



Team Member Handbook

EMPLOYMENT AT WILL

Employment at Adara Communities (the “Company or at a property managed by Adara Communities in either case, is “**AT WILL**”, meaning that either the team member or the Company may terminate the employment relationship for any reason at any time. **THIS HANDBOOK IS NOT A CONTRACT OF EMPLOYMENT. NO IMPLIED CONTRACTUAL OBLIGATION OF CONTINUING EMPLOYMENT IS BEING CREATED AS A RESULT OF THIS HANDBOOK. THE COMPANY IS NOT ENTERING INTO ANY CONTRACTUAL OBLIGATION (EXPRESS, IMPLIED OR OTHERWISE) WITH REGARD TO EMPLOYMENT, SINCE THE EMPLOYMENT IS “AT WILL”.**

Only the Human Resource Director of the Company may change the above or enter into any agreement of employment for a specified period or for permanent or continuing employment contrary to the at will employment relationship. In any such instance, such an agreement must be in writing and signed by both parties. Any oral or written statements contrary to the provisions of this Handbook are expressly disavowed and should not be relied on by any team member. Any representations made by any person other than the Human Resource Director of the Company which are inconsistent with any portion of the Handbook, may not be relied upon by a team member.

The Company may change, rescind or add to any policies, benefits or practices described in this handbook from time to time at its sole and absolute discretion with or without prior notice. Team members will, however, be notified of any changes to the Handbook and its effective date.

Printed Name

Signature

Date

Receipt of Policies

I, the undersigned, hereby acknowledge receipt of the following policies from Adara Communities and/or the property managed by Adara Communities at which the undersigned will be employed, and the undersigned acknowledges that he/she has been instructed to read and has read such policies. The undersigned further acknowledges that he/she has been informed that it is important that the undersigned understand and strictly adhere to all of the information, rules and procedures contained in the following policies, and he/she agrees to abide by all of the requirements, standards and conduct set forth in such policies.

The undersigned further acknowledges that he/she has been informed that if the undersigned does not understand something in the following policies that it is important for the undersigned to ask his/her Supervisor about the question or problem, so that the undersigned fully understands all the requirements, standards and conduct set forth in such policies.

1. Equal Employment Opportunity Policy
2. Americans with Disabilities Act
3. Immigration Reform and Control Act
4. Pregnancy Discrimination Act
5. Team member Confidentiality Agreement and Acknowledgment of Receipt of Policy Manual
6. Harassment and Discrimination Policy
7. Alcohol and Drug Free Workplace Policy
8. Aids Policy
9. Safety Policy
10. Initial Cobra Notification
11. Important Information Regarding Cobra Benefits
12. Leave Policy
13. Family and Medical Leave Act
14. Vacation and Sick Policy
15. Dress Code Policy
16. Workers Compensation Policy/ Work Related Injury Program
17. Weapons Policy
18. Transfer Acknowledgment
19. Standards of Conduct/Discipline
20. Email Policy Acknowledgment (email, voicemail, internet and other Company property)
21. Non-Solicitation of Team Members Agreement
22. Alternative Dispute Resolution Program
23. Standards of Conduct
24. Off Duty Policy
25. Employee On-Call Policy
26. Payroll Deduction Policy
27. Bonus and Commission Policy
28. Limitation of Leaves of Absence
29. Grievances/Issue Resolution
30. Video Surveillance and Telephone Recording Policy

Printed Name of Team

Member: _____

Property: _____ Date: _____

Signature of

Team Member: _____

COMPANY HANDBOOK
Team Member Acknowledgment of Receipt

I acknowledge I have been given a copy of the Adara Communities Team Member Handbook. I understand it is my responsibility to read this handbook and comply with its contents. I understand that all policies, rules and procedures of the Company are subject to unilateral modification or discontinuance at any time, at the discretion of the Company, without advance notice and without the requirement that any such change or modification is in writing. I further understand that the provision of this Handbook does not constitute a Company representation or commitment to any employee that the policies stated herein will be followed in every case without regard to the circumstances.

I understand that any clarification or explanation of policies and procedures contained in this Handbook is available at my request from the Company's Human Resource Department.

Additionally, I expressly understand and agree that nothing contained in this handbook is intended to, nor shall act as, a contract or guarantee of employment and that the Company is free to terminate my employment at any time.

Team Member Name (*printed*)

Date

Team Member Signature

Return completed form to the Human Resource Office.

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WELCOME TO ADARA COMMUNITIES

It is with great pleasure that we welcome you as a team member of Adara Communities. Adara Communities is a privately held property management firm committed to the very best product and services. We pride ourselves in our quality of service and our outstanding team members who are responsible for our past success and future growth. We plan to continue our growth, which should increase potential career opportunities for you as well as your fellow team members. We encourage you to take initiative, learn all you can and seek out the answers you need. We value your ideas and suggestions to help us all become even better at what we do.

This handbook is designed to tell you more about Adara Communities and to answer questions that most team members have about benefits, work rules, and Company policies. Your awareness of these benefits, rules and policies will contribute to their consistent application, which will be to all of our benefit.

Naturally, no handbook can be an effective substitute for direct contact with your immediate Supervisor. If you need a benefit, rule or policy clarified, you are encouraged to discuss your questions with your Supervisor or the Corporate Human Resource Director.

We hope you enjoy your work with us and that you will take pride in helping us build our business and better serve our customers. Again – Welcome to the Adara Communities team!

COMPANY PHILOSOPHY

We are a service oriented Company. All we have to sell is our service. Our team members are our most important resource, and the development and safety of our team members always comes first. All revenues to pay wages and salaries come from our residents. We must always provide fast, efficient and courteous service. All team members shall, at all times, exercise the utmost resident loyalty and shall not engage in any activity which could be reasonably construed as contrary to the best interest of its residents. We must at all times be conscious of our public image as we are a high visibility business. We must always serve our residents with professionalism as our number one priority.

Distinctive customer service and innovation are not the results of some grand executive design, but of an all-hands commitment to excellence. Our people are our most important asset, and it's their commitment that makes a difference. We value and recognize each individual's performance and utilize his/her strengths to their optimum. We encourage you to recommend changes to your Supervisor. We strive to provide an environment conducive to success thus creating the space for champions to grow.

The true measure of our success is in our customer's satisfaction. Without customers being satisfied there would be no team member, no work and no Company.

No one will be denied opportunities or benefits on the basis of age, sex, color, race, creed, national origin, religious persuasion, marital status, political belief or disability or any other status protected by law.

PURPOSE OF THIS HANDBOOK

This handbook is designed to acquaint you with Adara Communities and provide you with information about working conditions, team member benefits and some of the policies and procedures affecting your employment. You should read, understand and comply with all provisions of this handbook. One of our objectives is to provide a work environment that is conducive to both personal and professional growth. Should there be a discrepancy between this general outline and the actual provisions of a Plan Document or Policy, the latter will apply.

No team member handbook can anticipate every circumstance or question about policy. Adara Communities retains the right to change, modify, revise, supplement, suspend, interpret or cancel policies and guidelines contained in this document at any time, without advance notice, in its sole discretion, without having to give cause or justification to any team member. Team members will be notified of such changes to the handbook as they occur.

Policies and procedures set forth in this handbook are guidelines. They are not intended to create any contractual relationship or alter the character of the employment-at-will relationship in any way. We have tried to cover most of the information which you will be interested in, however, a team member handbook cannot include all terms and conditions of employment. It addresses the most common areas of team member policy and provides a framework for deciding any that may come up in the future. If at any time, you are unsure of how or whether a policy should be applied please contact the Human Resource Director. If you have a question about a particular provision or about the Company's policy on a situation, you should discuss it with your Supervisor, consult the Company Policy Manual or contact the Director of Human Resources. You, as the team member, have the right to resign at any time, for any reason, and the Company reserves the right to terminate any employment relationship at any time, for any reason. Adara Communities may alter, modify, amend, or delete any policy, practice, or procedure in this handbook at any time at its sole discretion.

This handbook neither implies nor establishes a contract between the team member(s) and Adara Communities. Any controversy, claim, or dispute with respect to or arising from any termination of employment shall be resolved not by civil litigation, but by final and binding arbitration pursuant to the rules and procedures of the American Arbitration Association.

Policies and procedures contained herein are applicable to all team members.

Adara Communities reserves the right to change or modify the contents of this handbook at any time without prior notice to team member. You as a team member agree to follow any future change of policies that may be set forth.

This Company policy shall be interpreted, applied and enforced by Supervisory and Managerial team members of Adara Communities. Ultimate authority for interpretation, application and enforcement rest with a Corporate Executive Officer of the Company who have delegated the authority to the Human Resources Director for impartially resolving matters where questions or issues arise.

THIS HANDBOOK SUPERSEDES ALL PREVIOUS HANDBOOKS ISSUED BY THE COMPANY OR ANY OF ITS SUBSIDIARIES

If you have any questions on any portion of the handbook, please consult your Supervisor or the Human Resource Director.

OPEN DOOR POLICY

Adara Communities Open Door Communication Policy ensures that all team members are able to openly discuss their thoughts, ideas and problems in an atmosphere of trust and respect. Every team member is encouraged to be on a first name basis with each other and to openly and honestly express his/her opinions and ideas. If you have problems or concerns, we encourage you to discuss them with your immediate supervisor. Should you not wish to discuss an issue with your supervisor, you are welcome to contact the Regional Supervisor, Regional Vice President, or the Human Resource Director.

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of Adara Communities that all qualified individuals receive an equal opportunity for employment, and all terms of employment, without regard to race, color, religion, national origin, age, disability, veterans status, sexual preference, marital status, sex or any other classification prescribed under the law. The Company also fully supports and complies with the Fair Housing Act.

In accordance with this policy, Adara Communities will at all times attempt to recruit, hire, train and promote persons on the basis of qualifications and ability for all positions.

Adara Communities will provide employment and advancement opportunities to qualified applicants or team members with disabilities who can perform the essential duties of a position with or without reasonable accommodation, to the extent that such accommodation does not cause an undue hardship.

Additionally, policies and practices, such as compensation, team member benefits, Company sponsored training, social and recreational programs, will be administered with the same principals of equal opportunity.

The Human Resources Department has overall responsibility for this policy and maintains reporting and monitoring procedures. Any communication for a team member, a government agency, or an attorney concerning any equal employment opportunity matter must be referred to the Company's Human Resources Department.

Appropriate disciplinary action may be taken against any team member willfully violating this policy.

AMERICANS WITH DISABILITIES ACT

In accordance with the Americans with Disabilities Act of 1990, it is the policy of Adara Communities to make all employment related decisions without discrimination because of an individual's disability or perceived disability. Adara Communities will make reasonable efforts to accommodate the needs of handicapped or disabled individuals within the workplace provided that such accommodation does not constitute an undue hardship on the Company.

IMMIGRATION REFORM AND CONTROL ACT

In accordance with the Immigration Reform and Control Act of 1986, it is Adara Communities's policy to hire only those individuals who are authorized to work in the United States. All individuals will be required to submit proof of their identity and employment authorization. Team members will also be required to complete and sign, under oath, Form I-9. On Form I-9, you must attest that you are authorized to work in the United States and that the documents submitted as proof are genuine. Adara Communities is required by law to check documents on **every individual** hired and to sign the I-9 form, stating, under oath, that it has done so.

If you are authorized to work in this country for a limited period of time, you must submit proof of your continued employment authorization and complete and sign another Form I-9 prior to the expiration of your current employment authorization. If you fail to do so, the law prohibits Adara Communities from continuing your employment. Adara Communities does not, and will not, discriminate on the basis of national origin or citizenship status.

THE PREGNANCY DISCRIMINATION ACT

In Accordance with the Pregnancy Discrimination Act, Adara Communities provides equal job opportunities and protections to women affected by pregnancy and related conditions.

FAIR HOUSING LAW

All team members have an obligation to follow the law on Fair Housing. It is the Company policy to comply with state and federal housing laws. In order to avoid any possible allegations against our Company all personnel must comply with the following procedures:

1. Conduct yourself as a professional in attitude, words, and acts in dealing with current residents, prospective residents, etc.
2. Inform all applicants equally of availability. Do not withhold from any party any information regarding current or future vacancies.
3. Offer all applicants equal choice of apartment locations. Do not steer anyone toward specific buildings or areas.
4. Inform all applicants equally of our qualification guidelines. Advise all applicants that a credit report, verification of previous residence and verification of employment is required.

Direct any questions concerning Fair Housing Laws to your Community Manager or Immediate Supervisor.

**TEAM MEMBER CONFIDENTIALITY AGREEMENT AND ACKNOWLEDGMENT OF
RECEIPT OF POLICY MANUAL AND POLICY ON HARASSMENT AND DISCRIMINATION**

I hereby acknowledge that: 1) at least one (1) copy of each of the Policy Manual of Adara Communities and/or the property managed by Adara Communities at which the undersigned will be employed (in either case, the "Property") is available at the office of the Property (the "Office"); 2) I may personally review the Manuals in the office during any break time; 4) I am expected to know, be familiar with and abide by and comply with the terms, provisions and contents of the Manuals; and 5) I am able at any time to ask my Supervisor any questions that I may have concerning the terms, provisions and contents of the Manuals.

I further hereby acknowledge that I have read and understood the Property's Policy Statement on Discrimination and that 1) I am expected to know, be familiar with and abide by and comply with the terms, provisions and contents of the Discrimination Policy; and 2) I am able at any time to ask my Supervisor any questions that I may have concerning the terms, provisions and contents of the Discrimination Policy.

I understand, acknowledge, stipulate and agree that:

1. The Manuals and the Harassment and Discrimination Policy (as well as any other policies and procedures of the Property) may be updated from time to time and that any update may add to, change and/or delete any of the terms, provisions and contents of the Manuals and the Harassment and Discrimination Policy (as well as any other policies and procedures of the Property).
2. After receiving notice that any changes have been made to the Manuals and/or the Harassment and Discrimination Policy (as well as any other policies and procedures of the Property), and such changes are available at the Property, I will be responsible for reading and being familiar with and abiding by and complying with such changes.
3. Any update of the Manuals, Handbook and/or the Harassment and Discrimination Policy (as well as any other policies and procedures of the Property), will have the same force and effect as if such updates were contained in the original Manuals, Handbook and/or Harassment and Discrimination Policy (as well as any other policies and procedures of the Property), and that I am subject to all of the terms, provisions and contents of the updates.
4. Both during and after my employment with the Property, I am not to copy and/or give the Manuals, Handbook and/or the Harassment and Discrimination Policy (as well as any other policies and procedures of the Property), to any other person (including a co-worker) or discuss the Manuals, Handbook and/or the Harassment and Discrimination Policy (as well as any other policies and procedures of the Property), with any person to whom such information has not been made available.
5. Manuals, Handbook and/or the Harassment and Discrimination Policy (as well as any other policies and procedures of the Property), and their respective terms, provisions and contents are not a contract of employment and do not create, constitute or imply a contract of employment. Manuals, and/or the Harassment and Discrimination Policy (as well as any other policies and procedures of the Property), are only policies and procedures concerning the subject matter of each of them.
6. During the term of my employment and at all times thereafter, I will keep, preserve and maintain any information (as hereinafter defined) in the strictest confidence and not divulge, disseminate or otherwise make available to any person or party any information relating to, whether directly or indirectly, 1) the Property (which as defined above expressly includes Adara Communities which is hereinafter referred to as "Adara") and/or 2) any other property owned, operated, and/or managed, in whole or in part by Adara Communities and/or by any affiliate, parent subsidiary, partner, principal, officer, director or other related entity to or of Adara Communities (all of the foregoing hereinafter singularly called an "Affiliate" and collectively called the "Affiliates"; and the Property and/or any other property owned, operated and/or managed, in whole or in part, by Adara Communities are collectively hereinafter called the "Properties", 3) any property which Adara Communities or any Affiliate contemplates, in whole or in part, owning, operating and/or managing (the "Contemplated Properties"), 4) any investor or potential investor (collectively, the "Investors") in any of the Properties or Contemplated Properties, any Affiliate and/or any Investor, unless (a) authorized to do so in writing by an authorized representative of Adara, (b) the Information is already public information, or (c) so ordered by a court of competent jurisdiction. I expressly further acknowledge, stipulate and agree that the Information and any copies thereof in my possession or readily available to me upon the termination of my employment and/or any other relationship with Adara Communities or any Affiliate of Adara, regardless of the reasons and/or manner such employment or relationship terminates.

The term "Information" shall include any and all information, whether written or oral, materials, conversations, files, documents, papers, printouts, reports, computer data or disks, forms, manuals, blueprints and/or plans, relating in any way whatsoever to and/or derived and/or obtained from the job at and/or employment with and/or any other relationship with Adara, including without limitation, such specific items as: budgets, policy and procedure manuals; forecasts; partnership agreements and attachments thereto; governmental filings (including, without limitations, filing with the Internal Revenue Service); memorandums or correspondence; leasing and employment forms; training manuals; legal documents; operating policies and procedures; health and retirement plans; marketing manuals; reports to Investors; financial or other information relating to any Investor, any of the Properties (including loans and lenders), Adara Communities or any Affiliate; reports regarding and/or offers to buy any of the Contemplated Properties; commitments; tenant and employment applications; floor plans; landscaping or other designs, blue prints, personnel files; and information, documents or materials regarding any claims, potential claims, suits, actions and fines, including without limitation, private and government actions or threatened actions.

7. I will not give, disseminate or otherwise provide to any person or party, except as required in connection with the property performance of my employment, any document, instrument, form or other materials (or part of any of the foregoing) used by any Property, any Affiliate or by Adara, including, without limitation manuals, offering memorandums, budgets, insurance forms, team member forms, leasing and leasing related forms, partnership agreements, and employment agreements.

8. The Policy Manual contains a section on confidentiality and the restatement and elaboration of the Confidentiality section as hereinafter provided does not diminish the importance of any other section or provision of the Policy Manual and I will strictly adhere to the terms, provisions and conditions of the confidentiality provisions contained herein and to the terms, provisions and conditions of the confidentiality provisions contained herein and to the terms, provisions and conditions of the confidentiality section in the Policy Manual during and after my employment and/or any other relationship with Adara Communities or any Affiliate of Adara Communities terminates, regardless of the reason and/or manner such employment or relationship terminates.

HARASSMENT POLICY

It is the policy of Adara Communities that all team members should be able to work in an environment free from all forms of discrimination and harassment, including sexual harassment or harassment based on any legally protected class. All team members will be treated with respect and dignity. The Company maintains a strict policy of “zero-tolerance” with respect to unlawful harassment.

NO team member is to be subjected to a hostile work environment or unsolicited and unwelcome advances.

Sexual harassment overtures or conduct, either verbal or physical, by any person, is prohibited by Company policy. Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature, constitutes sexual harassment and will not be tolerated. This may include sexual propositions, sexual innuendo, suggestive comments, sexually oriented kidding, teasing or practical jokes, jokes about gender-specific traits, obscene language or gestures, display of obscene printed or visual material, physical contact such as patting, pinching, or brushing against another person, etc.

NO Supervisor or management official shall take any tangible employment action against any team member where such action is conditioned on the acceptance of sexual favors or is in retaliation for refusal to provide sexual favors. Tangible employment action means a significant change in employment status, such as hiring, firing, failing to promote, reassignment with significantly different responsibilities, or a decision causing a significant change in benefits. Any Supervisor or management official doing so will be disciplined, up to and including termination. NO team member will suffer retaliation for a report of any such conduct.

Any team member who feels he or she has been subject to such harassment or intimidation by any Company team member or by non-Company personnel on Company premises, or while on Company business, must report such conduct to management or Supervisory personnel immediately. If the team member is being harassed by their supervisor or uncomfortable to approach their supervisor, the team member should contact the Human Resource Director at Corporate. A Manager who observes incidents of harassment or receives complaints of harassment must notify the Human Resource Department immediately.

Complaints of harassment are taken seriously and will be investigated promptly. Team members are required to cooperate in any investigation and there will be no retaliation against any person who reports an incident of harassment or participates in the investigation of a complaint. The Company will take appropriate action, up to and including termination of employment, to remedy violations of this policy. Team members are assured all complaints will be kept confidential in the extent possible and that a team member who makes a complaint in good faith will not be subject to any form of retaliation.

Team members found to be in violation of this policy will be subject to discipline up to and including termination.

IMPORTANT NOTICE TO ALL TEAM MEMBERS: Team members who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of this complaint procedure. A team member's failure to fulfill this obligation could affect his or her rights in pursuing legal action.

If you have any questions about this policy, please ask your supervisor or contact the Human Resources Department.

