



Office Policy Manual

Table of Contents

Section 1. About the Company

Section 2. Policy Manual

Section 3. Independent Contractor Relationship

Section 4. General Office Procedures

Section 5. Handling Clients

Section 6. Maintaining Files

Section 7. Personal Assistants

Section 8. Advertising Guidelines

Section 9. Policy Against Harassment

Section 10. Litigation and Claims Handling

Section 11. Dispute Resolution

Section 12. Termination

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. The brokerage is a member of Suburban West REALTORS® Association and TREND Multiple Listing Service.

2. Policy Manual

2.1 General Purpose

The purposes of this policy and procedure manual 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 this Company.

2.3 Changes in Manual

This Policy manual 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 web site. The policies online at any time represent the Company's current Policy Manual.

2.4 Exclusions from the Manual

This Manual applies only to Agents, and does not apply to the Company Office Consultants.

2.5 Conflict with Associate/Broker Independent Contractor Agreement

In the event of a conflict between this Policy Manual and your Agent/Broker Independent Contractor Agreement, the terms of this Policy Manual shall prevail.

3. Independent Contractor Relationship

3.1 Independent Contractor

You have signed an Independent Contractor Agreement with the Company and are associated with this Company as an Independent Contractor. You do not have an employee-employer relationship with this 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 are associated with the Company for an unspecified term on an at-will basis. Except where it is otherwise expressly agreed in writing with the Company, either party may terminate your association at any time with or without cause or reason.

4. General Office Procedures

4.1 PA Real Estate License and Requirements

You are required to maintain a valid Pennsylvania real estate broker or salesperson license in good standing while associated with this Company. 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 Broker may designate another Company agent to handle your prospects, listings and transactions during any time your license lapses, and allocate such reasonable compensation to that salesperson for work performed. Your Company's Broker is charged by Pennsylvania law to review, supervise and manage the activity of all salespersons. The Broker may rely on real estate licensed Office Consultants to perform this function. You are expected to cooperate with Broker's assistants in the handling of files, documents and procedures in accordance with this Policy Manual and Pennsylvania law. 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.

All Tesla Realty Group LLC offices are open 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. Lock boxes need to be picked up from our nearest office and returned after the end of the Independent Contractor Agreement. For any unreturned lockbox you will be charged \$50.00. Every time you need supplies, you must fill out our "Order Your Supplies" form. We will also create and manage a free webpage for you. You will be solely responsible for adding your listings into Trend MLS and other organizations that provide MLS.

You are allowed to create your own signs, website and marketing/advertising materials, however, they need to be reviewed and approved by Broker first (RE Commission has very strict rules and regulation guidelines).

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 does 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 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 can be represented to Broker 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

A. REALTORS® Association and Multiple Listing Service

As an agent with this Company, you will have to become a Suburban West REALTORS® association member and join Trend MLS. As their 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.

B. Pennsylvania and Local Associations of REALTORS®

It is required that you maintain a current membership with any Association of REALTORS® located in PA at your own expense. Membership is billed annually through your Association of REALTORS®.

4.8 Fees and Commissions

All fees and commissions must be made payable to the Company ("**Tesla Realty Group**"). 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. Agents may receive funds payable by the Broker only and only upon Broker's receipt of all required transaction documentation (rental/sale file) and after funds have cleared.

A. Advance fee

The Company policy prohibits Agents 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 Agents and the company to substantial liability.

B. Advances

The Company will not make advances to Associates on commissions.

4.9. Transaction Procedures

A. Escrow and Operating Accounts

The Company has escrow and operating accounts with TD Bank. We will send you information on operating account in our initial welcome email.

B. Sales and Rentals

Please go to Company's website (teslarealtygroup.com) and follow the instructions on our "Agent Listings Form", "Agent Sales Form", "Agent Rentals Form", and "Agent CD Form"(must be submitted after every closing).

4.10 Real Estate Forms

All forms must be accessed through your REALTORS® Associations (e.g. 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 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 all files containing 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 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.

