



Office Policy Manual

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1. About the Company

1.1 General

The Company is licensed by the Department of Real Estate under the following name: Tesla Realty Group LLC. Tesla Realty Group LLC (“Company”) is a member of various Realtor® Associations and MLSs.

2. Office Policy Manual

2.1 General Purpose

The purpose of this Office Policy Manual (“OPM”) is to establish a uniform system of daily conduct by and between us when dealing with each other, other members of the Company, our clients and members of the public.

2.2 Responsibilities

You are responsible to work in accordance with the Company policies and procedures. Your failure to comply with the policies and procedures within this manual may result in your termination from the Company.

2.3 Changes in Office Policy Manual

This OPM may be changed from time to time by the Company. Changes can be made at any time and will be distributed periodically through the Company's website (www.teslarealtygroup.com). The OPM on our website at any time represents the Company's current OPM.

2.4 Exclusions from the Office Policy Manual

This OPM applies to licensed real estate agents and brokers (“Agent”), the Company’s Managing Brokers, and the Company’s Office Consultants. There are no exclusions from this manual.

2.5 Conflict with Independent Contractor Agreement

In the event of a conflict between this OPM and the Independent Contractor Agreement signed between Agent and the Company, Managing Broker and the Company, Office Consultant and the Company, the terms of this OPM shall prevail.

3. Independent Contractor Relationship

3.1 Independent Contractor

You have signed an Independent Contractor Agreement with the Company and are associated with the Company as an Independent Contractor. You do not have an employee-employer relationship with the Company.

You are considered to be an Independent Contractor for tax purposes and will receive a 1099 at the end of each calendar year. The Company will not withhold taxes or Social Security from your compensation. Payment of taxes and Social Security contributions are your responsibility. You are also considered an independent contractor for purposes of Unemployment Insurance. You are not subject to the minimum wage laws.

3.2 At-Will Status

You (Agent or Managing Broker or Office Consultant) are associated with the Company for an unspecified term on an at-will basis. Either party may terminate your association at any time with or without cause or reason.

4. General Office Procedures

4.1 Real Estate License and Requirements

You are required to maintain a valid real estate broker or salesperson license in good standing while associated with the Company in the state in which you are licensed and shall be governed by the law of that state. If your license expires, you may not engage in any activities on behalf of the Company for which a real estate license is required. The Company may designate another Company's Agent to handle your prospects, listings and transactions during any time your license lapses, and allocate such reasonable compensation to that Agent for work performed. The Company's Managing Broker is charged by state law to review, supervise and manage the activity of the Agent. You are expected to cooperate with the Company in the handling of files, documents and procedures in accordance with this OPM and state law in which you are licensed. It is your responsibility to keep current on changes in industry practices and to take advantage of available education and training programs to maintain your professionalism and your ability to properly represent your clients. It is also your responsibility to obtain all Continuing Education courses so as to renew your license in a timely manner.

4.2 Company Business Hours

Our HQ is located in Media, PA.

Company Business Hours: Monday - Friday (9am - 5pm).

4.3 Business Cards, Real Estate Signs, Lock Boxes, Website

We will mail you free business cards and yard signs (per listing) printed 2 sided on 18" x 24" corrugated plastic sheets. They must be ordered via our website and are always free of charge. The Agent will be charged \$125 per every unreturned Realtor® Association lockbox (this applies only if you are a member of the Realtor® Association that provides SUPRA or SentiLock lockboxes). We will also create and manage a free webpage for you. You will be solely responsible for adding your listings into MLS. You are allowed to create your own signs, website and marketing/advertising materials, however, they need to be reviewed and approved by the Managing Broker first.

4.4 Professional Conduct

As a member of the National Association of REALTORS®, you are expected to be familiar and comply with the Code of Ethics.

4.5 Working Place

The Company might provide computer desks (need to be reserved) and conference room (needs to be reserved) for meetings with clients as needed. You can also work from your home office or any other places of your choice since there are no floor meetings. However, remember that the Managing Broker is required to supervise your activity. Be sure that all files and documents that you work on are in a safe place with a lock and sent to the Company within 24 hours. You must be reachable by phone, fax, email and regular mail and respond to voicemails within the maximum time frame of 24 hours.