DISCRIMINATION POLICY

It is the firm policy of Adara Communities to provide to all team members, by word and deed, equal opportunity and equal treatment regardless of race, color, religion, gender, national origin, age, sexual orientation, veteran status or disability. All team members have the right to work in an environment free of discrimination and harassment. This policy emanates not from legal dictates, but from moral dictates; it is simply right and just that all persons be treated equally. It is **STRICTLY FORBIDDEN** for any team member to engage in any form of race, color, religious, gender, national origin, age, sexual orientation, veteran status or disability discrimination or harassment. This means that, regardless of the intent of a team member's behavior or actions, **NO TEAM MEMBER BY HIS OR HER ACTIONS OR BEHAVIOR MAY CREATE A HOSTILE, UNCOMFORTABLE OR ABUSIVE WORK ENVIRONMENT FOR ANY OTHER TEAM MEMBER** on account of or based on that team member's race, color, religion, gender, national origin, age, sexual orientation, veteran status or disability. What may seem innocent or funny to one team member may be offensive to another team member thereby creating an uncomfortable or hostile work environment. Such behavior may constitute discrimination or harassment. Any proven discrimination or harassment will result in disciplinary action **UP TO AND INCLUDING TERMINATION FROM EMPLOYMENT FOR CAUSE** for the team member engaging in such discrimination or harassment.

Any team member who believes that he or she is the subject of racial, color, religious, gender, national origin, age, sexual orientation, veteran status or disability harassment or discrimination **IS TO IMMEDIATELY REPORT THE HARASSMENT OR DISCRIMINATION TO HIS OR HER IMMEDIATE SUPERVISOR**. If the complaint is against the immediate Supervisor, then the team member should immediately report the harassment or discrimination to the Director of Human Resources or the Human Resource Director at Adara Communities's main office (281.444.1585). No team member will lose any benefits or privileges because they file a complaint, even if the complaint should ultimately be determined to be unfounded **UNLESS IT IS DETERMINED THAT IT WAS MADE MALICIOUSLY** knowing it to be false, in order to hurt or defame another person, or for any other reason, will be subject to discipline, including the possibility of termination of employment for cause.

SEXUAL DISCRIMINATION

No team member may threaten or imply either explicitly or implicitly that any team member's submission or rejection of sexual advances will in any way influence any personal decision regarding that team member's employment, evaluation, salary,

advancement, assigned duties, or any other condition of employment of career development. FAILURE TO ADHERE TO THIS POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

No two staff members at any property managed by Adara Communities may date each other without written permission. FAILURE TO ADHERE TO THIS REQUIREMENT WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

All sexually harassing conduct in the workplace, either physical or verbal, committed by any team member, is also prohibited. This includes offensive sexual flirtation, advances, propositions, unwarranted touching, graphic verbal commentary and the display in the workplace of sexually suggestive objects or pictures. VIOLATION OF THIS POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

RELIGIOUS DISCRIMINATION

No decision regarding another team member's evaluation, salary, advancement, assigned duties, or any other condition of employment or career development, may be based on that team member's religion. FAILURE TO ADHERE TO THIS POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE. Repeated absences caused by the practice of a team member's religion, or the failure, refusal or inability of a team member to adequately perform the tasks required by his or her job, will be factors taken into consideration in the evaluation of a team member and the determination of his or her salary and advancement.

All harassing conduct in the workplace based on religion, whether physical or verbal, committed by a team member, is also prohibited. Such behavior includes the making of offensive or derogatory religious remarks or allusions. VIOLATION OF THE POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

RACIAL DISCRIMINATION AND/OR DISCRIMINATION BASED ON COLOR OR NATIONAL ORIGIN

No decision regarding another team member's employment, evaluation, salary, advancement, assigned duties, or any other condition of employment or career development, may be based on that team member's race, color or national origin. FAILURE TO ADHERE TO THIS POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

All harassing conduct in the workplace based on race, color or national origin, whether physical or verbal, committed by any team member, is prohibited. VIOLATION OF THE POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

AGE DISCRIMINATION

No decision regarding another team member's employment, evaluation, salary, advancement, assigned duties, or any other condition of employment or career development, may be based on that team member's age. FAILURE TO ADHERE TO THIS POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

All harassing conduct in the workplace based on age, whether physical or verbal, committed by any team member, is prohibited. VIOLATION OF THE POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

PREGNANCY DISCRIMINATION

No decision regarding another team member's employment, evaluation, salary, advancement, assigned duties, or any other condition of employment or career development, may be based on that team member's pregnancy. FAILURE TO ADHERE TO THIS POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

All harassing conduct in the workplace based on pregnancy, whether physical or verbal, committed by any team member, is prohibited. VIOLATION OF THE POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

DISCRIMINATION BASED ON DISABILITY

No decision regarding another team member's evaluation, salary, advancement, assigned duties, or any other condition of employment or career development, may be based on that team member's disability. FAILURE TO ADHERE TO THIS POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE. Repeated absences caused by the team member's disability, or the failure, refusal or inability of a team member to adequately perform the tasks required by his or her job, will, subject to applicable federal and state law, be factors taken into consideration in the evaluation of a team member and the determination of his or her salary and advancement.

All harassing conduct in the workplace based on a team member's disability, whether physical or verbal, committed by a team member, is also prohibited. Such behavior includes the making of offensive or derogatory remarks or allusions regarding a team member's disability. VIOLATION OF THE POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

DISCRIMINATION BASED ON SEXUAL PREFERENCE

No decision regarding another team member's employment, evaluation, salary, advancement, assigned duties, or any other condition of employment or career development, may be based on that team member's sexual preference. FAILURE TO ADHERE TO THIS POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

All harassing conduct in the workplace based on sexual orientation, whether physical or verbal, committed by any team member, is prohibited. VIOLATION OF THE POLICY WILL BE GROUNDS FOR TERMINATION OF EMPLOYMENT FOR CAUSE.

No policy statement can ever cover all possible circumstances. Even if an act is not covered in our Policy Statement on Harassment and Discrimination, but clearly has the effect of being discriminatory or harassing, the team member engaging in such an act will be subject to discipline, which will include the possibility of termination from employment for cause. Any questions about our policy on harassment and discrimination should be directed to your immediate Supervisor or to the Director of Human Resources.

ALCOHOL AND DRUG FREE WORKPLACE POLICY

Adara Communities is committed to maintaining a safe and productive work environment for all its team members. It is the Policy of this Company to keep our work environment free from abuse of alcohol, and/or use of drugs, inhalants, illegal drugs, or other controlled substances. Adara Communities will not tolerate drug or alcohol use by any team member which will endanger the team member or other team members or threaten in any way the Company's business or reputation.

The use, sale, purchase, manufacture, transfer, receipt or possession of illegal drugs or controlled substances on Company premises or on company time is absolutely prohibited. Unauthorized use of alcohol on Company premises and abuse elsewhere or abuse while in the course of employment at any other location is prohibited. Company owned, leased, or rented vehicles, as well as private vehicles parked on Company premises, are included within this prohibition.

The purpose of this Policy is to identify and remove the adverse affects which alcohol and drugs have on job performance, and to protect the health and safety of our team members by providing education and treatment.

Use and misuse of alcohol or drugs can and does impair the ability of a team member to perform his/her duties and may endanger the team member, his/her co-workers, clients and the public, as well as property. The Company seeks to prevent the use/misuse of drugs and alcohol by team members in any way which impairs their ability to perform their duties.

1. Alcoholism and other drug addictions are recognized as a disease responsive to proper treatment and this will be an option as long as the team member participates willingly.
2. The manufacture, distribution, dispensing, possession, sale, purchase or use of a controlled substance or drug paraphernalia on Company property is prohibited.
3. Being under the influence of alcohol or illegal drugs on Company property or on Company time is prohibited. The unauthorized use or possession of prescription drugs or over-the-counter drugs on Company property is prohibited.
4. Team members who violate this Policy are subject to disciplinary action up to and including termination.
5. The Policy applies to all team members of the Company regardless of rank or position and includes temporary and part-time team members.

GENERAL POLICY PROVISIONS

Any of the following actions constitutes a violation of this Policy and may subject a team member to disciplinary action up to and including termination:

- a. Using, selling, purchasing, transferring, possessing, manufacturing or storing an illegal drug or drug paraphernalia, or attempting or assisting another to do so, while in the course of employment or engaged in a Company sponsored activity, or other use while on Company premises, and/or in owned, leased or rented vehicles and/or on any other Company business.
- b. Working or reporting to work, conducting Company business or being on Company premises or in a Company-owned, leased or rented vehicle while under the influence of an illegal drug, alcohol or in an impaired condition.

Any team member may be tested for drug or alcohol use when there is "reasonable cause or suspicion" that:

1. use of a substance is affecting performance;
2. the team member has been involved in an accident on the job and/or;
3. the team member is engaged in any of the prohibited acts or activities listed in this Policy.

DEFINITIONS

- a. Alcohol – Ethyl alcohol (ethanol) and include all beverages, mixtures or preparations which contain ethyl alcohol.
- b. Drug – Any substance that has mind or function altering effects upon the human body, or that impairs one's ability to safely perform his/her work, specifically including, but not limited to, all prescription and over-the-counter medications, all inhalants, all psychoactive substances, all controlled substances, all substances illegal under Federal or State law, all "synthetic or designer" drugs, all "look-alike" drugs, all drug paraphernalia, and all substances never intended for human consumption, such as glue, paint, etc.
- c. Possession – To have on one's person, in one's personal effects, in one's vehicle or under one's control.
- d. Sale or Distribution – any exchange, transfer, conveyance or sharing of alcohol or drugs whether for money or otherwise.
- e. Under the Influence – That condition wherein any of the body's sensory, cognitive or motor functions or capabilities are altered, impaired, diminished or affected due to alcohol or drugs. Under the Influence also means the measurable presence of alcohol or drugs within the body.
- f. Use – Consuming, ingesting, drinking, injecting, inhaling, smoking, or otherwise using any drug or alcohol.

SEARCH

Search procedures, conducted under reasonable cause, such as inspections of team member's personal property including briefcases, lunch boxes, or tool boxes, will be maintained as part of the Company's measures. All team members will be expected to cooperate as a condition of continued employment with special drug/alcohol searches of personal vehicles on Company property, purses, clothing, briefcases, or other team member personal property when there is reasonable suspicion to believe that a team member may be in possession of drugs or alcohol. Search on Company premises and Company property can be conducted at any time.

PREVENTATIVE ACTS

Team members taking drugs prescribed by an attending physician must advise their direct Supervisor in writing of the possible effects of such medication regarding their job performance and physical/mental capabilities. This written information must be sent to the Human Resource Director and kept in a confidential file. All medical information will be kept confidential and the employer, without exception, will discipline any breach of privacy and confidentiality in this regard. All prescription drugs must be kept in their original container.

Any team member involved in a work related accident will be subject to urine and breath testing for drug or alcohol use or abuse.

CORRECTIVE ACT

Any team member involved in a work related accident will be required to take a post accident drug screen at an accredited facility. Any positive findings of drug or alcohol may lead to disciplinary action up to and including termination.

Violations of the Substance Abuse Policy may result in disciplinary action up to and including termination.

COORDINATION WITH LAW ENFORCEMENT AGENCIES

The sale, use, purchase, manufacture, transfer or possession of an illegal drug or drug paraphernalia is a violation of the law. The Company will report information concerning possession, manufacture, distribution or use of any illegal drugs to law enforcement officials and will turn over to the custody of law enforcement officials any such substances found during a search of an individual or property. Searches will only be conducted of individuals based on reasonable cause; and only of their vehicle, lockers, desks, closets etc. only when based on reasonable suspicion. The Company will cooperate fully in the prosecution and/or conviction of any violation of the law.

RIGHT TO TEST

Adara Communities reserves the right to test team members for various circumstances including, but not limited to; pre-employment, random, reasonable cause, annual basis, in accordance with the overall enforcement of its Substance Abuse Policy, where in the sole opinion of the Company circumstances or conditions justify such testing, after an automobile accident while on Company time, and post accident. Refusal to take a drug screen may result in disciplinary action up to and including termination.

Any team member whose test results indicate a blood alcohol concentration that equals or exceeds .04 percent (i.e., .04 gram of alcohol in 100 milliliters of blood) shall be conclusively presumed to have been under the influence of alcohol at the time the sample was taken. The existence of this standard shall not preclude the Company from determining that an employee with a lower or undetermined blood alcohol concentration is under the influence of alcohol, nor shall it limit the Company's right to discipline or discharge an employee for using or possessing alcohol, regardless of the amount.

Any team member whose test results are positive for the presence of any drug or its metabolites shall be conclusively presumed to have been under the influence of such drug at the time the sample was taken. The term "positive" means that a measurable amount of a prohibited substance or its metabolites was present in the testing sample.

RESERVATION OF RIGHTS

The Company reserves the right to interpret, change, suspend, cancel or dispute, with or without notice, all or any part of the Policy, or procedures or benefits discussed herein. Team members will be notified before implementation of any change.

Although adherence to the Policy is considered a condition of continued employment, nothing in this Policy alters a team member's at will status and shall not constitute nor be deemed a contract or promise of employment. Team members remain free to resign their employment at any time for any or no reason, without notice, and the Company retains the right to terminate any team member at any time, for any or no reason, without notice.

CONFIDENTIALITY

It is the policy of the Company to ensure privacy of all applicants and team members in connection with drug and alcohol testing. Test results will be forwarded by the applicable testing facility to the Company's Human Resource Department and the information will be kept confidential. Keeping any drug or medical information on team members on site is **STRICTLY FORBIDDEN**. All information will be sent to the Human Resource Department for storage and safe keeping in compliance with Company policy and federal and state laws.

OTHER LAWS AND REGULATIONS

The provisions of this Policy shall apply in addition to, and shall be subordinated to, any requirements imposed by applicable federal, state or local laws, regulations or judicial decision. Unenforceable provisions of this Policy shall be deemed to be deleted.

For additional copies of the Substance Abuse Policy, contact the Human Resource Director.
(If there are any discrepancies between this summary and the actual Company policies, the Company policies will govern.)

The purpose of this Policy is to identify and remove the adverse affect alcohol and drugs have on job performance, and to protect the health and safety of our team members by providing education and treatment.

Use and misuse of alcohol or drugs can and does impair the ability of a team member to perform his/her duties and may endanger the team member, his/her co-workers and the public, as well as property. The Company seeks to prevent the use/abuse/misuse of drugs and alcohol by team members in any way which impairs their ability to perform their duties.

AIDS

It is the Company's policy to provide for equal access to employment for individuals with disabilities. Individuals with AIDS and others who are HIV positive are individuals entitled to protection under state and federal laws against discrimination. The Company will treat team members with this disability as it would any other team member with a life-threatening disease.

The most common misperception about AIDS is the fear of casual transmission. AIDS is not casually transmitted. In fact, according to the United States Surgeon General's Report, AIDS is not transmitted by coughing, sneezing, shaking hands, mosquito or insect bites, sharing office supplies, drinking from the same cup, sharing restroom facilities, casual contact, utensils, food, tools, machinery, telephones, office equipment, air or water.

The typical work place setting, excluding health care industries, poses no measurable risk for the contraction of the AIDS virus. According to all medical authorities, including the Surgeon General, AIDS is contracted by intimate sexual contact, exchange of blood products, and Mother-to-Infant contact during pregnancy or delivery.

The Company does not test for the AIDS virus. The Company will maintain, in the strictest confidence, all medical records of any team member with this disability.

WORKPLACE SEARCHES

To safeguard the property of our team members, our customers and the Company, and to help prevent illegal or policy violations on the Company's premises, the Company reserves the right to question team members and all other person entering and leaving our premises, and to inspect any packages, parcels, purses, handbags, briefcases, lunch boxes, vehicle or any other possessions or articles carried to and from the Company's property. In addition, the Company reserves the right to search any team member's office, desk, files, locker or any other area or article on our premises. In this connection, it should be noted that all offices, desks, files, lockers and so forth are the property of the Company, and are issued for the use of team members only during their employment with the Company. Inspections may be conducted at any time at the discretion of the Company. Refusals to submit to inspections may result in disciplinary action up to and including discharge.

WORKPLACE VIOLENCE

The Company maintains a strict policy of "zero-tolerance" with respect to workplace violence. In connection with this policy, the Company expressly prohibits any acts or threats of violence by any Company team member or former team member against any other team member in or about the Company's facilities or elsewhere at any time. The Company also will not condone any acts or threats of violence against the Company's team members, customers, vendors or visitors on the Company's premises or while they are engaged in business with or on behalf of the Company. The Company will not condone any acts or threats resulting in the conviction of a team member or agent of the Company, or of an individual performing services for the Company on a contract or temporary basis, under any criminal code provision relating to violence or threats of violence that adversely affect the legitimate interest and goals of the Company.

Any team member who displays a tendency to engage in violent, abusive or threatening behavior, or who otherwise engages in a behavior that the Company, in its sole discretion, deems offensive or inappropriate will be subject to disciplinary action up to and including termination.

Team members have a duty to warn their Managers, Regional Supervisors security personnel or the Corporate Human Resource Department of any suspicious workplace activity or situations or incidents that they observe or that they are aware of that appear problematic. This includes threats, acts of violence, aggressive behavior, offensive acts, threatening or offensive comment or remarks, etc.

CELLULAR TELEPHONE USE

The use of a personal cell phone while at work may present a hazard or distraction to the user and/or co-workers. This policy is meant to ensure that cell phone use while at work is both safe and does not disrupt business operations.

In addition to telephone service, many cell phones or providers offer a host of additional functions and/or services, including text messaging, photography, etc. It is not possible to list all of the services that are now, or may become, available. Whether enumerated or not, team members are strictly prohibited from using ANY of these services while at work.

Please note that it is against company policy to use cell phones or any other of these types of services while at work.

During work, your cell phone must not be turned on or on vibrate. You may leave the office phone number where you work for emergencies. We do not provide breaks for our team members so your phones should not be on during anytime that you are being paid. Please leave your cell phones at home, in your car or in the office.

The company reserves the right to restrict cell phone usage by position.

There is strong evidence that the use of cell phones while driving increases the risk of becoming involved in an accident. There is evidence that conversation that requires advanced cognitive tasks, such as negotiation, further increase crash risk. Business oriented calls, including those that require writing down information, are particularly hazardous. Pull over to a safe location and stop before using a cell phone. Team members who are charged with any traffic violations or are involved in an accident resulting from the use of their phone while driving will be solely responsible for all liability that results from such actions.

Violation of the Cell Phone policy will subject an employee to disciplinary action up to and including immediate termination.

CAMERAS

Team members are strictly prohibited from taking pictures with cell phones, cameras, etc. during work hours or on the Company property without the approval of the Property Manager, Regional Supervisor or Regional Vice President. Photos taken for business use, such as photos taken in order to document the condition of a vacated apartment, are allowed as part of normal business operations. The use of photographic recording devices is strictly prohibited in all areas where co-workers have a reasonable expectation of privacy such as restrooms, etc.

SAFETY

Safety, in all aspects of the operation of our business, is a number one priority. Each member of our business family is vital to the good and effective functioning of our organization. It is our policy to maintain safe working conditions, and to follow operating practices that will safeguard all our staff. It is our belief that prevention is the best approach to safety. The prevention of accidents and work-related injuries is much easier if all team members work together in looking for and correcting work-place hazards. Common sense and personal interest in safety are still the greatest guarantees of your safety at work, on the road and at home. We take your safety seriously and any willful or habitual violation of safety rules will be considered cause for dismissal. Adara Communities is sincerely concerned for the health and well being of each member of our team.

Adara Communities maintains an ongoing safety program. This program is designed to encourage safe work habits at all times.

The cooperation of every team member is necessary to make this Company a safe place in which to work. Help yourself and others by reporting unsafe conditions or hazards immediately to your Supervisor. Give earnest consideration to the rules of safety presented to you by poster signs, discussions with your Supervisor, posted department rules, any other safety rules provided. You will receive briefings on our safety programs and it is your responsibility to familiarize yourself with them. Please comply with all Company and OSHA regulations in your work area. Begin right by always thinking of safety as you perform your job, or as you learn a new one.

Accident Reporting

Any injury at work – no matter how small - must be reported immediately to your Supervisor and receive first aid attention. Failure to report an accident in a timely manner will disqualify you for any benefits under Workers Compensation. If the accident happens when you are on-call, after scheduled working hours, you must notify the Property Manager or your immediate Supervisor within twenty-four (24) hours of the accident by telephone, pager or in person. Serious conditions often arise from small injuries if they are not cared for properly and at once. If you sustain an injury as a result of your work, you may receive benefits under the Workers Compensation Act.

Once notified of the injury, the team member must go to a designated treatment center for immediate care and a post-accident drug screen. Team members that refuse treatment must still take a post-accident drug screen and sign a “refusal of treatment” form. Refusal to take a post-accident drug screen will result in immediate termination. An incident report and team member report must be faxed immediately to the Human Resource Department. The injured team member must provide the Human Resource Director with detailed information about the injury and submit all doctor reports immediately.

If a post-accident substance screen comes back positive, neither the company nor the insurance carrier will be responsible for the injury. A positive post-accident substance screen, for drugs and/or alcohol, will result in immediate termination.