6. Maintaining Files

6.1 General

Your files are a record of every event relative to your dealings with your client on a listing or sale transaction. You must retain copies of all listings, deposit receipts, cancelled checks, trust records, and other documents executed by you or obtained by you in connection with a real estate transaction, whether the sale is consummated or not. You must maintain a neat and orderly file on every listing and sale on which you work. All files are the property of the Company and will be held in storage a minimum of three (3) 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 Broker Review

You must submit all required documents to the Broker via Company's website ONLY ! The Broker will review all documents for completeness and accuracy. Be sure all documents contain signatures of all parties required to sign and dated correctly. Remember, your sale/rental file must be fully complete to receive compensation. Transaction procedure guidelines for sales and rentals are located on Company's website.

6.3 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 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 Policy Manual. Any compensation due the assistant shall be arranged between you and your assistant, and will be your responsibility.

7.2 Unlicensed Assistant

Unlicensed personal assistant 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 Salesperson – 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 agents. Agents who hire assistants shall be responsible for providing Workers Compensation insurance for those assistants where required. Agents should discuss this situation with a Workers Compensation insurance representative.

8. Advertising Guidelines

8.1 General

All advertising must be approved by managing Broker before your placement or use. Anytime you advertise property you must include the term "Broker," "agent," "licensee" or "REALTOR®."

8.2 Legal and Ethical Considerations

As an associate and licensee, 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 PA Real Estate Commission.

8.3 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 Advertising

There are state and federal laws prohibiting faxing 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 Company Policy

It is the policy of the Company that its employees, associates and visitors be free of harassment. Harassment is damaging to morale, serves no legitimate business purpose, is unlawful, and exposes Tesla Realty Group 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 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 designated Company management. 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 Broker / Manager 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 a judgement (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 as set forth in this policy manual, and that failure results in a judgement 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 judgement 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 Commission Disputes

Broker will retain fifty percent (50%) of any disputed commission that requires Company, Managing Broker, or management intervention to receive such commission. Agent will receive the other fifty percent (50%) commission earned. This includes but is not limited to disputes with other brokerages, buyers, sellers, developers, boards, etc.

11.2. Mediation

Mediation is recommended as a method of resolving disputes arising out of Associate/Broker Independent Contractor Agreement.

11.3. 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 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 company or agent liability or responsibility in the dispute, the agent(s) and the company will participate in the commission reduction or credit pro rata.

11.4 Arbitration

All disputes or claims between Associate and other associate(s) associated with Broker or manager, or between Associate and Broker or manager, arising from or connected in any way with Associate/Broker Independent Contractor Agreement, which cannot be adjusted between the parties involved, shall be submitted to the Association of REALTORS of which all such disputing parties are members for arbitration pursuant to the provisions of its Bylaws, as may be amended from time to time, which are incorporated as a part of Associate/Broker Independent Contractor Agreement by reference. If the Bylaws of the Association do not cover arbitration of the dispute, or if the Association declines jurisdiction over the dispute, then the arbitration shall be pursuant to the rules of law in the state in which the licensee is licensed in. The Federal Arbitration Act, Title 9, U.S. Code, Section 1, et seq., shall govern Agreement.

11.5 Errors and Omission (E&O)

The Company maintains Errors and Omission insurance which coverage includes Associate. Associate 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 Associate. Should any insurance claim arise as a result of Associate's actions after the termination of this Agreement, Associate understands they he/she is responsible for any deductible and/or expense related to such claim.

12. Termination

12.1 Terms of Termination

Associate can cancel this agreement at any time with or without cause or reason through the Company's website. A manager of the Company will confirm Associate's membership cancellation via email which will become effective as of Associate's next billing cycle. The Company will not refund the prepaid portion of Associate's membership. The Company may terminate this Agreement without notice at its sole discretion or for wrongful conduct by Associate. Failure by either party to maintain active licensure status pursuant to PA Real Estate Commission, will be deemed automatic termination. Associate will not, after termination of this Agreement, use to his/her own advantage, or to the advantage of any other person or entity, any information gained from the business of the Broker relating to property for sale, lease or rental, or Broker's customers or clients.

12.2 Compensation after Termination of Agreement

After termination of this Agreement, Broker will pay Agent any amount earned from current executed contracts that occurred prior to termination, with the deduction owed to Broker. If termination is based upon the legal termination of your real estate license, the commission earned must be paid to another agent within the company to complete pending transactions for which Agent was responsible prior to termination.