4.6 Alcohol and Drugs Possession

Use, sale or being under the influence of alcohol or drugs on or off company premises while conducting the Company's business is strictly prohibited. Use good judgment. Never drink and drive.

4.7 Professional Associations

As the Agent with the Company, you will have to join at least one local Realtor® Association in which the Company is the member. You are required to be familiar with, and adhere to their rules and regulations. If you fail to comply with those rules and regulations, or fail to pay your membership bills when due, you and/or the Company may be fined, suspended or expelled. You will be responsible for payment of any and all fines levied against you and/or the Company resulting from your noncompliance. Furthermore, your noncompliance may result in your termination from the Company. Membership is billed annually through the Realtor® Association.

4.8 Fees and Commissions

All fees and commissions must be made payable to the Company. You will be paid out of the fees and commissions earned by you, and for which you are the procuring cause, based on the terms mentioned in your Independent Contractor Agreement. You will receive your commission via direct deposit payable by the Company only and only upon Company's receipt of all required transaction documents (rental/sale file) including ALTAs/Settlement Statements and after funds have cleared. If you deposit a commission's check into the Company's bank account on Monday, you will get paid via direct deposit on Tuesday and your commission will sit in your bank account on Wednesday morning.

A. Advance fee

The Company policy prohibits Agent from accepting advance fee from any seller, buyer, lessor or lessee of real property. Such fees require a disproportionate amount of accounting and record keeping while exposing the Agent and the Company to substantial liability.

B. Advances

The Company will not make advances to the Agent on commissions.

4.9. Transaction Procedures

A. Escrow and Operating Accounts

The Company does not hold escrow. You will have to instruct Buyers / Buyer Agents to submit all EMDs directly to the closing companies. The Company has an operating account with TD Bank. We will send you information on our operating account in our initial welcome email.

B. Sales and Rentals

Please submit all your listing, transaction, and closing documents to **doc@teslarealtygroup.com** after each settlement. Please always include the full property address on the subject line.

4.10 Real Estate Forms

All forms must be accessed through your Realtor[®] Association (e.g. www.zipformplus.com).

4.11 Tax Reporting

At the end of each calendar year or as soon thereafter as possible, the Company will provide you with an Internal Revenue Service Form 1099-NEC setting forth compensation paid to you. Your income earned and expenses incurred have significant tax consequences. You are encouraged to get competent independent tax advice and keep accurate records of earnings and expenses.

4.12 Identity Theft

Identity theft is a growing concern. So, it is essential that you treat with care and confidentiality of all files containing the names, addresses, phone numbers, social security numbers, credit card information or any other personally identifiable information. You must assure that any files containing such information that remain in your possession be kept in a secure location and disposed of properly.

4.13 Vacations

As an Independent Contractor, you are entitled to schedule vacations. However, if there is any pending transaction, please advise the Managing Broker of your vacation schedule and how any pending business will be handled in your absence.

5. Handling Clients

5.1 Proprietary Information

Treat all client information as confidential and proprietary. You have a fiduciary duty to your clients and must never use any information learned during the course of your representation of your clients in any manner adverse to their interests.

5.2 Fair Housing

The Company is committed to equal opportunity, fair housing and complying with all applicable local, state and federal fair housing laws. To that end, we do not discriminate on the basis of any arbitrary classification, including, but not limited to, the following: Race, Color, Religion, Sex, Handicap or disability, Familial status, National origin, Sexual orientation.

5.3 Personal Sales and Purchases

When you are the buyer or seller in a real estate transaction, you must disclose to the Seller or Buyer of your license status, and the other party must be aware that you are not representing the interests of the other party. To protect ourselves, this fact should be clearly revealed in the contract for sale and purchase and in all discussions. When you are a principal in a sale or purchase, the Company will receive a transaction fee equal to that on any regularly listed property.

5.4 Referral Fees

The Real Estate Settlement Procedures Act (RESPA) prohibits the payment of cash or anything of value from one settlement provider to another settlement provider (real estate agent, lender, title company, etc.). One exception is between real estate brokers for the referral of clients, in which case referral fees may be paid or received. Referrals are treated like normal real estate transactions.