The injured team member can resume work duties when they are medically qualified to fulfill the minimum requirements of their position, to be determined by the Human Resource Director. In the event that the team member position is not available upon release to duty, the company reserves the right to re-qualify the individual (interview-maintenance test-drug test) and consider the team member for a similar position on a different property. Should the company have no suitable open positions at time of medical release, the individual will be listed with the Human Resource Department without pay.

GENERAL RULES

We list below a set of rules – a set of “do’s and don’ts” – which will help establish the safe operating practices and working conditions that are so essential to preventing accidents. It is imperative that every member of our organization understands and follows all of these rules. They are simply sensible ways to avoid injuries. They are made for your benefit. All of these rules are important and must always be followed. Please remember that **YOU HAVE THE FIRST AND PRIMARY RESPONSIBILITY FOR AVOIDING INJURIES TO YOURSELF.**

Since no safety policy can be all inclusive, and/or cover all circumstances and situations, please remember these three cardinal rules to be used in all situations:

☞ USE YOUR COMMON SENSE ☞

☞ DON’T TAKE SHORTCUTS ☞

☞ DON’T TAKE RISKS ☞

GENERAL SAFETY MEASURES

1. The best way to avoid injury is by using caution and good sense. **REMEMBER: YOU HAVE THE FIRST AND PRIMARY RESPONSIBILITY FOR AVOIDING INJURIES TO YOURSELF!**
2. If you see unsafe conditions or working procedures, immediately correct them if you can.
3. Report any UNSAFE condition or acts to your Supervisor. **HELP TO PREVENT ACCIDENTS.**
4. Any unsafe actions by fellow team members should be brought to the attention of that person immediately.
5. No team member is expected to undertake a new job until they have received job instructions on how to do it properly.
6. No team member should undertake a job that appears dangerous.

7. Supervisors/managers are responsible for taking team members for emergency care. Know where the closest clinic or hospital is.
8. First aid kits are supplied and restocking or reordering is the responsibility of the Supervisor/manager.
9. Check the board each morning for daily assignments. Get the proper safety equipment you need to do that day's jobs.
10. Wear hard sole shoes and appropriate clothing.
11. No one shall knowingly be permitted or required to work while his or her ability or alertness is impaired by fatigue, illness or other causes that might expose the individual or others to injury.
12. Observe and practice the safety procedures established for the job.
13. Where required, you must wear protective equipment, such as safety goggles, back belts, masks, gloves, etc.
14. All walkways and aisles should be marked.
15. Exits must be kept free from obstruction.
16. No person should ever attempt to work with a high voltage circuit. If you do not know whether a circuit is high voltage, assume that it is.
17. Workers shall not handle or tamper with any electrical equipment, controls or switches, machinery or air or water lines in a manner not within the scope of their duties, unless they have received instructions from their Supervisor/employer.
18. Notify the owner, in writing, if a vehicle needs mechanical attention. If you receive a traffic citation during business hours, you are responsible for the citation and any consequences.
19. Check oil, fuel and water of assigned vehicles, golf carts, power washers and other equipment prior to leaving shop.
20. Always use extreme caution when working around bees, hornets, or wasps. Do not work in any area in which there are swarming bees, hornets or wasps.
21. Always use extreme caution when working around chemicals, solvents, cleaning fluids, pool supplies, etc.
22. Always use an appliance dolly to move appliances and large equipment. A team member must inform their supervisor if they need equipment.
23. Lighting and ventilation should always be suitable for the work in hand.
24. Do not throw rocks or other objects at fellow workers. Do not engage in horseplay, scuffling and other acts which tend to endanger the safety or well-being of team members.
25. Do not throw material, tools or other objects from heights (whether structures or buildings) until proper precautions are taken to protect others from the falling object hazard.
26. Do not throw objects.
27. Do not leave open trenches along sidewalks without barricades or a safe and sturdy trench covering.
28. Watch for slippery conditions like mud or wet lawns.
29. Watch out for snakes and biting insects.
30. Watch out for plants such as poison oak, ivy or sumac.
31. If cutting on a slope, cut at an angle.
32. Do not use a pickax while someone is in front or back of you.
33. Watch for protruding objects like rocks, sprinkler heads or roots while mowing or edging.
34. Work shall be well-planned and supervised to prevent injuries when working with equipment and handling heavy materials.
35. Lift properly – use your legs, not your back. For heavier loads, ask for assistance.
36. When lifting heavy objects, team members should bend their knees and use the large muscles of the leg instead of the smaller muscles of the back. Back injuries are the most frequent and often the most persistent and painful type of workplace injury.
37. Wash thoroughly after handling injurious or poisonous substances.
38. Gasoline shall not be used for cleaning purposes.
39. Arrange work so that you are able to face the ladder and use both hands while climbing. **ALWAYS TIE OFF YOUR LADDER TO THE BUILDING OR STRUCTURE!** You must ask for assistance from a co-worker to secure the position when using extension ladders or ladders over 6 feet. Failure to do so will result in disciplinary action.
40. In case of sickness or injury, no matter how slight, report at once to your Supervisor. In no case should a team member treat his own or someone else's injuries or attempt to remove foreign particles.
41. In case of injury resulting in possible fracture to legs, back, neck or any accident resulting in an unconscious condition, or a severe head injury, the team member is not to be moved until medical attention has been given by authorized personnel.
42. Do not wear loose clothing or jewelry around machinery. It may catch on moving equipment and cause serious injury.
43. Never distract the attention of another team member, as you might cause him or her to be injured. If necessary to get the attention of another team member, wait until it can be done safely.
44. Pile materials, boxes or other equipment so as not to block aisles, exits, fire fighting equipment, electric lighting or power panels, valves, etc. **ALL DOORS AND AISLES MUST BE KEPT CLEAR.**
45. Observe smoking regulations.
46. Do not block access to fire extinguishers.
47. Use designated passages when moving from one place to another; never take hazardous shortcuts.
48. Oily rags or cotton waste should always be put in an enclosed metal container, separate from other waste materials, to avoid the possibility of spontaneous combustion.
49. The working area must be kept clean and tidy and the floor must be kept clear of all obstructions and free from oil and spills.
50. Clean up spilled liquid, oil, or grease immediately.
51. Place trash and paper in proper containers and not in cans provided for cigarette butts.
52. Do not leave sidewalks dirty. Clean all walkways of rocks and/or debris.
53. Clean each piece of equipment and tool after use.
54. Keep your work area clean.
55. When fueling gasoline powered equipment use extreme caution. **NO SMOKING.** Turn off the engine when fueling any equipment.
56. Team members should be alert to see that all guards and other protective devices are in proper places and adjusted, and shall report deficiencies. Approved protective equipment shall be worn in specified work areas.
57. Shut down your machine before cleaning, repairing, or leaving.
58. Do not operate machines or equipment until you have been properly instructed and authorized to do so by your Supervisor.
59. Keep machine guards in their intended place.
60. Do not adjust, clean, or oil moving machinery.
61. Do not engage in such other practices as may be inconsistent with ordinary and reasonable common sense safety rules.

62. Supervisors shall insist that team members observe and obey every rule, regulation and order necessary to the safe conduct of the work, and shall take such action necessary to obtain compliance.
63. Long hair must be tied back or pulled up.
64. Wear shoes with rubber soles or shoes that provide good traction when working on roofs.
65. Wear safety goggles while using blowers, cutting tool, power tools/machinery or any time your eyes/vision could be jeopardized.
66. Painters must wear masks.
67. Cleaning personnel must wear gloves at all times.
68. All team members of this Company shall follow these safe practice rules, render every possible aid to safe operations, and report all unsafe conditions or practices to the Supervisor/employer.
69. All Material Safety Data Sheets (MSDS) must be maintained in the maintenance shop(s) at all times for any materials that require MSDS sheets. The property office will maintain all Material Safety Data Sheets (MSDS) for any materials that are used in the office area that require MSDS sheets.

Safety Checklist

It is every team member's responsibility to be on the lookout for possible hazards. If you spot one of the conditions on the following list – or any other possible hazardous situation – report it to your Supervisor immediately.

- Slippery floors and walkways.
- Tripping hazards, such as hose links, piping, cords, etc.
- Missing (or inoperative) entrance and exit signs and lighting.
- Poorly lighted stairs.
- Loose handrails or guardrails.
- Loose or broken windows.
- Dangerously piled supplies or equipment.
- Open windows.
- Unlocked doors and gates.
- Electrical equipment left operating.
- Open doors on electrical panels.
- Leaks of steam, water, oil, etc.
- Blocked aisles or doorways.
- Blocked fire extinguishers or hose sprinkler heads.
- Blocked fire doors.
- Evidence of any equipment running hot or overheating or not running or operating properly.
- Roof leaks.
- Oily rags.
- Directional or warning signs not in place.
- Safety devices not operating properly.
- Machine, power transmission, or drive guard missing, damaged, loose or improperly placed.

Safety Equipment

Your Supervisor should provide you with the protective clothing and equipment required for your job. Use them as instructed and take care of them. You will be charged for loss or destruction of these articles if it occurs through your negligence.

Seat Belts

All team members must use seat belts and shoulder restraints (if available) whenever they operate a vehicle on Company property or Company business. The driver is responsible for seeing that all passengers in front and rear seats are buckled up.

Good Housekeeping

Your work location should be kept clean and orderly. Keep machines and other objects out of the center of aisles and away from doorways. Clean up spills, drips and leaks immediately to avoid slips and falls. Place trash in the proper receptacles. Use shelves correctly and stack items neatly and safely.

PROPER CLOTHING AND EQUIPMENT

1. Always wear masks when working with chemicals and goggles when spraying at eye-level or above.
2. Irrigation installation or repairs, be aware of splashing of prime or glues; protect your eyes.
3. Avoid inhaling fumes, wear masks.
4. Use ear and eye protection when using mowers, blowers, edgers and weed eaters.
5. Wear proper respiratory protection when using blowers or applying chemicals.
6. Always wear proper foot-wear. Never wear flip flops, sandals, sneakers or any other foot covering that does not give adequate protection.
7. Appropriate clothing must always be worn. **Long pants are always required.** Do not wear half shirts, shorts or loose fitting clothing that can get caught in machines.
8. When using machines such as mowers, blowers, weed eaters, edgers, and other similar machines, always wear safety goggles.
9. Do not put hands or other objects under mowers or tillers while equipment is running. Disconnect spark plugs when working or reaching under the mower deck or repairing tillers.
10. Be aware when working around equipment. Never trust the operator. Give the equipment respect and room. Accidents happen very quickly.
11. Push a mower - never pull it. You could trip and your feet could slide into the mower blade.

12. Be extremely careful when fueling gasoline powered equipment. NO SMOKING! Turn the engine off when fueling any equipment.

LIFTING AND CARRYING

Many of the accidents reported each year are associated with the manual handling of loads. Sprains and strains, particularly of the back, are the injuries which most often occur. There are correct ways to lift objects, both heavy and light, and incorrect ways. The heavier an object is, the more important it is to lift it correctly. By lifting it correctly, you are materially reducing the risk of injury; by lifting it incorrectly, you are materially increasing the risk of injury.

Many manual handling accidents can often be eliminated by the observance of a few simple rules when lifting and carrying or otherwise handling heavy and/or awkwardly shaped objects. Consideration should always be given to using a dolly or other lifting aid wherever practicable. If the task looks in any way difficult, obtain assistance to make a trial lift, and never attempt to lift a load alone which is too large, too heavy or awkward. See that there are no obstructions in the direction you will be traveling, and do not carry a load that obscures forward vision.

1. Do not lift anything by yourself that is too heavy for you. If you are in doubt, get help.
2. Whenever possible, use dollies to carry or move heavy objects. This should be done even if two or more people are moving the object.
3. Lift objects the proper way. Take up position, with feet hip-breadth apart, one foot slightly advanced and pointing in the direction you intend to move. Bend your knees when picking something up. Keep your back muscles relaxed and keep your back as straight as possible. Take a secure grip of the load, keeping hands clear of its base for eventual setting down.
4. Lift, using the power of your leg muscles, keeping the back straight, with arms close to the body. Looking up as the lifting operation begins automatically straightens the back at the correct moment. Step off in the direction that your advanced foot is pointing, holding the load close in to the body. If turning is necessary, pivot on your feet, and do not twist the spine. Keep your shoulders level and squarely aligned with your pelvis, and your head straight.
5. To lower the load, again bend the knees with the back straight and keep the weight close to the body. Watch your fingers as the load is being repositioned. When the operation is complete, check that the load is secure and will not obstruct or fall on someone.
6. When lifting to a height from the floor, do so in stages; when lifting heavy loads down from a height, get help. Never bend down sideways for a one-handed lift.
7. In making an assessment of individual capability to carry out manual handling tasks, allowances should be made for any known health problems which might have a bearing on the ability to carry out such operations in safety. If you have any muscle strains or aches, don't assume that something you carried alone before without a problem can be carried alone again. Remember, manual handling ability depends on age, physique and physical condition. As a general rule, the risk of injury should be regarded as unacceptable if the manual handling operation cannot be performed safely by most reasonably fit, healthy team members. However, if you feel that you do not have the knowledge or training necessary for the safe performance of a manual handling task, you should consult your immediate Supervisor or manager. Always bear in mind that a serious back injury can permanently impair your quality of life. Get help.
8. If you have to move something, and it can be pushed, pulled or dragged without hurting anyone or any property, then you should do so, rather than lifting and carrying it. Also, if you have the choice you should always push rather than pull. When pushing and pulling loads and handling unusually shaped heavy objects, follow the same general principles as above, letting your leg and arm muscles and the weight of your body do the work. Keep a straight back, a good grip and bend the knees to obtain the best use of your body weight. Always get help for particularly awkward or heavy objects.
9. Use ramps or get help when loading or unloading equipment such as mowers and tillers.
10. When you are carrying an object, make sure that you can see in front of you. Make sure before you move anything that no surface which you will cross is slippery, has any obstruction, or is not in good condition.
11. When using hand tools like shovels or picks, use your legs and arms, not your back. Move your feet to avoid lifting/twisting of the back.
12. When carrying something, avoid sudden twists; don't put an object in its proper place by twisting; carry it there. Also, instead of twisting, just shift your feet.
13. Do not attempt to lift heavy objects over your head. For instance, do not pick up anything heavy that has to be thrown into a dumpster without help.
14. Where a risk of injury from handling a heavy load is identified, consideration should be given to reducing its weight. For example, always remove the contents of a filing cabinet before attempting to move it. Similarly, consideration should be given, where appropriate, to making loads less bulky so that they can be grasped more easily and the centre of gravity brought closer to the handler's body. Where possible, the load should be such that objects will not shift unexpectedly while being handled. Always assess the size of the load and always get help if there is any doubt about your ability to move the object safely by yourself.
15. To prevent injury during the manual handling of loads which have sharp corners, jagged edges, rough surfaces or are hot or cold, personal protective equipment such as gloves, aprons, overalls, or safety footwear may be necessary. Take care to remove any oil, grease or water which could cause the load to slip while it is being handled.
16. Manual handling on steep slopes should be avoided as much as possible.
17. There should be sufficient light to enable handlers to see clearly what they are doing.
18. The most important thing to remember is to always use caution and good sense when lifting or carrying. Don't take chances.

CHEMICALS

1. All chemicals must be stored in a dry area in its original container. Chemicals include, but are not limited to, pool additives and supplies, solvents, cleaning solutions and insecticides. Chemicals are not to be removed from original containers and stored in plastic bottles.
2. The room in which chemicals are stored must always be locked.
3. All persons must read, and understand, all instructions relating to a chemical before using the chemical. If you do not understand, then you must not use the chemical until you understand it.
4. All staff should be provided with masks to wear when working with chemicals. If you have not been provided with a mask, you should give your Supervisor a written request to order one. Masks should always be worn when working with chemicals of any kind. This includes insecticides. Avoid inhaling fumes.

5. Wear proper respiratory protection when using blowers or applying chemicals.
6. Never inhale chemicals. When you open a container of chemicals, you should be wearing a mask, and you should not put your face close to a container. The room in which the container is opened should be well ventilated.
7. If you are spraying chemicals in high places, above eyesight, in addition to the masks, you must wear goggles, which are provided for your use. If you have not been provided with goggles, you should give your Supervisor a written request to order them.
8. Do not attempt to use chemicals on a windy day. If it is necessary to use chemicals on a windy day, then use extra care and precautions and make sure that the wind is blowing away from you.
9. Only use chemicals in areas which are properly ventilated.
10. Keep all chemicals away from flames.
11. All chemical containers must be clearly and properly marked.
12. Never mix chemicals, unless instructions clearly provide for mixing them and you fully understand the instructions.
13. When using chemicals, remember that they can be harmful if used carelessly or incorrectly. Always use caution and good sense when working with chemicals.
14. Know where the MSDS for chemicals are stored.

Hazardous Materials and MSDS

In the workplace, each container must be labeled, tagged, or marked with the identity of hazardous chemicals contained therein, and must show hazard warnings appropriate for team member protection. The hazard warning can be any type of message, words, pictures, or symbols that provide at least general information regarding the hazards of the chemical(s) in the container and the targeted organs affected, if applicable. Labels must be legible, in English (plus other languages, if desired), and prominently displayed.

What Are Material Safety Data Sheets, And Why Are They Needed ?

The MSDS is a detailed information bulletin prepared by the manufacturer or importer of a chemical that describes the physical and chemical properties, physical and health hazards, routes of exposure, precautions for safe handling and use, emergency and first-aid procedures, and control measures. Employers must prepare a list of all hazardous chemicals in the workplace. When the list is complete, it should be checked against the collected MSDS's that the employer has been sent. If there are hazardous chemicals used for which no MSDS has been received, the employer must contact the supplier, manufacturer, or importer to obtain the missing MSDS. A record of the contact must be maintained.

ELECTRIC

The risk of sustaining an electric shock can be reduced by adopting the following practices:

1. Due care must always be exercised when switching off main power supplies to ensure that only the intended circuits are isolated. Lock-off systems must be used, where necessary.
2. Switch off and withdraw the plug on items of portable electrical equipment prior to making any alterations or modifying any circuitry.
3. Do not handle any equipment with wet hands and do not work in close proximity to water supplies or other earthed metalwork where there may be a risk of putting one hand on earthed metal and other on live equipment. If equipment is suspected of being live, switch off, and have its electrical status tested by a competent person. Record the test.
4. On no account must a three-phase socket outlet be used to supply single-phase apparatus.
5. Standard types of electrical fittings, such as 3-pin plugs, sockets and switches, should always be used as specified by manufacturers and in accordance with good practices (Switches must not be mounted upside down and single pole switches must not be wired in the neutral lead.)
6. If it is possible to do so, always use low voltage equipment.
7. Maintain in office easy to understand depiction of where main cutoffs are located.

EQUIPMENT AND TOOLS

Tools are such a common part of our lives that it is difficult to remember that they may pose hazards. Tragically, a serious incident can occur before steps are taken to identify and avoid or eliminate tool-related hazards. Team members who use hand and power tools and are exposed to the hazards of falling, flying, abrasive, and splashing objects, or to harmful dusts, fumes, mists, vapors, or gases must be provided with the appropriate personal protective equipment. All electrical connections for these tools must be suitable for the type of tool and the working conditions (wet, dusty, flammable vapors). When a temporary power source is used for construction a ground-fault circuit interrupter should be used.

All items of equipment, including machinery, hand-held power tool and hand tools, must be properly and regularly maintained and serviced. Records of all such maintenance and servicing must be kept. Tools must be kept sound and in good condition, edges of cutting tools must be sharp and kept covered when not in use, and any defect in tools and machinery should be reported immediately. Hand tools which have the potential to cause injury should not be carried in pockets, and all tools must be returned to their proper storage areas after use. When maintenance and repairs to machinery are in progress, warning notices must be posted. Broken or fractured handles on hammers, axes and similar equipment shall be replaced promptly.

Basic safety rules can help prevent hazards associated with the use of hand and power tools:

- Keep all tools in good condition with regular maintenance.
- Use the right tool for the job.
- Examine each tool for damage before use.
- Do not use damaged tools.
- Operate tools according to the manufacturers' instructions
- When using saw blades, knives, or other tools, team members should direct the tools away from aisle areas and away from other team members working in close proximity. Knives and scissors must be sharp; dull tools can cause more hazards than sharp ones. Cracked saw blades must be removed from service. The wooden handles of tools must not be splintered.
- Keep faces of hammers in good condition to avoid flying nails and bruised fingers.
- Files shall be equipped with handles; never use a file as a punch or pry.
- Do not use a screwdriver as a chisel.

