to sell Residential Design and Construction services and products;

WHEREAS, Referrer has agreed to share contacts with Marrokal for Residential Design and Construction services and products and desires to act as an intermediary finder of buyers for Sellers services;

NOW, THEREFORE, in consideration of the premise and the mutual promises and covenants contained herein, the parties agree as follows:

I. LEGAL COMPLIANCE

Seller certifies that no certification or licensure is required by the Residential Design and Construction industry.

II. TERM AND TERMINATION

The term of this Agreement shall commence on (the "Effective Date") for which you accept it and shall continue in full force and effect until terminated by either party upon at least 7 days prior written notice.

III. EXCLUSIVITY

For the term of this Agreement, Referrer shall have the non-exclusive right to introduce prospective buyers to the Seller who are not already known to the Seller.

IV. RESPONSIBILITIES

As a participant in the Program you agree:

- A. YOU ARE AN INDEPENDENT CONTRACTOR. You are not a joint venture with, or franchisee, partner, agent or employee of Marrokal Design & Remodeling. Accordingly:
 - a. You have no power or authority to incur any debt, obligation, or liability on behalf of Marrokal;
 - b. You and Marrokal acknowledge that you are not entitled to coverage under Marrokal's welfare, medical or other insurance plans;

- c. You assume sole liability for and will pay all self-employment taxes (including Social Security), income taxes, and other reports required as a result of your participation in the program; you will abide by all federal, state and local laws governing your participation in the program; and every year, we will provide you with an IRS Form 1099 MISC (Non-employee Compensation) earnings statement if your Referral Fees in the previous year meet or exceed \$600.00;
- B. To maintain the highest standards of integrity, honesty and responsibility in your dealings with Marrokal and its clients.

V. FEES AND PAYMENT

This Agreement contemplates an introduction only.

The Referrer's fee for a *Qualified Lead shall be \$50.00 per Lead referred.

The Referrer's fee for a *Qualified Project that enters a Contractual Sales Agreement with Marrokal shall be \$500.00 per Project.

Upon determination of referrer fees due, the payment shall be due net sixty (60) days from the date of the Lead notification and the date of commencement of construction on a signed Contractual Sales Agreement.

Acceptable forms of payment include business check; checks shall be made payable to Referrer and sent by mail, or made available for collection at Marrokal's office.

EXHIBIT A

Definitions

1. A *Qualified Lead is
 - When your contact has a project budget of \$75,000 or greater. For example, a Kitchen remodel or a midsize room addition would typically qualify.
 - When your contact's project location is within a 40 mile radius of our Design Center.
 - When your contact has a genuine interest in remodeling their home or building a custom home on a property they own.
2. A *Qualified Project is
 - When your client enters into a Contractual Agreement with Marrokal Design & Remodeling for a project that meets the minimum conditions set forth.
 - Minimum Marrokal Contractual Agreement price is \$75,000 or greater and the project location to be within a 40 mile radius of our Design Center.