6. Maintaining Files

6.1 Managing Broker Review

You must submit all required documents to the Company's Document Center - **doc@teslarealtygroup.com**. The Managing Broker will review all documents for completeness and accuracy. Be sure all documents contain signatures of all parties required to sign and correct dates. Remember, your sale/rental file must be fully complete to receive compensation. All files are the property of the Company and will be held in storage for a minimum number of years in accordance with real estate law after which time they may be destroyed in accordance with the Company's document storage policy.

6.2 Get It In Writing

As a general rule, all agreements must be in writing. In fact, if you don't have a written agreement with the principal, you may not receive your commission. If you discuss anything with any party or another broker/agent, always confirm your discussions and understanding with a written follow-up to that party or broker/agent. Never sign anything on behalf of your client, another agent, broker or anyone else.

7. Personal Assistants

7.1 General

Generally, as your business increases, you may find hiring a personal assistant to be helpful. In hiring a personal assistant, you become an employer and have an employer responsibility in that relationship. Interviewing, hiring and contracting with the assistant will be solely up to you. You agree that any assistant you hire will be required to abide by this OPM. Any compensation due the assistant shall be arranged between you and your assistant, and will be your responsibility.

7.2 Unlicensed Assistant

Unlicensed personal assistants may not engage in any activity which requires a real estate license. The Company shall never be obligated to pay your personal assistant.

7.3 Agent – Personal Assistant Contract

You are required to have a written agreement with your personal assistant that expresses the nature of the relationship and each party's duties and responsibilities.

7.4 Workers Compensation

No Workers Compensation insurance is provided by the Company for assistants hired by the Agent. The Agent who hires assistants shall be responsible for providing Workers Compensation insurance for those assistants where required. The Agent should discuss this situation with a Workers Compensation insurance representative.

8. Advertising Guidelines

8.1 General

All advertising must be approved by the Managing Broker before your placement or use.

8.2 Legal and Ethical Considerations

As an Agent, you have both a legal and ethical obligation to be truthful when advertising property or services. All advertising must comply with all state and federal advertising requirements as well as the NAR Code of Ethics.

Any false or misleading advertisement will immediately be withdrawn by the Company. Legally, you may be held liable for fraud, intentional misrepresentation, or negligent misrepresentation if you make material false statements or material omissions in an advertisement. Additionally, you may face disciplinary action from the state in which you are licensed.

8.3 The Company name and Logos

The Company's name and/or logo, and Broker's phone number must be included in all advertisements and signs and conform to the Company's graphic standards regarding the style, color and uses of the name and logo.

8.4 REALTOR® Trademark

The use of the name REALTOR® must be used in compliance with the National Association of REALTORS® guidelines governing the use of that name and mark. Those guidelines are available on-line at: www.realtor.org. Don't use it if you didn't pay for it.

8.5 Telephone: Do-Not-Call Compliance

You are required to comply with the do-not-call laws which generally prohibit "telephone solicitations" to residential and cell phone numbers registered on the National Do-Not-Call Registry.

8.6 Fax, Email, SmartPhone Advertising

There are state and federal laws prohibiting faxing, emailing, texting to recipients with unsolicited commercial advertisements or solicitations. Exemptions include prior permission or an established business relationship.

8.7 Fair Housing

The Company is committed to equal opportunity and fair housing in all of its advertising. Be aware that the selective use of words, phrases, symbols, visual aids and media in the advertising of real estate may indicate preferences held by the advertiser and lead to allegations of discriminatory housing practices. Words in a real estate advertisement which indicate a particular race, color, sex, handicap, familial status or national origin are considered likely violations of the Federal Fair Housing Act and may not be used in Company advertisements.

9. Policy Against Harassment

9.1 The Company Policy

It is the policy of the Company that its Agent, Managing Brokers, Office Consultants be free of harassment. Harassment is damaging to morale, serves no legitimate business purpose, is unlawful, and exposes the Company and the individuals involved to significant legal liability.

9.2 Enforcement

If you believe that you have been harassed, please bring the problem to the attention of the Managing Broker. You do not have to put your complaint in writing, but it is helpful to provide details about dates, times, places, and witnesses to the harassment. All complaints will be investigated promptly by the Company. If your complaint of harassment is found to be totally and completely without basis, appropriate measures may be taken against you.