To prevent hazards associated with the use of power tools, workers should observe the following general precautions:

- Appropriate personal protective equipment such as safety goggles and gloves must be worn to protect against hazards that may be encountered while using hand tools.
- Workplace floors shall be kept as clean and dry as possible to prevent accidental slips with or around dangerous hand tools.
- Power tools must be fitted with guards and safety switches; they are extremely hazardous when used improperly.
- Tools are determined by their power source: electric, pneumatic, liquid fuel, hydraulic, and powder-actuated.
- Never carry a tool by the cord or hose.
- Never yank the cord or the hose to disconnect it from the receptacle.
- Keep cords and hoses away from heat, oil, and sharp edges.
- Disconnect tools when not using them, before servicing and cleaning them, and when changing accessories such as blades, bits, and cutters.
- Keep all people not involved with the work at a safe distance from the work area.
- Secure work with clamps or a vise, freeing both hands to operate the tool.
- Avoid accidental starting. Do not hold fingers on the switch button while carrying a plugged-in tool.
- Maintain tools with care; keep them sharp and clean for best performance.
- Follow instructions in the user's manual for lubricating and changing accessories.
- Be sure to keep good footing and maintain good balance when operating power tools.
- Wear proper apparel for the task. Loose clothing, ties, hair or jewelry can become caught in moving parts.
- Remove all damaged portable electric tools from use and tag them: "Do Not Use."
- Do not lift or lower portable electric tools by the power cords; use a rope.
- Never pig-tail power cords or tools with damaged cords.
- Do not leave the cords of these tools where cars or trucks will run over them.

ELECTRIC TOOLS

Team members using electric tools must be aware of several dangers. Among the most serious hazards are electrical burns and shocks. Electrical shocks, which can lead to injuries such as heart failure and burns, are among the major hazards associated with electric powered tools. Under certain conditions, even a small amount of electric current can result in fibrillation of the heart and death. An electric shock can also cause the user to fall off a ladder or other elevated work surface and be injured due to the fall. To protect the user from shock and burns, electric tools must have a three-wire cord with a ground and be plugged into a grounded receptacle, be double insulated, or be powered by a low voltage isolation transformer. Three-wire cords contain two current carrying conductors and a grounding conductor. Any time an adapter is used to accommodate a two-hole receptacle, the adapter wire must be attached to a known ground. The third prong must never be removed from the plug. Double-insulated tools are available that provide protection against electrical shock without third-wire grounding. On double insulated tools, an internal layer of protective insulation completely isolates the external housing of the tool.

The following general practices should be followed when using electric tools:

- Operate electric tools within their designed limitations.
- Use gloves and appropriate safety footwear when using electric tools.
- Store electric tools in a dry place when not in use.
- Do not use electric tools in damp or wet locations unless they are approved for that purpose.
- Keep work areas well lighted when operating electric tools.
- Ensure that cords from electric tools do not present a tripping hazard.

Portable Abrasive Grinding, Cutting, Polishing, and Wire Buffing Wheels

These tools create special safety problems because they may throw off flying fragments. Abrasive wheel tools must be equipped with guards that: (1) cover the spindle end, nut, and flange projections; (2) maintain proper alignment with the wheel; and (3) do not exceed the strength of the fastenings.

Before an abrasive wheel is mounted, it must be inspected closely for damage and should be sound or ring-tested to ensure that it is free from cracks or defects. To test, wheels should be tapped gently with a light, non-metallic instrument. If the wheels sound cracked or dead, they must not be used because they could fly apart in operation. A stable and undamaged wheel, when tapped, will give a clear metallic tone or "ring."

To prevent an abrasive wheel from cracking, it must fit freely on the spindle. The spindle nut must be tightened enough to hold the wheel in place without distorting the flange. Always follow the manufacturer's recommendations. Take care to ensure that the spindle speed of the machine will not exceed the maximum operating speed marked on the wheel.

An abrasive wheel may disintegrate or explode during start-up. Allow the tool to come up to operating speed prior to grinding or cutting. The team member should never stand in the plane of rotation of the wheel as it accelerates to full operating speed. Portable grinding tools need to be equipped with safety guards to protect workers not only from the moving wheel surface, but also from flying fragments in case of wheel breakage. When using a powered grinder:

- Always use eye or face protection.
- Turn off the power when not in use.
- Never clamp a hand-held grinder in a vise.

Machinery and Vehicles

- Do not attempt to operate machinery or equipment without special permission, unless it is one of your regular duties.
- Loose or frayed clothing, dangling ties, finger rings, long dangling hair and similar items must not be worn around moving machinery or other places where they can get caught.
- Machinery shall not be repaired or adjusted while in operation.

SPRAY PAINTING

Paint spraying presents both a toxic and a fire hazard, and must only be carried out in a suitable, well ventilated enclosure, away from sources of ignition, including static electricity. Efficient personal respiratory protection, as well as skin and eye protection, must be worn wherever necessary. Occupied units that need touch up paint are to be rolled only, never sprayed.

PORTABLE LADDERS

1. All ladders shall be maintained in good condition, joints between steps and side rails tight, all hardware and fittings securely attached and moveable parts operating freely without binding or undue play.
2. Non-slip safety feet will be provided on each ladder.
3. Ladder rungs and steps are free of grease and oil.
4. It is prohibited to place a ladder in front of doors opening toward the ladder except when the door is blocked open, locked or guarded.
5. It is prohibited to place ladders on boxes, barrels, or other unstable bases to obtain additional height.
6. Team members are to face the ladder when ascending or descending.
7. Team members are prohibited from using ladders that are broken, missing steps, rungs, or cleats, broken side rails or other faulty equipment.
8. Team members are not to use the top step of ordinary stepladders as a step.
9. When portable rung ladders are used to gain access to elevated platforms, roofs, etc., the ladder should always extend at least 3 feet (0.9144 meters) above the elevated surface.
10. It is required that when portable rung or cleat type ladders are used, the base is placed so that slipping will not occur, and it is lashed, tied off or otherwise held in place.
11. Portable metal ladders will be legibly marked with signs reading "CAUTION" - Do Not Use Around Electrical Equipment" or equivalent wording.
12. Team members are prohibited from using ladders as guys, braces, skids, gin poles, or for other than their intended purposes.
13. Team members are to only move, shift, extend or adjust extension ladders while standing at a base (not while standing on the ladder or from a position above the ladder).
14. Inspect ladders for damage before use.
15. The rungs of ladders uniformly should be spaced at 12 inches, (30.48 centimeters) center to center.
16. Use at least one hand to grasp the ladder when climbing.
17. Do not load ladders beyond their maximum intended load nor beyond their manufacturer's rated capacity.
18. Use ladders only for their designed purpose.
19. Use ladders only on stable and level surfaces unless secured to prevent accidental movement.
20. Do not use ladders on slippery surfaces unless secured or provided with slip-resistant feet to prevent accidental movement. Do not use slip-Secure ladders placed in areas such as passageways, doorways or driveways, or where they can be displaced by workplace activities or traffic to prevent accidental movement. Or use a barricade to keep traffic or activity away from the ladder.
21. Keep areas clear around the top and bottom of ladders.
22. Use ladders equipped with nonconductive side rails if the worker or the ladder could contact exposed energized electrical equipment.
23. Use non-self-supporting ladders at an angle

HEARING CONSERVATION

Noise, or unwanted sound, is one of the most pervasive occupational health problems. Exposure to high levels of noise causes hearing loss and may cause other harmful health effects as well. The extent of damage depends primarily on the intensity of the noise and the duration of the exposure. Noise-induced hearing loss can be temporary or permanent. Temporary hearing loss results from short-term exposures to noise, with normal hearing returning after a period of rest. Generally, prolonged exposure to high noise levels over a period of time gradually causes permanent damage. Hearing protectors should adequately reduce the noise level for each team member's work environment. Hearing protectors should be used whenever a team member is exposed to high levels of noise or prolonged exposure to noise.

HEAT STRESS

Heat stress depends, in part, on the amount of heat the worker's body produces while a job is being performed. One way of reducing the potential for heat stress is to make the job easier or lessen its duration by providing adequate rest time. Workers employed outdoors are especially subject to weather changes. The following practices can help to reduce heat stress:

1. Postponement of nonessential tasks.
2. Permit only those workers acclimatized to heat to perform the more strenuous tasks.
3. Provide additional workers to perform the tasks.
4. Drink water: Many heat disorders involve excessive dehydration of the body. It is essential that water intake during the workday be about equal to the amount of sweat produced. Most workers exposed to hot conditions drink less fluids than needed because of an insufficient thirst drive. A worker, therefore, should not depend on thirst to signal when and how much to drink. The worker should drink 5 to 10 ounces of fluids every 15 to 20 minutes to replenish the necessary fluids in the body.
5. When feasible, the most stressful tasks should be performed during the cooler parts of the day (early morning, late evening or at night).

HIGH TEMPERATURE + HIGH HUMIDITY + PHYSICAL WORK = HEAT ILLNESS **PROTECT YOURSELF!**

COLD EXPOSURE

When the body is unable to warm itself, serious cold related illnesses and injuries may occur, and permanent tissue damage and death may result. Hypothermia can occur when land temperatures are above freezing or water temperatures are below 98.6°F/37°C. Cold related illnesses can slowly overcome a person who has been chilled by low temperatures, brisk winds, or wet clothing.

How to Protect Workers:

1. Recognize the environmental and workplace conditions that lead to potential cold-induced illnesses and injuries.
2. Learn the signs and symptoms of cold-induced illnesses/injuries and what to do to help the worker.
3. Select proper clothing for cold, wet, and windy conditions. Layer clothing to adjust to changing environmental temperatures. Wear a hat and gloves, in addition to long underwear that will keep water away from the skin (polypropylene).
4. Take frequent short breaks in warm dry shelters to allow the body to warm up.
5. Perform work during the warmest part of the day.
6. Avoid exhaustion or fatigue because energy is needed to keep muscles warm.
7. Use the buddy system (work in pairs).
8. Drink warm, sweet beverages (sugar water, sports-type drinks). Avoid drinks with caffeine (coffee, tea, or hot chocolate) or alcohol.
9. Eat warm, high-calorie foods like hot pasta dishes.

Workers Are at Increased Risk When...

1. They have predisposing health conditions such as cardiovascular disease, diabetes, and hypertension.
2. They take certain medication (check with your doctor, nurse, or pharmacy and ask if any medicines you are taking affect you while working in cold environments).
3. They are in poor physical condition, have a poor diet, or are older.

LOW TEMPERATURE + WIND SPEED + WETNESS = INJURIES & ILLNESS

Leasing Personnel:

1. If you feel your security or life is threatened by a prospective resident who asks to see an apartment, you may refuse to show it by informing the prospect that you have nothing available to show. (DO NOT take advantage of this policy and violate Fair Housing Law). Document any actions of this manner and keep on file.
2. Do not show a unit to any prospect without first obtaining a picture ID (a driver's license or a state-issued ID), and informing a co-worker that you are going out on property and specify the show unit(s) you will be viewing. If another office team member is not available, call a maintenance person and make them aware of where you are going.
3. Unless you feel quite uncomfortable walking the prospect(s) through the unit, you should remain at the door with the door open or request assistance.
4. In order to avoid a confrontation with a disgruntled resident, remain calm and do not lose your temper. Allow your Community Manager or Immediate Supervisor to handle the situation. If the resident becomes belligerent, threatens harm, or refuses to leave the premises, call the police.
5. With any situation, follow your instincts. It is better to be safe than sorry.

Incidents Involving Residents:

From time to time, accidents will happen regardless of precautions. It is extremely important when an accident does occur to obtain complete and detailed information. First, call for the appropriate law enforcement authorities, then inform the Corporate Office. A Manager's Incident Report must be completed and faxed to Corporate within twenty-four (24) hours of the incident. Every applicable portion of the Manager's Incident Report must be completed. Additionally, an Incident Statement by Party or Witness must be included with the incident report. This report must be completed for each incident that was viewed by non-involved resident or party. For major incidents or injuries involving residents, the resident's file must be mailed to the Corporate Office immediately. Failure to complete these reports in full may expose the Company with financial burden.

Severe Weather

Some parts of the country are plagued by hurricanes, tropical storms, tornadoes, severe thunderstorm, ice, snow, flooding, high winds etc. There are a few things that you can do beforehand to minimize damage and injury caused by severe storms.

1. Obey the directions of emergency personnel.
2. Seek out and secure outdoor objects that may blow away and cause injury or do damage to a structure. Move all balcony or patio items indoors.
3. Keep a supply of fresh bottled water on hand in case the storm contaminates or damages the community water supply.
4. Remain indoors during the storm. Go to designated shelter areas or basements. If they are not available, seek shelter in an interior hallway, small room or under sturdy furniture, but away from heavy appliances and windows.
5. Be prepared for power failures by having candles and flashlights ready. Be sure that you have good batteries. Keep a battery operated portable radio in working condition and readily accessible.
6. Stay away from windows.
7. Prepare for possible flooding.
8. Avoid downed power lines and be cautious of leaking gas.

Report any damages to Corporate as soon as possible.

CRIME AND SECURITY ISSUES

Management and Owners expect all personnel to be completely honest with prospects and residents of our communities regarding security and crime issues. It is the policy of this Company for its employees to NEVER make any false representations, or promises regarding these issues. Statement such as “there is not crime in this area or property” or “we at this property don’t have any problems” are not acceptable answers to questions asked about crimes and security.

Listed below are our policies and guidelines regarding these subjects:

1. When a prospective resident asks about crime in the neighborhood, community or a property, state the facts only. Do not imply that crime may be less or more than what it really is. Never guess at statistics.
2. Encourage residents or prospect to obtain crime statistics from the local Law Enforcement Agencies.
3. Never compare crimes in another area to yours.
4. A reference information sheet may be provided to prospects and residents on how to obtain information on crimes in the area to the best of our knowledge.
5. If a resident asks a questions regarding security guards, officers, courtesy patrols or similar person, state the facts. All guards, patrols or other similar persons are in place to monitor the property for the owner’s interest, Not for the personal protection to any resident.

Security is the responsibility of the resident and that of local law Enforcement Agencies. We do not provide security.

SAFETY IS EVERYONE’S RESPONSIBILITY

INITIAL COBRA NOTIFICATION

To provide options for individuals who lose health coverage from an employer-sponsored insurance plan, the Federal Government enacted the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272, Title X), commonly known as “COBRA”.

COBRA LAW: With the exception of certain religious groups and the Federal Government, employers with twenty (20) or more team members that provide health benefits are subject to offering team members (and/or their covered dependents) the right to a temporary extension of group insurance (called “continuation coverage”) upon experiencing a “qualifying event”. We request that you (and your covered dependents) take the time to read this important notification.

This procedure is different from converting to individual coverage after termination of employment. The major advantages are that participants cannot be discriminated against for having a pre-existing medical condition and will be charged the Company’s group rate (plus a two percent administrative fee). These COBRA rates may (or may not) be less than premiums under a conversion so it is recommended that you contact the insurer to receive a quote. With many conversion plans, covered benefits are reduced. Under COBRA continuation, your benefits would remain identical to the group plan’s coverage. COBRA also allows for covered dependents to independently continue their health coverage when lost through a “qualifying event.”

EMPLOYER AND QUALIFIER’S RESPONSIBILITIES: When an team member or dependent has experienced a “qualifying event,” they will be sent notification of their rights to elect COBRA continuation coverage. Employers shall provide this notification within fourteen (14) days from the date group coverage would be terminated (or as soon as administratively possible). The team member or dependent has the responsibility to notify our office of their desire to continue coverage within sixty (60) days from the later of the date of notification or loss of coverage. Upon acceptance, such team member and/or dependent would be notified of any enrollment forms that must be completed. Keep in mind, an team member and/or dependent electing continuation coverage is responsible for premiums back to the date termination from the plan would have occurred.

PARTICIPANT NOTIFICATION REQUIREMENT: Adara Communities will not know when certain “qualifying events” occur. The team member or covered dependent will be responsible for notifying our office of a Divorce, Legal Separation or when a dependent loses his/her “dependent status”. The team member or affected dependent has sixty (60) days to notify our office of the “qualifying event” and their desire to continue coverage. If we are not notified within this time frame, COBRA continuation cannot be offered.

COBRA QUALIFYING EVENTS: Listed below are “qualifying events” for which the team member and/or covered dependents are able to continue their health coverage under the COBRA legislation. As shown, the maximum continuation coverage time frame depends on the “qualifying event” experienced. For an team member and/or his or her dependents to be able to obtain COBRA benefits, the person must be considered a “qualified beneficiary,” and to be considered a “qualified beneficiary” must have been enrolled in the group plan on the day prior to the “qualifying event.” One exception to this rule is when a child is born to (or placed for adoption with) an team member during the COBRA continuation period. These children will receive all rights of a “qualified beneficiary” throughout the COBRA continuation period.

Qualifying Events That Yield a Maximum of 18 Months for Team member and/or Dependents (Experienced by the Team member)

1. Termination of Employment for any reason other than “gross misconduct”.
2. Reduction of Team member’s Work hours.

Qualifying Events That Yield a Maximum of 29 Months for Team member and/or Dependents

1. Individual disabled at time of qualifying event.

BECOMING DISABLED DURING COBRA PERIOD: In the event of an team member’s termination or reduction in work hours, team members or covered dependents who become classified as “disabled” by Social Security (under Title 11 or Title XVI) within the first sixty days of COBRA continuation are eligible for an additional 11 months of coverage (Yielding a total of 29 months). For this extension to apply, evidence of disability under the Social Security Act must be provided to the employer within the initial 18 months continuation coverage time frame and within 60 days from the date of the Social Security Administration’s determination.

Qualifying Events That Yield a Maximum of 36 Months (Experienced by a covered Dependent)

1. Death of the Team member.
2. Divorce or Legal Separation.
3. Team member qualifies for Medicare but dependents do not.
4. Dependent Child who no longer meets the insurer's definition of a "dependent".

Family and Medical Leave Act (FMLA): Effective August 5, 1993, the Family and Medical Leave Act of 1993 (FMLA) was enacted to allow eligible team members the right to take up to 12 weeks of unpaid leave to care for themselves or a relative. If you qualify and elect to take this leave and later notify the Company that you will not be returning, you have the ability to continue your insurance coverage under COBRA for 18 months from the date benefits are terminated.

Multiple Qualifying Events: If a team member experiences termination, reduced work hours or is considered "disabled", elects to continue coverage and a covered dependent experiences a second unrelated "qualifying event," the dependent may increase his or her maximum time frame under COBRA from 18 (or 29 for a disability) to 36 months. The maximum continuation period for any qualifying event is thirty-six (36) months. As with the initial qualifying event, it is the responsibility of the team member or covered dependent to notify our office within 60 days of the second "qualifying event".

COBRA Termination: COBRA continuation coverage has maximum time frames but you may voluntarily terminate coverage at anytime by notifying our office in advance. The COBRA legislation provides the employer the right to terminate continuation coverage for one or more of the following reasons:

1. The Company terminates the plan(s) you are continuing under for all active team members.
2. The COBRA premiums are not paid in a timely manner.
3. If the team member and/or covered dependents become covered under another group plan. (However, if the new plan excludes a covered person's medical pre-existing condition, that person may continue under the COBRA continuation coverage. The Health Insurance Portability and Accountability Act of 1996 limits maximum time frames for pre-existing conditions, therefore a person with prior credible coverage exceeding the pre-existing limitation period of the new group plan may be terminated by the employer); or
4. An team member becomes entitled to Medicare. (Dependent's continuation coverage may be extended to 36 months upon notifying our office of the team member's Medicare entitlement.)

Premium Costs: The cost of continuation coverage will be determined at the time of the 'qualifying event.' Your cost will be the amount the insurance Company charges Adara Communities for active team members (with similar coverage type) plus a 2% administration fee. If the insurer delivers a premium increase or reduction, the COBRA participant's premiums will be adjusted accordingly. Please remember that this cost will likely be more than what you were paying while an team member since the Company may have been subsidizing a portion of the actual cost and in some cases such subsidy may have been for a very large portion of the cost.

Conversion to an Individual Plan: A conversion plan allows individuals covered under a group plan to convert their coverage to an individual plan without a lapse in coverage or pre-existing condition limitations upon termination from the group plan. Not all group plans are subject to offering a conversion. If you are enrolled in a plan that allows conversions, our firm will send notification explaining conversion privileges in the last 180 days of your COBRA term.

Health Insurance Portability and Accountability Act of 1996: With the signing of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), COBRA's rules changed creating further options to individuals losing insurance coverage under a group plan. The law further defined the "Disability Extension," eligible COBRA qualifying beneficiaries and when a coverage can be terminated from COBRA due to new coverage under another group plan.

The scope of the law was to eliminate barriers for individuals (mainly people with medical pre-existing conditions that would have difficulty obtaining immediate coverage) who lose coverage and want to find some form of replacement plan.

The law limits a plan's "pre-existing condition limitation time frame" to twelve (12) months for newly enrolling individuals and provides credit for prior coverage. A Certificate of Coverage will be provided when you terminate from a group plan that illustrates coverage under that program. This Certificate should be shown to a new employer to receive the one month credit for every month of prior coverage. Keep in mind, that if there was a break in prior coverage greater than sixty-three (63) days, the new employer does not have to provide any prior coverage credit.

In addition, if you elect COBRA and exhaust either the eighteen (18) or thirty-six (36) months maximum time frame, you may be eligible for coverage under an individual plan (through an insurer of your choice) on a guaranteed issue basis without any pre-existing condition limitations.

Lastly, HIPAA allows individuals to pay for their COBRA premiums from withdrawals from an Individual Retirement Account (IRA). After December 31, 1996, withdrawals for this purpose were permitted to be made penalty free for medical insurance if the individual has received unemployment compensation under federal or state law for at least twelve (12) weeks. This provision only eliminates the 10% penalty fee and not the standard income tax.

Insurance Plan Requirements: Some group insurance plans require members to receive services from contracted providers. If you elect COBRA continuation coverage and move from the insurer's "service area," your coverage cannot be continued under the group plan.

Questions Regarding COBRA: If you have any questions regarding this notification of your COBRA rights, please feel free to contact the Human Resource Director of Adara Communities at the Corporate Office.

HIRE APPROVAL

New Hire

Company policy is that all positions and pay rate for the position are approved by the Human Resource Office prior to making a conditional job offer to the applicant. An open position request form should be emailed to the Human Resource to get the information needed.

Re-Hire

Company policy is that all applicants that are being considered hire that have worked previously for any Company and/or Property managed by Adara Communities must be approved for re-hire through the Human Resource Office.

DEFINITION OF TEAM MEMBER STATUS

Full-time

Team members who are regularly scheduled to work forty (40) or more hours per week are classified as full-time team members.

Part-time

Team members who are regularly scheduled to work less than forty (40) hours per week are classified as part-time team members. Check with your Supervisor for clarification of eligible benefits.

Temporary

Team members who are hired into a temporary position that is expected to last for less than one year are classified as temporary team members. Temporary team members are not eligible for Company benefits.

Non-Exempt and Exempt Team members

All team members are classified as either exempt or non-exempt. Non-exempt team members are entitled, by law, to overtime pay for hours worked in excess of forty hours (40) per workweek (Saturday through Friday). Exempt team members are those team members whose duties and responsibilities allow them to be exempted from overtime pay provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are or become an exempt team member, you will be advised that you are in this classification at the time you are hired, transferred or promoted.

Management reserves the right of setting all team members schedules, changing schedules and rescheduling individual hours of work in any given week.

Adara Communities relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment and, if the person has been hired, termination of employment.

TIME AND ATTENDANCE

As a condition of employment, team members are expected to be on time and work as scheduled. Regular attendance and punctuality is essential to the proper operation of our business. Your attendance and punctuality affects morale among your co-workers and your own efficiency. When you are absent, your share of the work either does not get done or must be performed by others. You will be advised by your Supervisor as to your hours of work. If you will be late or absent from work, you are required to directly notify your Supervisor at least one (1) hour before the start of the workday. **YOU MUST SPEAK WITH YOUR Property Manager or Regional Supervisor.** You must not leave a message with the receptionist, the answering service, a co-worker or send a text message. You are expected to make the call personally unless you are disabled due to illness or injury. If the Manager is unavailable, you should leave a telephone number where the Manager may contact you. A days off request must be completed by the Property Manager and faxed to the Corporate Human Resource Office the same day as the absence. Your Supervisor must be notified each subsequent day of the absence unless other arrangements have been made. No call no show is ground for immediate termination.

Lateness or tardiness is defined as reporting to work after normal starting time or leaving before regular closing time. All regular, full-time team members may be excused for good cause up to a maximum of three (3) per calendar year. Two (2) tardies will be considered as one unexcused absence. A team member having more than two (2) unexcused absences during any one (1) month period will be issued a written warning. A third tardy within the next one-month period will be grounds for immediate termination.

Absence is defined as failure to report for and remain at work as scheduled. This includes late arrival at work and leaving early as well. Absence also includes all time lost from work whether excused or unexcused, avoidable or unavoidable. Absences may be excused by Regional Supervisors, Property Managers or Corporate Executive Officers. Excused absences may be considered part of sick-vacation leave and may be counted as such. Any paid absence will be deducted from the team member's available sick/vacation time. Any absences, excused or unexcused, exceeding available sick/vacation leave will be deducted from payroll. If you are absent due to illness two (2) consecutive days, a written doctor's excuse must be brought the first day you are able to return to work.

Three (3) absences, excused or unexcused, in a two (2) month period is considered excessive absenteeism. Excessive absenteeism or tardiness will result in disciplinary action up to and including termination.

Pay Deduction for Exempt Employees will be paid in increments of one-half day or one day only. Any absence exceeding four (4) hours will be considered one full day absent and any available sick/vacation time will be applied accordingly. Any absences less than four (4) hours will be applied to sick/vacation time as ½ day absent, if qualified.

Any unauthorized absence or tardiness will be subject to disciplinary action up to and including termination of employment.

- All team members are responsible for verifying their time worked is properly recorded.
- Prior authorization by management is required to work hours other than your assigned work schedule.
- All non-exempt maintenance team members must have prior authorization from their immediate Supervisor for any overtime hours. Office team members will not work any overtime.

- Failing to call in when not showing up for work may result in disciplinary action up to and including termination.
- Unexcused absences are subject to disciplinary action up to and including termination. An absence is considered unexcused if the Supervisor is not notified, the reason is not satisfactory, the reason has been falsified, or a pattern of like absences has developed. In such cases, requests for excused absences may be denied or proof required as determined by the team member's Supervisor(s). Unexcused absences are never paid.
- A history of poor attendance, even for reasonable and legitimate reasons may result in termination of employment.

WORK SCHEDULE

Corporate Office Hours:

Monday – Friday 8:30 a.m. – 5:30 p.m.
Saturday 9:00 a.m. – 1:00 p.m.

Property Office Hours: We reserve the right to modify the property hours based upon property size, needs and requirements, without further notice. Any variation from this policy will be approved and implemented by the Regional Vice President and/or the Regional Supervisor.

Monday – Friday 8:30 a.m. – 6:00 p.m.
Managers 8:15 a.m. – 5:30 p.m.
Office Personnel 9:00 a.m. – 6:00 p.m.
Saturday 10:00 a.m. – 5:00 p.m.
Sunday 1:00 p.m. – 5:00 p.m.

***** Office hours vary based on number of office team members. *****

Maintenance Personnel:

Monday – Friday 8:30 a.m. – 5:30 p.m.
Tuesday – Saturday 8:30 a.m. – 5:30 p.m.
Weekends or on call Hours will be determined by Property Manager or Regional Supervisor.

Groundskeeper/Housekeeper:

Saturday This position must work 2-4 hours to pick up the grounds. The team members' work schedule will be adjusted during the work week to give off 2-4 hours to reduce overtime.
Sunday As determined by Property Manager

All Property Managers and Assistant Managers must work the first Saturday of each month. This is mandatory and can only be changed with the approval of the CEO.

All offices should be off of answering service no later than 8:30 a.m. The office telephone should always be forwarded to the answering service, doors locked and alarms set when no one is in the office, even for a short period of time.

Time worked may vary from summer to winter or from week to week. A standard forty (40) hour workweek is required for all salary and hourly full time employees. Salaried positions are required to work additional time as necessary. Time worked may vary with individual properties and positions.

Lunch: Lunch is for a one hour period. Lunch must be taken between the hours of 11:00 a.m. and 2:00 p.m. Team members should stagger their lunches so that Office staff and Maintenance staff are available at all times during business hours. No eating is allowed in the leasing area, or where residents have access.

All Property Managers and Lead Maintenance should be prepared to be on emergency call. Any other team members may be assigned to be on call. On call is considered a minimum job duty for all positions. After hour maintenance calls should be directed to the Property Manager prior to maintenance being dispatched.

From time to time, team members may be required to work beyond their normally scheduled hours. Team members must perform this work when requested. In cases of conflict with any outside activity, your obligations to the Company must be given priority. Team members are hired and continue in the Company's employ with the understanding that the Company is their primary employer and that other employment or commercial involvement that is in conflict with the business interests of the Company are strictly prohibited.

Recording Work Hours: It is Company policy to comply with applicable laws that require records to be maintained of the actual hours worked by all team members. To ensure that accurate records are kept of the hours you actually work (including overtime) and vacation/sick time you have taken, and to ensure that you are paid in a timely manner, the Property Manager is required to accurately record time worked and absences. Time records should reflect actual hours worked on a daily basis, not scheduled hours. It is the team members responsibility to verify the accuracy of the record of your worked hours and time off for proper compensation. Incorrect time records should be reported to the Corporate Payroll Office immediately. Payroll and time records are due to the Corporate Payroll Office every other Friday before 3 p.m. Failure to submit time sheets timely may result in a delay of payroll and disciplinary action for the submitting Property Manager. Paying Team Members on time and accurately is vital to team member morale and compliance with Labor Laws and Adara Policy. A Property Manager or Supervisor that fails to turn in New Hire Paperwork within twenty-four (24) hours of hire and/or fails to turn in time for a team member will be suspended without pay. Continued non-compliance will result in termination of the Property Manager or Supervisor.

It is illegal to work any hours and not be paid for them. You will be paid for all hours worked in compliance with Federal and State Labor Laws and Adara Policy. Failure to report actual hours worked is falsification of a time sheet and subject to immediate termination. Property Managers are responsible for accurate reporting of time.

New Hire and Separation: Property Manager must submit all new hire and separation paperwork to the Corporate Human Resource Office within twenty-four (24) hours of the occurrence. Failure to provide the information in a timely manner, may result in suspension without pay for the Property Manager.

OVERTIME

There should be no overtime for any office personnel. Managers are expected to organize and structure schedules so that team members are not working overtime.

When non-exempt team members are asked to work additional hours, overtime will be approved and paid in accordance with approved Department of Labor formula for hours worked in excess of forty (40) hours in one work week. Time not worked but paid such as vacation, sick leave, holiday, and worker injury pay will not be included when calculating overtime pay.

Nonexempt team members will be compensated at the rate of one and one half (1.5) times the regular rate of pay for time worked in excess of forty (40) hours per week. Team members will be given as much advance notice as possible of required overtime.

Overtime is mandatory as required by your Supervisor. Overtime will be scheduled as equitably as possible for all hourly team members. There are two types of overtime:

1. **Scheduled Overtime:** Scheduled overtime is announced in advance. This type becomes part of the required work week.
2. **Incidental Overtime:** Incidental overtime is not scheduled and becomes necessary in response to the needs of the Company or Property's business requirements. Incidental overtime may become necessary when an illness or emergency reduces the number of required team members being present and may require a team member(s) to return to the workplace to meet the business necessity.

A team member's immediate Supervisor may require a team member to reduce their work hours during the normal workday in order to prevent an excess of forty (40) hours in a workweek.

Team members are required to adhere to scheduled hours. If a team member is late or leaves early due to sickness or other personal emergency, the time must be taken as sick/vacation time or unpaid if the team member is not eligible for paid leave time. A team member may not stay late or leave early to "make up" time without the written approval from their immediate Supervisor.

Team members are not permitted to work overtime without the prior approval of the Regional Supervisor or authorized Corporate Executive Officers. Employees who violate this policy will be subject to disciplinary action up to and including termination.

Approved on-call duties would include:

- Major plumbing problem
- Flood
- Fire
- Major electrical problems
- Life threatening situations
- Safety/Liability

Air conditioner or heater repair calls after 7:00 p.m. must be next day service. No property shall provide twenty-four (24) hour maintenance, except for emergency or special circumstances.

All overtime and on-call hours for maintenance will be approved by the Property Manager or Regional Supervisor prior to the maintenance staff being sent out. The only exception will be flood, fire, safety or medical emergency.

All messages taken by the answering service must be faxed and emailed to the property office daily, once handled then must be placed in Answering Service Folder/Binder.

All hours worked beyond the scheduled forty (40) hour per week must be documented on the overtime log. Clearly document the date, apartment number, time in and out, description of work performed, time to complete, person doing the work and who approved the overtime.

Managers should arrange schedules and schedule time off in order to maintain a 40 hour work week for non-exempt team members. *It is illegal to work any hours and not be paid for them. You will be paid for all hours worked in compliance with Federal and State Labor Laws and Adara Policy. Failure to report actual hours worked is falsification of a time sheet and subject to immediate termination. Property Managers are responsible for accurate reporting of time.*

Falsifying time records and/or failure to adhere to the requirement set forth in this policy may result in disciplinary action, up to and including termination.

CONFLICT OF INTEREST

The Company expects all team members to conduct business according to the highest ethical standards of conduct. Team members are expected to devote their best efforts to the interest of the Company. Business dealings that appear to create a conflict between the interest of the Company and a team member are unacceptable. The Company recognizes the right of team members to engage in activities outside of their employment which are of a private nature and unrelated to Company business. The team member must disclose any possible conflicts so that the Company may assess and prevent potential conflicts of interest from arising. A potential or actual conflict of interest occurs whenever a team member is in a position to influence a decision that may result in a personal gain for the team member or an immediate family member as a result of the Company's business dealings.

Although it is not possible to specify every action that might create a conflict of interest, this policy sets forth the ones that most frequently present problems. If you have any questions whether an action or proposed course of conduct would create a conflict of interest, you must immediately contact the Human Resource Department to obtain advice on the issue. The purpose of this policy is to protect team members from any conflict of interest that might arise.

OUTSIDE EMPLOYMENT

What you do on your free time is your own business. **However, if you are employed by Adara Communities in a full-time position, Adara Communities will expect that your position here is your primary employment. Any outside activity requires prior approval and must not interfere with your ability to properly perform your job duties at, or present a conflict of interest with Adara.**

If you are thinking of taking on a second job, notify your Supervisor or manager immediately. S/he will thoroughly discuss this opportunity with you to make sure that it will not interfere with your job at Adara Investments or pose a conflict of interest.

No team member may take an outside job, either for pay or as a donation of his or her personal time, with a customer or competitor of Adara; nor may they do work on their own if it competes or conflicts or presents an appearance of competition or conflict in any way with the sales of products or services we provide our customers, or with your duties and responsibilities to Adara. If your financial situation requires you to hold a second job, part-time or full-time, or if you intend to engage in a business enterprise of your own, discuss your situation with your Supervisor or manager to confirm that you are permitted to pursue such outside activity.

Before accepting or continuing in any outside employment, discuss the matter with your Supervisor or manager for prior approval.

Spouse Accepts Employment From A Competitor

Should your spouse accept employment with a competitor firm, Adara Communities reserves the right to terminate your employment.

FINANCIAL INTEREST IN OTHER BUSINESS

A team member and his/her immediate family may not own or hold any significant interest in a supplier, customer, vendor or competitor of the Company, except where such ownership or interest consists of securities in a publicly owned company that are regularly traded on the open market.

GIFTS AND GRATUITIES

No team member may solicit or accept gifts, gift cards, lavish entertainment or other benefits from potential and actual customers, suppliers, vendors or competitors. Special care must be taken to avoid even the impression of a conflict of interest.

Any questions regarding this policy should be addressed to the Human Resource Department.

REPORTING POTENTIAL CONFLICTS

You must promptly disclose actual or potential conflicts of interest, in writing, to Corporate Executive Officers. Approval will not be given unless the relationship will not interfere with your duties and will not damage the Company's relationship.

There is no substitute for using good judgment in any situation that may arise which can be a potential conflict. Prompt and full disclosure to management is always the correct step toward solving any conflict of interest problems, whether real or potential.

EMPLOYEE ON-CALL AGREEMENT For All Staff with On-Call Responsibilities

The undersigned employee ("Employee") and the undersigned property managed by Adara Communities ("Property"), at which the Employee will be employed, hereby agrees, understands and recognizes that the employment relationship between the Employee and the Property is one at-will and that neither this Employee On-Call Agreement ("Agreement") nor any policies, procedures and/or Policy Manual now existing or hereafter promulgated by the Property or by its management company, Adara Associates, Inc., ("Adara") changes or will change the at-will relationship of the Employee and the Property. If Employee is subsequently assigned to a different "home" property managed by Adara and/or floats between two or more properties managed by Adara, then this Agreement will automatically and without need for additional paperwork be deemed to be between Employee and the new "home" property and/or the other Adara managed properties floated among.

An emergency call-back is defined as an unscheduled request made by an appropriate management official for an employee to return to work to do unforeseen and/or emergency work after leaving the work site at the end of the regular shift and before the beginning of the next regularly scheduled shift. A non-exempt, hourly on-call employee who is called back to work outside his or her normal work schedule (i.e., not just takes a call but actually has to return to the Property or a sister property) shall be paid for travel time and the time worked, while exempt (i.e., salaried) on-call employees will not. Time worked while on call for non-exempt employees will be calculated at the employee's regular rate of pay. If an on-call employee is not called back to Property or a sister property, no pay will

be earned, even if the Employee spent time on the phone. Overtime compensation for non-exempt employees is applicable only when total hours worked exceed the regular full-time work cycle (over 40 hours in a work week exclusive of vacation, holiday or sick time).

Emergency call-backs that occur during paid holiday leave will be considered overtime.

Employees who are on call must adhere to all of Adara policies, including the Substance Abuse Policy. That means that if you are on-call, you must adhere to our policy that says we have a work environment free from abuse of alcohol and drugs, etc. and will not tolerate drug or alcohol use by employees that will endanger the employee, others, property or reputation. Thus, an on-call employee who reports to a worksite in an impaired condition will be in violation of the Substance Abuse Policy. If you believe you are impaired and therefore cannot take a call, you must notify the management official who directs you to return to a work site and assist in arranging for a back-up to take the call. Notwithstanding the foregoing, being impaired and thus not being able to take a call, even if you recognize it and arrange for a back-up, is still a violation of the On-Call Policy. Further, if you become ill while on-call to the extent you feel you would not be able to physically report to a work site if directed to do so, or if some other condition occurs (such as if your vehicle breaks down, attending a religious ceremony, etc.) that would reasonably prevent you from physically reporting to a work site if directed to do so, then you must immediately report your illness or other condition to the on-call management official – do not wait until you receive a call from a management official concerning an emergency call-back. Any violation of such policies may result in disciplinary action, up to and including termination.

On-call employees will have the use of a pager, supplied by the Property, or the Employee may use his/her own personal cell phone, so that the Employee does not have to stay on Property or a sister property while on-call. Employees who are on-call must be available to respond to questions, problems and situations with reasonable promptness, not to exceed fifteen (15) minutes and must further be able to respond physically to the Property within 30 minutes when (I) such physical presence is required, (ii) a management official determines the employee's physical presence is required (even if the employee believes their physical presence is not required) or (iii) any other situation that would otherwise be appropriate considering the circumstances. This means that the Employee will call the answering service or office that placed the call out and find out what is needed within the 15 minutes for any call and then arrive at the Property within 30 minutes if required or otherwise appropriate considering the circumstances.

All employees are responsible to be certain that their pager or personal cell phone (if the employee chooses to use a cell phone instead of a pager), has working batteries and/or is charged and will replace and/or charge batteries as necessary. The Property will supply batteries upon request or will reimburse the Employee for the batteries for a Property supplied pager but not for a personal cell phone. The Employee is also responsible for ensuring that the pager or personal cell phone is in good and proper working condition. If the Employee does not believe the pager is in good, working condition, he/she must notify the Property Community Manager immediately and if the employee believes a personal cell phone is not in good and proper working condition, he/she must have it repaired by his/her own cell phone carrier at his or her sole expense and must carry a Property supplied pager until the cell phone is working properly. In other words, the employee is responsible for being able to be reached when on-call. If the employee chooses to use a personal cell phone for his/her own convenience in lieu of a Property supplied pager, the employee is responsible, at his or her sole cost and expense, that his or her cell phone is charged and is in good working order and condition.

Property Managers, Assistant Property Managers and Leasing Personnel who are assigned on-call duties will be responsible for dispatching on-call personnel to the emergency or to call out and to notify any other parties on a need-to-know basis. Leasing Personnel and Assistant Property Managers will also notify Property Manager of the situation.

Other on-call staff will respond to call outs per the On-Call and other applicable policies. Accurate records of all call outs will be kept on the employee time sheet and by completing the On-Call Log. The On-call Log will be submitted to the Property Manager who will forward the information to Corporate Payroll.

The Employee agrees that he/she has received a copy of the Adara on-Call Policy and agrees to abide by the provisions set forth in it.

The Employee agrees that this Employee On-Call Agreement supersedes and replaces any Employee On-Call Agreement previously signed by the Employee.

In emergency situations, all employees shall be considered to be on-call and shall respond to such calls and required duties immediately upon request.

YOUR SUPERVISOR

Your Supervisor has been selected for his/her knowledge of the position to which they have been assigned and for his/her ability to help people reporting to him/her to work effectively and develop their skills. When you have questions or problems concerning your work, refer to your Supervisor. Your Supervisor is the person from whom you will be able to get direction and solutions to problems that might arise on the job. Do not hesitate to seek out your Supervisor's help.