10. Litigation and Claims Handling

10.1 The Company Requirements

You are required to:

1. Promptly notify the Managing Broker of any claim or potential claim made against you and or the Company, including any demand received by you for money or services alleging a negligent act or omission; any notification of the commencement of a Lawsuit, arbitration or mediation process; or any written or verbal notice or threat that anyone intends to hold you and/or the Company responsible for any alleged wrongdoing.
2. Cooperate with the Company in the defense of the claim.
3. Promptly pay the Company any amounts due hereunder upon notice to you from the Company.
4. The Company has the right to make all decisions concerning the defense of the claim, including choice of counsel. In the event you object to any decision made by the Company, you may obtain your own attorney at your own expense; however, you shall not be relieved from the obligation to pay your portion of the cost of the claim as set forth herein.
5. Except as provided below, the cost of the defense of the claim, or to defend or protect against any potential or possible claim where the Company or you are not involved as a party. This includes attorney's fees, and the cost of any settlement or judgment (collectively the "costs of defense"), shall be allocated between the Company and you in the same percentages as per your Independent Contractor Agreement or prospective transaction that led to the claim, whether or not the transaction actually closed.
6. You will be responsible for all costs of a claim if you fail to follow any law, regulation or the Company policy set forth in this policy manual, and that failure results in a judgment or other final adjudication based on that failure.

7. You will be solely responsible, and shall reimburse the Company, for all the Company's costs of defense if a judgment or other final adjudication on any claim adverse to the Company and/or you establishes that dishonest, fraudulent, criminal, or malicious acts, errors or omissions were committed or results in a finding of intentional tort, slander, defamation or any conduct which leads to the imposition of punitive, exemplary or multiple damages, or fines or penalties, or establishes discrimination on the basis of race, creed, religion, ethnic background, national origin, age, sex, handicap, familial status, physical disability, sexual preference, or any other unlawful classification.

11. Dispute Resolution

11.1 Mediation

Mediation is recommended as a method of resolving any disputes.

11.2 Disputes During Closing or Escrow

If a dispute arises during closing or escrow between buyer and seller, buyer, the cooperating broker and/or the Company, which can not be resolved by negotiations between the parties and the agent(s) involved, and the Company determines that it is in the best interest of the Company to resolve the matter during escrow rather than risk a potential claim or litigation after close of escrow; then the Company or Managing Broker has the right to negotiate a resolution of the dispute which may involve a reduction in the commission to be received, or a credit given to one of the parties. In that event, and regardless of actual the Company or the Agent liability or responsibility in the dispute, the Agent and the Company will participate in the commission reduction or credit pro rata.

11.3 Arbitration of Disputes

Disagreements or disputes between the Agent and the Company, or between the Agent and a real estate licensee associated with or contracted to the Company, and which arise out of, or in connection with, the real estate business, and which cannot be adjusted by and between the parties involved, shall be submitted for arbitration in accordance with Article XIV of the Code of Ethics of the National Association of Realtors®. By this Agreement said arbitration shall be mandatory and the Company and the Agent agree to provide a written agreement to the local association of Realtors® as may be required by said association as a condition precedent to arbitration. The Company and the Agent agree to be bound by the decision of the arbitration panel of the local association or the state Association of Realtors® which has entertained the dispute or disagreement. The conduct of the arbitration shall be governed by the Code of Ethics and Arbitration Manual most recently published by the National Association of Realtors® prior to Arbitration, as amended by the local association hearing the dispute.

12. Insurance

12.1 Errors and Omission (E&O)

The Company maintains Errors and Omission insurance which coverage includes the Agent. The Agent understands that he/she is responsible for payment of the deductible amount for each claim on their behalf. The current deductible is \$2,500 and is subject to change without notice to the Agent. Should any insurance claim arise as a result of the Agent's actions after the termination of this Agreement, the Agent understands he/she is responsible for any deductible and/or expense related to such claim.

12.2 Automobile Insurance

Agent shall furnish his/her own automobile and pay all related expenses and the Company shall have no responsibility relating to his/her automobile or transportation. Agent agrees to carry liability insurance upon his/her automobile with the minimum coverage amount of what is required by the state.