PERSONNEL FILE

Keeping your personnel file up-to-date is important to you with regard to your pay, benefits, deductions, and other matters. Accurate information is necessary to maintain proper and current team member records. Please be sure to notify the Human Resource Director to any changes in pertinent information immediately, such as name changes, address, telephone number, marital status, or dependents.

Please remember that it is your responsibility to keep beneficiaries for life insurance, 401(k), etc. up to date.

All personnel files are kept at the Corporate Office in the Human Resource Department. All personnel files are confidential. Only Corporate Executive Officers, Regional Vice Presidents, Regional Managers and other authorized personnel will have access to personnel records.

NO PERSONNEL FILES ARE TO BE KEPT AT A PROPERTY.

The personnel files of each team member are the property of Adara Communities. Team members have no right to information that is in their personnel file.

All current and previous employment verification may only be verified or provided by the Human Resource Department. Failure to follow this policy is subject to immediate dismissal.

INITIAL TRAINING PERIOD

In order that both you and the Company have a fair opportunity to better evaluate each other, the first ninety (90) days of employment is an initial training period. During this period we encourage you to consider completely what Adara Communities has to offer by way of future opportunity, security and income. We hope, of course, you will like what you find here. Should you conclude otherwise, we think it is best to make this discovery at an early date. Similarly, we use these ninety days to evaluate your qualifications more carefully. Your performance on the job, your attitude and potential abilities are all carefully weighed in determining whether your qualifications are best suited to our particular needs.

Upon successful completion of the initial training period, you will be considered a team member, and the date of hire shall be the effective date (anniversary date) for all Company benefits.

Successful completion of the initial training period does not imply nor establish a contract nor alter the at-will policy between the team member and Adara. Both the team member and the Company continue to have the right to terminate the employment relationship at any time, for any reason.

INTERACTION WITH CO-WORKERS

While Adara Communities recognizes that it is unlikely that all team members will be friends, it is important that all team members act toward their co-workers in a professional manner that is harmonious and does not hinder the accomplishment of the objectives of the Company. All team members must be courteous to all co-workers. Without mentioning all of the possible situations that can arise, this means, at a minimum, that:

1. Personal problems between team members are never to be pursued, at work or otherwise. For example, you may not start a fight with or assault another team member, damage another team member's property, threaten or intimidate another team member, or taunt another team member, at any time or for any reason.
2. You may not make derogatory statements against another team member based on race, color, religion, sex, national origin, age, sexual orientation or disability or any other protected class.
3. You may not deliberately hinder or obstruct another team member from doing his/her job.
4. You may not deliberately do anything which would place another team member's safety in jeopardy.
5. You may not make false accusations against another team member.
6. You may not spread rumors about another team member.
7. You may not steal from another team member. You may not borrow money or tangible items from another team member without their express permission.
8. You may not date a team member that works at the same location that you do.

EQUIPMENT FURNISHED BY THE COMPANY

All documents, supplies and equipment provided by the Company, remain the property of the Company and must be returned upon suspension, lay-off, leave of absence or termination. Each team member is responsible to see that all Company property which is in their possession is turned in before they receive their final check. If a team member loses or damages any items provided to them, the Company may deduct the reasonable replacement cost from the team member's pay check.

COMPANY PROPERTY

Anything created during a team members employment, including but not limited to, marketing material, spreadsheets, word documents, email, leases, time sheets, bonus sheets, reports, etc. are the sole property of Adara Communities. This is proprietary information that belongs to the Company and removal or having possession of any such material will constitute a violation of the Confidentiality Policy and will be considered theft of property from Adara Communities and thus will be subject to prosecution.

TEAM MEMBER BENEFITS

Full-time team members are eligible for Company benefits, subject to length of service or age requirements. Some part-time team members are eligible for some Company benefits. Please contact your Supervisor for clarification of eligible benefits.

Group health, dental and life insurance are available to all full-time team members. Coverage will become effective the first of the month following 90 days of continuous full-time service. After the initial enrollment period for a new hire, or after an open enrollment period, team members are not permitted, by law, to make any changes to their policies or obtain coverage unless there is a qualifying event or a new open enrollment period. If you have questions about what a qualifying event, please contact the Human Resource Department.

Health care continues to rise and the Company will attempt to provide suitable health, dental and life coverage to its team members. However, when necessary, the Company reserves the right to change the portion paid by employees for these benefits, or making any other changes that the Company deems necessary.

401(k) RETIREMENT SAVINGS PLAN: The 401(k) program enables team members to save for retirement on a pre-tax basis. Team members may elect to defer from 1% to 15% of their compensation. Team members may begin to participate in this plan at the first of a quarter following 6 months of continuous service. Participants must be at least 21 year of age.

EDUCATIONAL ASSISTANCE: You are encouraged to utilize educational assistance in the Corporate Office to further develop your skills. Each team member may have access at any time to company owned videotapes, audiotapes, CD's and books in reference to rules and regulations or related topics in the Property Management business. These include helpful hints for personal development and your everyday procedures and can be acquired by contacting the Corporate Office or your Regional Supervisor.

You will be informed of special seminars that are held in the Corporate Office or by outside vendors to improve your skills. Your attendance to some of these seminars may be mandatory as a condition of your continued employment or may be highly recommended for your benefit.

Educational Expenses/Licensing Fees Reimbursement: Full-time team members who have been employed at least one year and have a satisfactory performance evaluation are eligible for expense reimbursement up to 100% on position-related education. All full-time maintenance staff will be reimbursed expenses for obtaining position-related licensing fees upon successful completion and receipt of certification or license. Maximum reimbursement is \$1,000 per year and is subject to the availability of funds in the property budget. A team member that has been reimbursed for tuition or licensing fees and separates from the Company within one (1) year after the course is completed will repay the Company for the full amount of the course in the final payroll. All reimbursement requests must be approved by Corporate Executive Officers.

TEAM MEMBER REFERRAL PROGRAM

Team members are encouraged to refer qualified candidates for employment with the Company. If the referred employee is hired, the team member will be paid a total of a \$500 referral bonus for all Corporate Staff, Property Managers, Assistant Managers and Lead Maintenance and \$300 for all other positions. The referred applicant must identify your referral on the job application PRIOR to their formal interview or you will not be eligible for this benefit. The application must be turned in to the Human Resource Office with the New Hire packet at time of hire or this bonus will not be available. The referral structure will pay 50% after the referred team member completes three months of continuous service without any documented verbal or written warnings. The remaining 50% will be paid after the team member completes six months of continuous service without any documented verbal or written warnings.

A check request must be submitted to the Human Resource Director for each payment of a team member referral. Both the referring team member and the referred team member must be on the payroll at the time of each payment. There is no limit to the number of candidates that a team member may refer. Property Managers are not eligible for referral bonuses for any team member that is hired to work at a property that the Manager manages.

TAPE RECORDING

It is a violation of Company policy to record conversations with any recording device unless prior approval is received, in writing, from the Human Resource Director.

EXPENSE AND PETTY CASH

Reimbursement for approved expenses will be made only if the original receipts are available and submitted to the Corporate Office immediately with a check request form.

Petty cash may only be used for the purchase of emergency items not normally ordered from established vendors. Petty cash may not be used for buying office supplies or for travel allowance without prior authorization from the Corporate Executive Staff. Petty cash is for property expenses only. Petty cash should be kept in a safe place in the Property Office. Commingling of petty cash with personal funds will result in immediate termination.

Managers must submit a petty cash reimbursement request as it is needed. The request must include all original receipts attached to the request. The consolidation portion of the request must be completed with the correct chart of account codes before reimbursement will be issued. Any funds not accounted for will be recovered with a deduction for that amount from the Manager's paycheck.

PAYCHECKS

Paychecks are issued bi-weekly. The payroll week is from Saturday through Friday. Paychecks will be issued on the Friday following the end of a payroll period. Paychecks may not be cashed until Friday after 5:00 p.m. Should a team member receive and cash a check before the payroll day (Friday), or before 5:00 p.m. central standard time, any and all fees incurred by Adara Communities and/or the team member's property due to early cashing will be deducted from the team member's next pay check. If the normal payroll day falls on a holiday, then and only then, will checks be released and available to be cashed on Thursday. (Example: New Years Day falls on a payroll Friday. Team members would be able to cash the check on New Year's Eve.) Please direct any questions concerning pay to your Supervisor.

Corporate employees will be paid on the first (1st) and the sixteenth (16) of each month. Semi-monthly pay period computes from the 1st to the 15th, and the 16th to the last day of the month. If a payday falls on a weekend or holiday, paychecks will be issued the next business day following the weekend or holiday.

Any bonuses will be added to your gross income and payroll tax will be deducted. Bonuses will be paid and earned according to the existing bonus schedule.

Payroll checks will not be given to anyone other than the team member, unless a written request from the team member is received in the Human Resource Department. The person designated must provide a government issued picture I.D.

If you discover an error on your paycheck, please report this immediately to your Property Manager, Regional Supervisor or Supervisor. Errors on payroll will be corrected on the next payroll after the error is reported, in writing, to the Corporate Payroll Office.

Lost or Stolen Checks: If your paycheck is lost or stolen, please notify your payroll specialist at the Corporate Office immediately. The Company will attempt to put a stop payment on the check. The Company is unable to take responsibility for lost or stolen paychecks, and if we are unable to stop payment on your check, you alone will be responsible for such loss.

Two types of deductions are made from paychecks: those normal deductions required by law and those that the team member specifically authorizes. Normal deductions are made from each paycheck according to applicable federal, state, and local laws. Additional salary deductions are made when authorized by an eligible team member for additional authorized deductions, including,

without limitation, optional benefit programs the Company offers or for reimbursement of lost equipment or for reimbursement of unearned vacation or sick time or rent/utility/uniform, etc. charges. The Company must make deductions from a team member's check in accordance with any attachment or garnishment order it receives relating to the team member in accordance with applicable federal and/or state laws.

Electric or Other Utilities:

For employees who obtain electricity service under the Company account, the full balance will be deducted from their payroll checks without any further notice. Unauthorized connection of utilities on Company account will be discontinued without any further notice.

Misappropriated Funds:

Any form of misappropriating funds, including but not limited to: security deposits, concessions, rental income, application fees, eviction money, petty cash, and other miscellaneous income will be deducted from payroll without further notice.

Overpayment of Payroll:

Payroll overpayment by error will be deducted from your payroll without further notice.

Lost, Stolen or Damaged Tools:

All maintenance personnel are responsible for the tools they use. They are financially responsible for any lost, stolen or damaged tools. Damages and replacement will be deducted from payroll checks without further notice.

Any other applicable deductions as permitted by law.

BONUSES AND COMMISSIONS

Bonuses and Commissions are not earned until they are paid. Bonuses and/or commissions will not be paid to any employee that is not employed when the bonuses and/or commissions are paid unless the team member resigned and physically served their two week notice (they can not take any vacation, holiday or sick pay during the two week notice). Any team member terminated for any reason or any team member that resigns and fails to physically serve their two week notice will not receive any bonuses and/or commission.

LEAVES OF ABSENCE

A leave of absence provides a team member a reasonable period of unpaid time off from their job for reasons such as medical, family, personal, military or work related injury/illness. A leave must be requested whenever a team member is required to be absent for more than five (5) consecutive working days. The leave must be requested in writing on the form provided by the Company. Team members are banned from moonlighting during ANY kind of leave. You may request up to three (3) weeks of unpaid leave (non FMLA leave), if you have been employed for more than one (1) year. The granting of leave is not automatic and is solely within the discretion of the team member's Supervisor, who will take into account factors such as staffing needs, team member performance and property performance. Leaves of absence will be considered only after all accrued vacation/sick time has been exhausted.

It is the team member's responsibility to keep the Company and the team member's Supervisor informed of any absences from work. If a leave is granted the team member must report to work at the expiration of the approved period of absence.

Upon returning from an approved Family and Medical Leave (FMLA) or military leave, a team member will be returned to the same position or one that is materially equivalent. For any other type of leave, every attempt will be made to return a team member to their previous position. If the position has been filled, the returning team member will be given preference for any available openings.

Subject to the terms, conditions and limitations of the applicable plans, benefits may be continued. Except as provided below, coverage will continue on the same terms and conditions as if the team member was still at work. The Company has a right to require full or partial payment for repayment of benefits during the leave time.

Payment of Apartment Rent

If you live on Property and will be on leave, you must contact the Human Resource Director before your scheduled leave to arrange for payment of rent while on leave. The Human Resource Director will send you, in writing, the provisions as established by Adara Communities

Any team member who does not return to work on the first regularly scheduled workday after the expiration of leave will be considered as having voluntarily resigned.

FAMILY AND MEDICAL LEAVE

In accordance with the Family and Medical Leave Act of 1993, eligible team members will be entitled to take up to twelve (12) weeks of unpaid, job-protected leave for one or more of the following reasons:

1. The birth of a child and to care for the child, or the placement of a child for adoption or foster care;
2. To care for an immediate family member (child, spouse or parent) with a serious health condition; or
3. For a serious health condition that makes the team member unable to perform the functions of their position.
4. To care for a returning military vet. (up to 12 weeks)
5. To care for wounded U.S. military personnel. (up to 26 weeks)

To be eligible for family medical leave you must be a regular, full-time team member, employed by Adara Communities for at least a total of twelve (12) months, have worked at least 1,250 hours during the twelve (12) month period preceding the leave, and work in a location where at least 50 team members are employed by the employer within 75 miles of a given workplace. If a team member does not meet the above guidelines, they are not eligible for FMLA. Note that a serious health condition is one requiring inpatient hospital, hospice or residential care or continuing physician care. Voluntary or cosmetic treatments which are not medically necessary are not

serious health conditions, unless inpatient care in a hospital is required. Routine physical examinations are not serious health conditions.

Once a team member knows or has reason to believe he or she will need to use FMLA in the future (i.e., an team member plans to have back surgery in 6 months) or a team member provides information verbally or through action to the Company or a Supervisor which results in a good faith belief by the Company that the team member will be requesting FMLA in the future, that team member becomes ineligible to take vacation and sick leave and must save that time to be used as part of their FMLA (i.e., not in addition to the FMLA 12 weeks but as part of the FMLA 12 weeks). If during the passage of time it appears likely that the team member will not be requesting FMLA leave in the future (i.e., medicine is developed which the team member will be administered in lieu of the back surgery), then the team member's right to take vacation and sick/personal leave will be restored. All team members must use any accrued leave time before taking unpaid leave.

A team member must notify the Human Resource Director of the need to apply for FMLA as soon as the leave is "foreseeable," however, in order for the FMLA leave to be granted, the event which result in the FMLA leave must be reasonably close in time. That means that FMLA leave will not be granted to someone on March 15, for example, who plans to take FMLA leave in September, however, that team member would have to save his or her vacation and sick/personal leave until the team member took his or her FMLA leave. Once a team member has been approved for FMLA, they may use their time intermittently for reasons that directly tied to their FMLA and that time will be used against their total FMLA eligibility. (Time will be used in whole day segments.) If a team member is taking Family Medical Leave and is entitled to paid leave under another Company policy (sick leave or vacation) the team member will be required to apply available paid leave first. Any paid leave used will be counted towards the twelve (12) week period.

The team member ordinarily must provide at least thirty (30) days advance notice when the leave is "foreseeable". All requests must be approved by management prior to the leave being taken.

Satisfactory medical certification is required for medical leave taken for a team member's own serious health condition or to care for a family member with a serious health condition.

It is the team member's responsibility to provide periodic reports to management on team member's status and intent to return to work.

Returning team members must apply for reinstatement.

Fact sheets are available which will provide you with further written guidance on your rights, entitlements, and obligations under the Family and Medical Leave Act.

Please also note there are other Company policies which may come into play during a FMLA leave such as the policy with respect to a team member living on site who ordinarily does not pay rent, having to pay rent on a graduated scale during a leave of absence.

UNPAID PERSONAL LEAVE

MILITARY LEAVE

Leave of absence will be granted to those team members called to active duty to perform a specific military commitment as described below. Upon discharge, the team member will be reinstated to the same or a materially equivalent position, provided the team member applies for reinstatement within time allowed by law.

MILITARY LEAVE

(for Reserve Training or National Guard)

A team member who is required to report for any of the Reserve Branches or the National Guard will be granted an unpaid military leave of absence to participate in the regularly scheduled military training activity.

Military Leave Of Absence – Active Duty

It is Adara's intent to establish conditions under which you may fulfill a military service obligation of stated duration without loss of seniority or related team member benefits in accordance with Federal law.

If you are a member of the U.S. Armed Forces Reserve or National Guard, you will be granted an unpaid leave of absence when called for active duty.

You may use accrued vacation time to cover the time off, if you make a request to senior management or the appropriate Human Resources representative in writing at least two weeks prior to taking this leave.

If you are inducted into a branch of the U.S. Armed Forces for an extended period of time, upon discharge, you may be eligible for re-employment in accordance with Federal law. Any request for re-employment must be forwarded to the Corporate HR Department for evaluation. Adara Communities will make every reasonable attempt to reinstate you, if you left your employment in good standing.

If you are a full-time team member and are inducted into the US Armed Forces, you will be eligible for re-employment after completing military service, provided:

1. You show your orders to your manager as soon as you receive them.
2. You satisfactorily complete your active duty service.
3. You enter the military service directly from your employment with Adara.

DISABILITY LEAVE

(for off-the-job illness/injury)

In the event of personal illness or personal temporary disability occurring off the job, an unpaid disability leave of absence may be granted for a period of up to sixty (60) days. If the disability continues or is expected to continue for more than sixty (60) days, a disability leave of absence may be extended up to maximum period of one hundred eighty (180) days, in thirty (30) day increments, under any type of leave.

Disability leaves of absence must be approved by management.

Satisfactory medical certification of disability is required on all disability leaves of absence.

It is the responsibility of the team member to provide periodic reports to management on the team member's status and intent to return to work.

Returning team members must apply for reinstatement.

Failure to advise the Company of availability to return to work, failure to return to work upon a doctor's release, or continued absence from work beyond the time approved by the Company will be considered a voluntary termination of employment.

WORKER'S COMPENSATION LEAVE

(for on-the-job illness/injury)

A team member who becomes disabled and is unable to work due to a work-related injury or illness will be considered to be on disability leave of absence, provided the team member has fulfilled the conditions for coverage required under our Work-Related Injury Program. Adara Communities Work-Related Injury Program is handled by a comprehensive workers' compensation insurance program. Subject to applicable legal requirements, the plan provides benefits after a short waiting period. Team members must follow all requirements stipulated by the Workers' Compensation Carrier and/or Adara Communities policy. Failure to comply with requirements will be considered as a voluntary termination of employment.

Any time off from work must be approved by management.

It is the responsibility of the team member to provide periodic reports to management on the team member's status and intent to return to work.

The maximum period for an on-the-job illness/injury leave of absence is one hundred eighty (180) days although other benefits may still be provided separately by the Worker's Compensation Carrier.

Team members are banned from moonlighting during ANY kind of leave.

Failure to advise the Company of availability to return to work, failure to return to work upon a doctor's release, or continued absence from work beyond the time approved by the Company will be considered a voluntary termination of employment.

BEREAVEMENT LEAVE

All full time team members are entitled to up to two paid bereavement days per year in the event of the death of a member of their immediate family. A member of the immediate family is defined as a spouse, a child, a father, a mother, a sister, a brother, a grandchild, a father-in-law, a mother-in-law, a daughter-in-law, a son-in-law, brother-in-law, sister-in-law and grandparents. If any bereavement day occurs during a vacation or holiday, no additional payment will be made.

There will be no carryover of bereavement days not taken from one year to the next and you will not be paid for bereavement days not taken in the event that your employment terminates, regardless of the reason for the termination.

If you take a paid bereavement day, you must notify your immediate Supervisor immediately upon learning of the death, and inform the Supervisor how many days you expect to be away from work. You must provide the Human Resource Director a copy of the obituary or bulletin from the service upon returning to work.

Upon return to work, the team member will be required to provide verification of death.

Funeral leave hours are **not** included as hours actually worked in calculating overtime pay.

Requests for time off to attend a memorial service for anyone other than immediate family must be approved by your Supervisor. Time off will be paid only if the team member elects to use a personal day or vacation time.

RETURN TO WORK POLICY

Team members that return to work after being injured, whether on the job, or on their own personal time, must submit a certification for fitness to return to duty before they will be allowed to return to work.

It is the policy of Adara Communities that team members returning to work must be able to perform their job duties without causing a hardship on the Company or fellow team members. We will attempt to accommodate returning team members with modified duty only if this can be accomplished without having an adverse effect on the Company.

Decisions concerning return to work with restrictions will be made on an individual basis based on the job description, restrictions and length of time the restriction will be needed. Under no circumstances will a team member be allowed to work with restrictions for more than ninety (90) days. Request, along with the certificate for fitness to return to duty should be forwarded the Human resource office for approval.

JURY/WITNESS DUTY

All team members are allowed unpaid time off if summoned to jury duty or to appear in court as a witness. If you are summoned for Jury Duty or to be a witness in a legal hearing, you should provide a copy of the jury summons and a completed Days off Request form to your Manager as soon as possible after you have received the notification. If you are selected to serve on a jury, you must inform your Manager with your anticipated jury service schedule, and provide daily notice regarding the status of your jury service.

If you are released from jury service before the end of the regular workday, you are expected to return to work. All employees must present a slip signed by the court officer showing they attended jury duty and the date and time released.

All team members are allowed unpaid time off if summoned to appear in court as a witness. Any available vacation/sick time will be applied to these days. All employees must present a slip signed by the court officer showing they attended court as a witness and the date and time released.

LEAVING WORK AREA

When it is necessary to leave work for any reason other than the normal end of your regularly scheduled workday, or designated meal period, always obtain approval from your Property Manager (or in the case of the person being the Property Manager, their Regional Supervisor) before leaving the work area. Failure to get approval from your Supervisor will be deemed as job abandonment and will lead to disciplinary action up to and including termination.

VACATION

SCOPE

We believe that adequate time must be provided to you annually for rest and relaxation. All regular, full-time employees who have completed the required amount of service will be entitled to accrue paid vacation time in accordance with this policy. Effective as of the date of the policy, team members may carry over five (5) days of accrued vacation time into the next calendar year. Any time over five (5) days of accrued vacation not taken within the calendar year will be lost. There is no monetary value of vacation, sick or holiday time.

POLICY

- ☐ An employee accrues paid vacation time as follows: For the calendar year in which the employee is hired, the employee accrues paid vacation time and can take such vacation time based on what month the employee is hired in accordance with the first chart shown below (subject to repayment as described below). For each calendar year thereafter, the employee accrues paid vacation time based on the employee's years of service in accordance with the second chart shown below.
- ☐ The vacation accrual eligibility is as follows:

During the calendar year in which employment begins:

<u>Month Hired:</u>	<u>Vacation which may accrue during that calendar year:</u>	<u>Can begin taking vacation starting:</u>
January	40 hours	June 1
February	32 hours	July 1
March	24 hours	August 1
April	16 hours	September 1
May	16 hours	October 1
June	8 hours	November 1
July	8 hours	December 1
August	0 hours	N/A
September	0 hours	N/A
October	0 hours	N/A
November	0 hours	N/A
December	0 hours	N/A

Commencing January 1 of the first calendar year after employment begins:

Beginning the January 1 following the team members employment, the team member may earn up to 7 days (56) hours or 4.67 hours per month) for the calendar year.

Beginning the January 1 next following the second year employment began through December 31 of the calendar year in which the employee completes five (5)* years of service an employee may accrue.....up to 10 days (80 hours or 6.66 hours per month) per calendar year.

Beginning January 1 of the calendar year next following the date the employee completes five (5)* years of service through December 31 of the calendar year in which the employee completes ten (10)* years of service an employee may accrue.....up to 12 days (96 hours or 8.0 hours per month) per calendar year.

Beginning January 1 of the calendar year next following the date the employee completes ten (10)* years of service and thereafter an employee may accrue.....up to 15 days (120 hours or 10.00 hours per month) per calendar year. .

**An employee must complete the required number of years of service in order to advance to the next level of vacation benefit on the next January 1. Further, an employee who uses vacation time has to be employed the entire year to be entitled to the complete accrual or will have to repay any unearned time taken in accordance with the schedule of accrual hereafter provided.*

- ☐ Except for the year in which employment begins (which is controlled by the chart shown above), employees are eligible to take vacation any time during the year it accrues, subject to the (i) limitation on how much can be taken at any one time (as hereafter provided), (ii) approval as required in accordance with this policy, and (iii) repayment of unearned time.
- ☐ All employees that accrue at least two weeks (80 hours) of vacation per year will be **required to take one week (40 hours) of their vacation as a unit**. The remaining days may be taken in increments of 1 day (8 hours). **Vacation may not be taken in increments of less than 1 day.**
- ☐ A maximum of forty (40) hours of vacation time accrued during a calendar year may be carried over for one year. Employees will be allowed to carry over a maximum of forty (40) hours of vacation. Any amount over that will be lost. Lost accrued vacation time will not be paid to the employee. For instance, year 1 you carry over 40 hours. Year 2 you have accrued 120 hours (40 hours from year 1 and 80 hours from year 2.) You will only be allowed to carry over the 40 hours.
- ☐ Any accrued vacation time taken by an employee before the employee reaches his or her first year anniversary date is actually “advanced” and therefore, it must be repaid to the Company if the employee’s employment is terminated before the employee completes one year of service regardless of whether such termination is voluntary or involuntary. If any such vacation time is taken and not repaid, it will be deducted, to the extent allowed by law, from any sums or wages due the employee.
- ☐ Any unaccrued and thus unearned vacation time taken by an employee during a calendar must be repaid if the employee leaves the company regardless of whether such leaving is voluntary or involuntary. Upon termination of employment, if an employee has taken more vacation (and/or sick time) than they have accrued or earned for the year, the excess time taken not accrued and thus not earned will be deducted from their final pay check to the extent permitted by law. Further, if the employee leaves the employ of the Company before some or all of accrued vacation time is taken, regardless of whether such leaving is voluntary or involuntary, such accrued unused vacation time is forfeited unless employee gives and fulfills a working two (2) week notice of resignation.
- ☐ Accrued vacation is not earned during any leave of absence during which an employee is off from work. In such cases, employment will be considered continuous; however, the employee’s starting date will be adjusted if the leave of absence lasts longer than one (1) week. For example, an employee whose start date is April 7, 2002 who takes a three (3) week leave of absence in November of that same year, will have his or her starting date adjusted to reflect the three (3) weeks of leave. In this case, the employee’s starting date will change to May 1, 2005, and vacation time will accrue accordingly.
- ☐ Accrued vacation may not be taken in increments longer than five (5) workdays at a time unless **approved in advance and in writing by the Regional Vice President.**
- ☐ Accrued vacation may not be taken during the week of, prior to, or after a holiday unless the vacation time is taken in one-day increments or is otherwise approved in writing by the Regional Vice President.
- ☐ Employees working in the same position (for example, two porters or two leasing consultants) may not take vacation in 5-day increments during the same week or back-to-back due to the fact that work will become back-logged. If two employees in the same position request vacation during the same time period or back-to-back, preference will be given to the employee who first requested vacation.
- ☐ Accrued vacation is paid at the employee’s base rate of pay only. (For example, if an employee works 35 regular hours and takes 8 hours of vacation in the same week, the total number of hours is 43. The employee will not be paid for 3 over-time hours. Instead, the employee will be paid for 35 regular hours and 8 hours of vacation paid at the base rate of pay only.)
- ☐ In the event an employee becomes sick or disabled during a vacation period, additional vacation time will not be granted to make up for the sickness or disability.
- ☐ Once an employee knows or has reason to believe he or she will need to use FMLA, if eligible, or to request time off for a leave of absence or for a health condition (i.e., an employee plans to have back surgery in 6 months) or an employee provides information verbally or through action to the Company or a Supervisor which results in a good faith belief by the Company that the employee will be requesting FMLA or time off for a health condition, that employee becomes ineligible to take vacation and sick leave and must save that time to be used as part of their time off, leave of absence or FMLA (i.e., not in addition to the FMLA 12 weeks but as part of the FMLA 12 weeks). If during the passage of time it appears likely that the employee will not be requesting FMLA leave or time off for a leave of absence or for a health condition in the future (i.e., medicine is developed which the employee will be administered in lieu of the back surgery), then the employee’s right to take vacation and sick leave will be restored.

- ❑ In the event that an employee is out of work on an unpaid leave of absence as part of a 12-week Family and Medical Leave Act, he or she must take any unused vacation days before the unpaid leave of absence begins unless otherwise approved in advance and in writing by the Human Resource Director.
- ❑ Holiday or weekend days will not be considered vacation days.
- ❑ An employee who as part of her/her position is regularly “on call” may not, without prior written approval of the Regional Supervisor, attach more than one weekend to a vacation so as to be able to fulfill his/her on call obligations.
- ❑ Field employees will be **required to schedule requested vacation time in writing to the employee’s Property Manager no less than thirty (30) days in advance, and must obtain written approval of the Property Manager and the Regional Supervisor (as provided below) to take such vacation on the days requested. The approval must be forwarded to the payroll department prior to the vacation being taken.**
- ❑ The Regional Supervisor with authority for the Property **must** approve all vacation dates for field employees of the Property. If the employee’s first choice is not approved, the employee may be asked to select alternative dates given the staffing requirements of the employee’s property, or for any other reason, at the Regional Supervisor’s sole discretion.
- ❑ In the event of a conflict in the selection of vacation dates with another employee, preference will be given to the employee who first requests the vacation in writing.

SICK LEAVE

SCOPE:

All full-time employees:

POLICY:

- Employees are entitled to a limited number of paid sick days starting with their first day of employment, subject to a six (6) month probationary period, during which an employee cannot take any sick paid days.
- During the calendar year in which employment first begins, employees will be entitled to sick days according to the following schedule:

Month Hired	Sick Hours available during calendar year	Can Begin Taking
January	32	June 1
February	24	July 1
March	24	August 1
April	16	September 1
May	16	October 1
June	8	November 1
July	8	December 1
August	0	N/A
September	0	N/A
October	0	N/A
November	0	N/A
December	0	N/A

- Beginning on January 1 of the first full calendar year after employment commences, employees are eligible for up to four (4) full eight-hour sick days per calendar year (i.e. January 1 to December 31. (2.67 hours accrued each month)
- **An employee must serve a six (6) month probationary period before eligible to take his or her sick time.**
- Sick days are defined as time off needed to attend to personal physical illness or injuries that require medical consultation or are contagious, or prevent one from performing the usual duties and responsibilities of the position.
- **Paid sick days are provided to help employees for limited purposes and may be used only for the reasons outlined above. Any misuse of paid sick time may result in disciplinary action, up to and including termination of employment.**
- Sick time may not be taken in **increments of less than four (4) hours.** No employee will be allowed to make-up any sick time taken. **THIS CANNOT BE CHANGED BY ANYONE.**
- An employee may be required to give evidence for the reason for a paid sick day at the discretion of the employee’s immediate supervisor. Such verification for sick time absences may be required as a condition of receiving sick time benefits. The evidence must be turned in to the Director of Human Resources.
- Employees who are unable to report to work due to illness, injury or for other personal reasons should notify their immediate supervisor (not the answering service) at least one hour before the start of the scheduled workday, if possible. If notification is not possible before the start of the day, the employee must notify his or her immediate Supervisor as soon as possible. In addition, an employee’s immediate Supervisor must be notified on each additional day of absence.
- Sick days may not be carried over from one year to the next, and no payments are made for any unused sick days at the end of any calendar year. In the event of termination, all such unused time is forfeited. Sick days are not earned until taken.
- Once an employee knows or has reason to believe he or she will need to use FMLA, if eligible, or to have time off from work for a health condition (i.e., an employee plans to have back surgery in 6 months) or an employee provides information verbally or through action to the Company or a Supervisor which results in a good faith belief by the Company that the employee will be

requesting FMLA or time off for a health condition, that employee becomes ineligible to take vacation and sick leave and must save that time to be used as part of their FMLA or time off (i.e., not in addition to the FMLA 12 weeks but as part of the FMLA 12 weeks). If during the passage of time it appears likely that the employee will not be requesting FMLA leave or leave for a health condition in the future (i.e., medicine is developed which the employee will be administered in lieu of the back surgery), then the employee's right to take vacation and sick leave will be restored.

- Before returning to work from a sick leave absence of two (2) days or more, an employee will be required to provide physician's verification and/or a physician's release that allows the employee to return to regular work duties. This will be turned in to the Director of Human Resources.
- Employees will not be allowed to consider sick time as attendance for holiday pay purposes (i.e. holiday pay policy requires an employee work his or her nearest scheduled workday before and after a holiday in order to earn pay for that workday). If an employee is sick on either the nearest scheduled workday for that employee before and/or after a holiday, the employee will not be eligible to receive holiday pay but may take the holiday as either a "sick day" or a "vacation day" and be paid accordingly unless a physician's verification of illness is submitted to the Director of Human Resources.
- If an employee has exceeded the amount of sick time allotted to him or her, any time taken off for personal illness and/or personal needs will automatically be deducted from the employee's remaining vacation time. Non-exempt employees who are absent due to personal illness or personal needs, and who have exceeded their allotted amount of sick time and vacation time, will not be paid for the time they are absent. Exempt employees who are absent due to personal illness or personal needs, and who have exceeded their allotted amount of sick time and vacation time, may be required to make up any time missed as requested by the employee's immediate Supervisor.

HOLIDAYS

The Company usually provides 7 ½ paid days off to all full-time regular employees on the following holidays.

New Year's Day	January 1	8 hours
Memorial Day	Last Monday in May	8 hours
Independence Day	July 4	8 hours
Labor Day	First Monday in September	8 hours
Thanksgiving Day	Last Thursday in November	8 hours
Day after Thanksgiving Day	Friday in November	8 hours
Christmas Eve	December 24	4 hours
Christmas Day	December 25	8 hours

Employees are eligible for Holiday pay immediately; however, if an employee is paid for a holiday and is employed by Adara Communities for less than 30 days, the holiday pay will not be earned and will be deducted from the employee's final paycheck.

To be eligible to receive holiday pay, you are required to work your regularly scheduled hours the workday preceding and workday following the holiday. An approved vacation day is considered a day worked for purposes of holiday pay eligibility.

In the event a holiday falls on a weekend (Saturday or Sunday), the property office will operate with a skeleton crew (half staff) on both the Friday before the holiday and the Monday immediately following. The property staff must determine amongst themselves who will work which day. The Manager is responsible for ensuring that all employees work one of these days and that the property is open.

Employees who are on a leave of absence without pay shall not receive pay for an observed holiday.

VOTING

If a team member has difficulty getting to the polls on Election Day due to work hours, paid time off to vote will be granted in accordance with state laws.

LIMITATION ON LEAVES OF ABSENCE

Except as required by law, if any employee out on a leave of absence of any type does not return to work, or is unable to return to work for any reason (including, without limitation, for lack of a health care provider's release to return to work), within six (6) months of the date the leave commenced, that employee's employment will automatically terminate at the end of the six (6) month leave period.

At approximately the end of five (5) months after the date the leave commenced, the Company will send the employee a notice that his or her employment will automatically terminate at the end of the six (6) month leave period, unless the employee is able to and does return to work before the end of the six (6) month leave period.

This policy applies from the date of its implementation, December 1, 2006, forward. It applies to all current and future employees, including, without limitation, employees currently out on a leave of absence.

Employees whose employment terminates under this policy are welcome to re-apply for employment after their discharge.

BUSINESS ETHICS

Team members are expected to conduct themselves in a business manner as to reflect well upon the individual team member, and the Company. They are expected to be professional in all their dealings with residents, other team members, customers and in their dealings with business associates, such as vendors, owners, professionals and the business community at large.

BULLETIN BOARDS

The posting of written solicitations on Company bulletin boards is restricted. These boards display important information and team members should consult them frequently for team member announcements, etc. If team member has a message of interest to the workplace, they may submit it to the Supervisor for approval.

Bulletin Boards are maintained for official Company notices, policy changes, safety notices, job postings and other items of general interest.

It is your responsibility to frequently review the Company bulletin boards and be familiar with all notices, policy changes, and other items posted. This will assist you in keeping informed of what is current.

Please do not remove any material from these bulletin boards.

SOLICITATION AND DISTRIBUTION

Except as may be required by law, you may not solicit nor distribute literature to any co-worker, vendor, resident or any other person at your Property.

Persons not employed by the Company may not solicit Company team members for any purposes on Company premises.

EMPLOYMENT OF RELATIVES

Members of a team member's family, and/or people involved in a romantic relationship, will be considered for employment on the basis of their qualifications. The Company may, at the sole discretion of the Company, determine that immediate family members may not be hired if employment would:

- a. create a supervisor/subordinate relationship with a family member.
- b. have the potential for creating an adverse impact on work performance
- c. create either an actual conflict of interest or the appearance of a conflict of interest.

The Company reserves the right to determine the interpretation of "conflict of interest".

This policy must be considered when assigning, transferring or promoting a team member.

If a team member becomes a family member or establishes a romantic relationship, the Company will make reasonable efforts to assign job duties so as to minimize problems of supervision, safety, security or morale. If accommodations of this nature are not feasible, the Company may require the affected team members to determine which of them will resign. The Company reserves the right to make the decision of who may remain in our employ at its sole discretion.

DRESS AND GROOMING

Appearance is not only a reflection of the employee, it is also reflection of the Company. All clothing is to be neat, clean, and in good condition.

All dress must be at least Business Casual to Business Professional. If you have any questions on what may or may not be appropriate, please ask your Supervisor. Adara Communities reserves the right to discuss an employee's dress or personal hygiene at any time.

Adara Communities expects all team members to maintain proper personal grooming and cleanliness. Hair, mustache, and beards are to be neat and clean.

A neat, clean and tasteful appearance contributes to the positive impression you make on team members and guests. You are expected to be suitably attired and groomed during working hours or when representing Adara Communities. A good appearance bolsters your own poise and self-confidence and greatly enhances our Company image. When working at a site other than your usual work site, please observe what the client is wearing and dress appropriately.

Personal hygiene is a must. Clothes should be clean and pressed. Clothes should not have tears or holes in them.

Personal appearance should be a matter of concern for each employee. If your Supervisor or Manager feels your attire is out of place, you may be asked to leave your workplace until you are properly attired.

Rationale:

Adara Communities has set the following standards to explain to its team members what dress and grooming practices are appropriate for the workplace. We have three business-related reasons for implementing these standards: (1) to present and create a professional and identifiable appearance for residents, customers, prospects, vendors, and the public; (2) to promote a positive working environment and limit distractions caused by outrageous, provocative, or inappropriate dress; and (3) to ensure safety while working. We believe that all team members at all levels and job positions are representatives of Adara Communities and, therefore, their dress, grooming, and personal hygiene affect both the public's impression of the business and internal morale.

Policy:

It is the policy of Adara Communities that each employee's dress, grooming, and personal hygiene should be appropriate to the work situation.

Therefore, the following standards must be followed:

- 1) Team members are expected at all times to present a professional, business-like image to residents, customers, prospects, vendors, team members and the public. Acceptable personal appearance is an ongoing requirement of employment with Adara Communities. Departures from conventional dress or personal grooming and hygiene standards are not permitted.

- 2) Business Attire is as follows:
 - a) Men: Slacks, button down shirts, ties, pullover sweater, matching socks and dress shoes, belt.
 - b) Women: Dresses, dress blouses and skirts, pantsuits. Dresses and skirts are to be no shorter than three (3) inches above the knee. "V" shaped blouses are to be in a tasteful manner. Pantsuits are described as pants and jackets with a dress blouse. Shoes may be open toe. Sandals must be dress sandals and must have a back strap around the heel. If you wear open toe shoes you must keep your toenails clean and manicured.
- 3) All Adara Communities team members must comply with the following appearance standards:
 - a) Team members should not wear suggestive attire, athletic clothing, jeans, shorts, flip-flops, T-shirts, spandex, stirrup leggings, novelty buttons, baseball hats other than the AAI issued caps, and similar items of casual attire that do not present a businesslike appearance.
 - b) Hair should be clean, dry, combed, and neatly trimmed or arranged. Shaggy, unkempt hair is not permissible regardless of length.
 - c) Sideburns, moustaches, and beards should be neatly trimmed.
 - d) Tattoos and body piercing(s) (other than 2 earrings in the earlobe only; i.e., not on the side or at the top of the ear) may not be visible.
 - e) Nails are to be clean, and of a length that does not interfere with work performance or personal safety.
 - f) All clothing must be pressed and clean.
- 4) At its discretion, Adara Communities may, from time to time, allow team members to dress in a more casual fashion than is normally required (i.e., casual Fridays or Go Texan Day). On these occasions, team members are still expected to present a neat appearance and are not permitted to wear ripped or disheveled clothing, athletic wear, or similarly inappropriate clothing.
- 5) Maintenance Team Members:
 - a) ID Badges are to be worn at all times, including when called out after hours.
 - b) No loose jewelry should be worn which includes but is not limited to bracelets and necklaces.
 - c) White socks should be worn with short; dark sock with slacks.
 - d) Adara hats are to be worn. If you wear another hat it must be plain without logos, drawing or language. Hats will be worn at all times with the brim forward. Hats will not be worn with the brim to the side or backwards.
 - e) No novelty buttons are to be worn unless provided by the Adara marketing department.
 - f) Maintenance must wear shoes with rubber soles. No open toes or sandals are allowed for Maintenance team members.
 - g) Tattoos may not be visible.
- 6) Certain employees may be required to meet special dress, grooming and hygiene standards such as wearing uniforms, depending on the nature of the job. All uniformed team members at a property must comply with the following standards:
 - a. All uniforms must be a Company approved uniform.
 - b. Team members are responsible for maintaining the uniform in good repair.
 - c. Hose are required with skirts.
 - d. Sock must be worn with penny loafer type shoes. Professional sandals are acceptable as long as they have a strap across the back of the heel.
 - e. Team Members must always have a jacket or vest readily available in the office in case a resident or prospect enters the office.
- 7) Any employee who does not meet the standards of this policy will be required to take corrective action, which may include leaving the premises to correct their attire. Nonexempt team members (those employees subject to the minimum wage and overtime requirements of the Fair Labor Standards Act) will not be compensated for any work time missed because of failure to comply with this policy. Violations of this policy also will result in disciplinary action.

Uniforms are to be ordered through the Company. If you have questions concerning ordering uniforms, please contact your Supervisor. The employee will have 50% of the uniform cost deducted from their paycheck. Each employee will be allowed 5 shirts at this rate but may purchase additional shirts at their own cost, if desired. Employees are allowed to order twice per year and pay 50% of the cost. The time period to order will be once during January through June and once during July through December. Adara will also pay for 50% of two (2) hats per year.

ID badges may be ordered by emailing a digital headshot along with your name to the Marketing Department at Corporate.

Special Issues:

Religious, Racial, Gender Specific, or Ethnic Attire: Nothing in this policy is intended to abridge an employee's rights relating to non-discrimination, or hinder the advancement of diversity at Adara Communities. However, since Adara Communities offers housing to all persons without regard to religion, race or nationality, certain ethnic, political and religious dress and/or accessories may not be appropriate during working hours and should not be worn without prior approval by the CEO of Adara Communities. If controversies arise, a reasonable accommodation may be granted as long as it does not create an undue hardship on fellow team members or create a hostile work or business environment. If such controversy does arise, the decision of the CEO of Adara Communities must be sought by the parties to the controversy and such decision will be final.

This policy supersedes and replaces all previous policies regarding dress codes and appearance standards, either verbal or in writing.

PERSONAL PROPERTY ITEMS

Adara Communities does not assume responsibility for any loss of personal property.

ORDERLINESS

Housekeeping of the Company offices should not be overlooked. The premises around each desk should be kept neat and orderly. Desks should be cleared of all papers and objects not important to the work at hand. Working paper files are not to be stacked on the floor.

DRIVER'S LICENSE AND AUTOMOBILE INSURANCE

Team members whose work requires operation of a motor vehicle on Property or for the Company must present and maintain a valid driver's license which is in full force and effect. The driver's license must be issued in the same state in which the Property is located. All team members must also have a valid policy (or policies) of automobile insurance which complies fully with the laws of the State in which the Property is located covering all vehicles which are registered to the team member. Evidence of such insurance is required upon hire.

You must also maintain in full force and effect during your employment a valid driver's license and, for each vehicle registered to you, valid automobile insurance which complies fully with the laws of the State in which the Property is located. In the event that at any time after your date of hire, you do not have a valid driver's license or valid automobile insurance which complies fully with the laws of the State in which the Property is located, you must immediately notify your Supervisor and/or the Property Manager of the Property (or, if you are the Property Manager, then the Regional Supervisor for the Property) of such fact.

You must also maintain any vehicle(s) you own, use, or drive in good repair and condition including without limitation, the tires and brakes.

You may not, under any circumstance, drive a motor vehicle on any business related to or connected with your employment at the Property at any time that you do not have both a valid driver's license and valid automobile insurance which comply fully with the laws of the State in which the Property is located.

In the event that any information relating to your driver's license and automobile insurance set forth in the policy changes and/or is altered in any manner, you must immediately notify your Supervisor and/or the Property Manager (or, if you are the Property Manager, then the Regional Supervisor for the Property) of the change.

If requested, from time to time by your Supervisor and/or the Property Manager (or, if you are the Property Manager, then the Regional Supervisor for the Property) you must provide such person with appropriate documentation of the existence of a valid driver's license and valid automobile insurance which comply fully with the laws of the state in which the Property is located.

In the event that at any time after your date of hire you receive a traffic ticket or warning for (1) a moving violation and/or for any violation having to do with the condition (or noncompliance with applicable law) of the automobile you own and/or are using or driving, and/or (2) driving while under the influence or impairment of alcohol or a drug, you must immediately inform your Supervisor and/or the Business Manager of the Property (or, if you are the Business Manager, then the Property Supervisor for the Property) of such fact.

In the event you are involved in an accident while driving on Property business (whether caused by you or another person), you are responsible for all personal injury to yourself (which may be covered by worker's compensation) and damage to your vehicle, and you may be held responsible for damages to any other vehicle and injuries to any other person. Please note that neither the Property nor Adara Communities will be responsible for any such injuries and damages therefore, it is imperative that you maintain insurance complying with state law as well as any other insurance coverage you may want or deem appropriate.

By virtue of your employment with Adara, you authorize the Property and any person or party acting on behalf of the Property, at any time after your date of hire to check from time to time your driver's and/or criminal record, and to make background inquiries and gather data about you, including, but not limited to, records, reports and data on criminal and driving history, insurance history and former employment history, and to examine the same.

You must not ask, allow or permit your spouse, roommate or any other person who is not an team member of Adara Communities to do or perform any work for the Property and/or to drive and/or operate your automobile or any other motor vehicle for or with respect to any business related to and/or connected with your employment at the Property and/or for or with respect to any other business purpose of the Property and/or for or with respect to any business conducted by the Property.

If you are not required to drive on property, and/or you do not have a valid driver's license and automobile insurance you:

- Will not under any circumstances drive and/or operate your automobile or any other motor vehicle (not including golf carts owned by the Property for use only on the Property) for or with respect to any business related to and/or connected with your employment at the Property and/or for or with respect to any other business purpose of the Property and/or for or with respect to any business conducted by the Property.
- You will not ask, allow, or permit your spouse, roommate or any other person who is not an Adara Communities team member to do or perform any work for the Property and/or to drive and/or operate any automobile or any other motor vehicle for or with respect to any business related to and/or connected with your employment at the Property and/or for or with respect to any other business purpose of the Property and/or for or with respect to any business conducted by the Property.

Please understand that the Property is relying on the representation and agreements by you with regard to this policy and that any failure on your part to comply with the provisions hereof MAY RESULT IN IMMEDIATE TERMINATION OF YOUR EMPLOYMENT FOR CAUSE.

FIREARMS AND OTHER WEAPONS

In order to safeguard our team members, our residents, guests and the general public, Adara Communities prohibits the possession, transfer, sale or use of firearms (regardless of any authorized permit), weapons, explosives or other dangerous or illegal weapons on Company premises, in Company vehicles or at any Company sponsored events. This policy will include the apartments of anyone living on site. This policy applies even if the individual is licensed to carry a concealed handgun in accordance with the law.

A dangerous or illegal weapon may be an instrument of offensive or defensive combat; any instrument, article or substance that, under the immediate circumstances, is capable of causing death or physical injury; anything used or designed to be used, in destroying, defeating or injuring a person; an instrumentality designed or likely to produce bodily harm; or an instrument by the use of which a

fatal wound may probably or possibly be given. A dangerous or illegal weapon may include, but not be limited to the following: any firearm, slingshot, cross-knuckles, knuckles of lead, brass or other metal, any bowie knife, dirk, dagger or similar knife, or any knife having the appearance of a pocket knife, the blade of which can be opened by a flick of a button, pressure on the handle or other mechanical contrivance. A harmless instrumentality designed to look like a firearm, explosive or dangerous weapon which is used by or is in the possession of a person with the intent to cause fear in or assault on another person is expressly included within the meaning of a firearm, explosive or dangerous weapon.

We will conduct searches when there is reason to believe that a person is in possession of a firearm, explosive or any other weapon, device, instrument, substance or object that may be capable of producing bodily injury or death.

Any team member that has a question as to whether an instrument, article or substance is considered a weapon or dangerous instrument in violation of this policy should ask for clarification from their Supervisor.

Any violation of this policy, including refusal to consent to searches, will subject the team member to immediate discipline up to and including termination of employment.

USE OF TOBACCO PRODUCTS

Adara Communities is committed to providing a tobacco free environment for all its team members. Accordingly, cigarette, pipe, chewing tobacco and cigar smoking, or the use of any tobacco product, is only permitted in designated areas outside Adara Communities facilities and managed properties.

WORK RELATED INJURY PROGRAM

Adara Communities provides a comprehensive workers' compensation insurance program at no cost to team members. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or if the team member is hospitalized, immediately. You may elect, at the beginning of your employment, to retain your common law right of action which must be done, in writing, no later than five (5) days after beginning employment. If you elect to retain your common law right of action, you cannot obtain Workers' Compensation income or medical benefits if you are injured.

You can get more information about your Workers' compensation rights from any office of the Texas Workers' Compensation Commission, or by calling Texas Mutual (properties in Texas) 1-800-859-5995 or Argonaut (properties outside of Texas) at 1-800-820-3903.

Team members who sustain work-related injuries or illnesses must inform their Supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible team member to qualify for coverage as quickly as possible. Team members should not seek medical treatment on his or her own but should report all injuries to the Business Manager and/or Regional Supervisor. The Business Manager and/or Regional Supervisor will arrange transportation for treatment.

Team members are banned from moonlighting during ANY kind of leave.

Should injuries be severe and warrant an extended absence from work, then workers' compensation must be used in conjunction with the Family Medical Leave Act and/or Medical Leave of Absence policy set forth in the policy manual, if available.

Neither Adara Communities nor the Worker's Compensation Insurance Carrier will be liable for the payment of workers' compensation benefits for injuries that occur during a team member's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by Adara Communities.

TRANSFER

As a Adara Communities team member, you are generally hired to work at one or more specified properties managed by Adara Communities (the "Company"), which is the "Original Property". It is Company policy, **and you hereby expressly agree to such Company policy**, that you can be transferred, on a temporary or permanent basis, to another property managed by the Company at the option of the Property Supervisor and/or Divisional Vice President of the Company, which other property could be located in another city or state.

In the event of a permanent transfer, such property to which you are transferred will become your legal employer and you will become the team member of such property (such property to which an team member is transferred will hereinafter be called the "New Property"). In the event of a temporary transfer, the Vice President of Operations will have the option as to whether the Original Property remains your legal employer or whether the New Property becomes your legal employer, and even if the Vice President of Operations determines that the Original Property will remain your legal employer, the Vice President of Operations will have the right, at his or her sole discretion and at any time in the future, to formally transfer your legal employment from the Original Property to the New Property.

You expressly acknowledge and agree that whatever party is shown as the pay or on your paycheck is your legal employer.

Notwithstanding anything contained and/or otherwise implied herein to the contrary, you acknowledge and agree that in the event of such a transfer, whether temporary or permanent, then all agreements, representations, acknowledgments, obligations and stipulations made and/or contained in any and all paperwork executed and/or provided to you upon your being hired and subsequent thereto (including without limitation, the employment application and all paperwork in the new hire paperwork, the Company Handbook and Policy and Procedure Manual will automatically, without further action by any party, accrue to and for the benefit of, the New Property while simultaneously remaining in effect and for the benefit of the Original Property. Additionally, upon such a transfer, all rights and benefits (including length of service) to which you are entitled will continue uninterrupted.

You acknowledge and agree that you can be transferred as many times as deemed necessary in the reasonable opinion of the Vice President of Operations and all of the terms, provisions and conditions contained and/or implied herein, and all of the agreements, representations, acknowledgments, obligations and stipulations made by you in any and all paperwork executed and/or provided by

yourself upon your being hired and subsequent thereto (including without limitation, the employment application, Handbook and all paperwork in the new hire paperwork package and Policies and Procedures Manual) will automatically, without further action by any party, accrue to and for the benefit of all properties **to and from** which you are transferred.

You further acknowledge and agree that you can, without being transferred as described above, also be assigned by the Vice President of Operations to another property managed by the Company to assist that other property with specific tasks, such as, without limiting the type of tasks, work order overflows and on-call maintenance duties (in the case of a maintenance person), heavy leasing activities (in the case of leasing personnel), and cleaning and make readies (in the case of housekeepers, porters and make ready personnel). In the event of such a specific assignment, you will not change employers as would be the case in the event of a transfer described above; provided, however, all of the agreements, representations, acknowledgments, obligations and stipulations made by you in any and all paperwork executed and/or provided by yourself upon your being hired and subsequent thereto (including without limitation, the employment application and all paperwork in the new hire paperwork package and the Policies and Procedures Handbook) will automatically, without further action by any party, accrue to and for the benefit of all properties **to and from** which you are assigned for any such specific tasks.

It is specifically acknowledged by you that the foregoing is not intended to (i) relieve you from your duties and obligations with respect to the performance of your job nor (ii) allow or permit you to perform your job at unacceptable standards or levels, or otherwise less than to the fullest extent required by the policies and procedures of the Company and the properties managed by the Company.

STANDARDS OF CONDUCT/DISCIPLINE

As an integral member of the Company team, you are expected to accept certain responsibilities, adhere to acceptable business principles in matters of personal conduct, and exhibit a high degree of personal integrity at all times. By accepting employment with Adara, you have a responsibility to us and to your fellow team members to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what conduct is expected and necessary. Consideration for the rights of others requires that all team members conduct themselves in a respectable and orderly manner. Foul language, fighting, horseplay, gambling, gossip and any other objectionable or unfavorable conduct will not be allowed. When each person is aware that s/he can fully depend upon fellow workers to follow the rules of conduct, then our Company will be a better place to work for everyone. You are encouraged to observe the highest standards of professionalism at all times.

Any team member may be disciplined when the team member violates established rules, policies or procedures, when work performance fails to meet minimum job requirements, or for any reason the Company deems necessary. Appropriate discipline depends upon the particular facts and circumstances and upon the discretion of management. Any violation of established rules, policies or procedures, or failure to meet job performance requirements may result in disciplinary action including, but without limitation of, verbal or written reprimand, suspension of employment without pay, and termination of employment. All disciplinarys, hires, and terminations will be handled through the Human Resource Office.

Normally discipline should be carried out with the objective of improving performance and/or conduct to an acceptable level. This can usually be most effectively accomplished with a progressive discipline approach which may include:

- a. Clarification of expected standards of performance and/or behavior.
- b. Coaching and/or counseling (which must be documented)
- c. Verbal Warning (which must be documented)
- d. Written Warning.
- e. Termination.

Depending on the offense and circumstances, any or all steps in a progressive discipline approach may be bypassed and result in immediate termination even if such offense is a first time offense.

Written warnings will include the reasons for the Supervisor's/manager's dissatisfaction and any supporting evidence. You will have an opportunity to defend your actions and to rebut the opinion of your Supervisor/manager at the time the warning is issued. Disciplinary actions may also include suspensions or other measures deemed appropriate to the circumstances.

All pertinent facts will be carefully reviewed, and the team member will be given an opportunity to explain his or her conduct before any decision is reached.

Unacceptable Activities or Behaviors

Depending on the offense and circumstances, any or all steps in the progressive discipline approach may be bypassed. Occurrences of any of the following violations, because of their seriousness, may result in immediate dismissal without warning. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed, please see your Supervisor or Manager for an explanation this list is not all-inclusive and, regardless of this list, all team members remain employed "at will." Although it is impossible to identify every possible violation of standards of conduct, the following is a PARTIAL list of infractions which will result in disciplinary action up to and including termination:

- Insubordination or refusal to comply with instructions or failure to perform reasonable duties to which assigned.
- Failure to report to work, without having given proper notification.
- Excessive absence or tardiness, whether excused or unexcused.
- Unauthorized use or misuse or mistreatment of Company property, including computer hardware and software or facilities.
- Unauthorized use or abuse of telephones, mail system, including electronic mail systems, the Internet or other employer-owned equipment or software.
- Tampering with Adara Communities equipment or safety equipment.
- Immoral, indecent or disorderly conduct.
- Improper use or disclosure of Company information
- Leaving work area without authorization.
- Acceptance of gifts, commission, discounts, kickbacks or other special considerations or any actions that may be construed as conflict of interest.
- Unsatisfactory work performance to be determined by management.

- Violation of other Company policies.
- Having children, family or friends in the office during business hours.
- Unsatisfactory or careless work; failure to meet production or quality or minimum standards as explained to you by your Supervisor or manager; mistakes due to carelessness or failure to get necessary instructions.
- Smoking in the office, the resident's unit, vacant units, the club house, laundry room, in prohibited areas (such as places where flammable supplies are stored or in use), etc. or excessive smoke breaks outside of the building.
- Creating or contributing to unsanitary conditions.
- Failure to report an absence.
- Failure to turn five (5) apartments per week.
- Failure to maintain a neat and clean appearance in terms of the standards established by your manager; any departure from accepted conventional modes of dress or personal grooming; wearing improper or unsafe clothing.
- Failure to follow Company Policy and have signed documentation for any residents that pay their rent with a credit card.
- Failure to provide any credit card disputes to the Corporate Office within twenty-four (24) hours of receiving the notice.
- Willful violation of any Company rule; any deliberate action that is extreme in nature and is obviously detrimental to Adara's efforts to operate profitably, ethically and professionally.
- Willful violation of security or safety rules or failure to observe safety rules or Adara Investments safety practices.
- Negligence or any careless action, which endangers the life or safety of another person.
- Falsification of Company records, including employment applications and time records.
- Theft, fraud, gambling, carrying weapons or explosives or violation of criminal laws on Company premises.
- Threatening, intimidating, coercing, using abusive language, or otherwise interfering with the performance of fellow team members.
- Failure to have and maintain proper tools to complete work.
- Being intoxicated, under the influence of, using or having possession of or the sale of alcoholic beverages, illegal drugs, drug paraphernalia, other intoxicants or controlled substance drugs in any quantity while on Company premises, while on duty or when representing Adara, except for medications prescribed by a physician, which do not impair work performance.
- Possession, use, sale, transfer, purchase, manufacture or storing an illegal drug or drug paraphernalia, or attempting or assisting another to do so, while in the course of employment or engaged in a Company sponsored activity, on premises, in owned, leased or rented vehicles or on business.
- Engaging in criminal conduct or acts of violence, or making threats of violence toward anyone on Company premises, while on duty or when representing Adara; fighting, or horseplay or provoking a fight on Company property.
- Use of abusive, threatening, profane, or obscene language.
- Negligent damage of Adara Investments property or building.
- Willful sabotage of Company information.
- Vandalism of Adara Investments property or building.
- Misappropriation or willful destruction of tools or equipment.
- Threatening, intimidating or coercing fellow team members on or off Company premises — at any time, for any purpose.
- Any act of harassment, sexual, racial or other.
- Engaging in an act of sabotage; willfully or with gross negligence causing the destruction or damage of Company property, or the property of fellow team members, clients, suppliers, or visitors in any manner.
- Theft of Company property, property of another individual on Company property or the property of fellow team members; unauthorized possession or removal of any Company or client property, including documents, from the premises without prior permission from management; unauthorized use of Company equipment or property for personal reasons; using Company equipment for profit.
- Dishonesty; willful falsification or misrepresentation on your application for employment or other work records; lying about sick leave; falsifying reason for a leave of absence or other data requested by Adara; alteration of Company records or other Company documents.
- Violating the non-disclosure agreement; giving confidential or proprietary Adara Communities information to competitors or other organizations or to unauthorized ADARA Investments team members; working for a competing business while an Adara Communities team member; breach of confidentiality of personnel information.
- Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another team member on the job; willfully restricting work output or encouraging others to do the same.
- Immoral conduct or indecency on Company property.
- Provoking a fight or attempting to inflict injury to another person during the work period or on Company property or while away from Company premises but on Company time or business.
- Conviction of a felony.
- Willfully destroying or damaging Company, customer or resident property. Unauthorized use or loss of Company or customer's property, equipment or facilities.
- Intentional or unintentional acts which could result in an acute hazard to personnel or significant property loss or damage.
- Deliberate misrepresentation or falsification of information or records in connection with any Company business or toward any team member of the Company, including applications for employment, time records, and physical examinations.
- Accepting a gratuity or kickback contribution in connection with the placement of, or consideration for the placement of, Company business with another individual, organization or Company.
- Possession, transfer, sale or use of firearms (regardless of any authorized permit), weapons, explosives or other dangerous or illegal weapons on Company premises, in Company vehicles or at any Company sponsored events.
- Obscene, abusive language and/or spreading damaging rumors.
- Disclosure of confidential Company information.
- Sleeping on the job, loitering, or loafing during working hours.
- Excessive use of Company telephone for personal calls.
- Obscene or abusive language toward any Supervisor, manager, team member or customer; indifference or rudeness towards a client or fellow team member; any disorderly or antagonistic conduct on Company or customer premises, or while on duty outside Company premises.
- Mishandling of Funds.
- Misappropriation of Funds.
- Unauthorized use or removal of property or residents' belongings without prior approval from Property Manager or Regional Supervisor.

- Use of company tools, equipment or systems, including, but not limited to Computer, Copy Machine, Fax Machine, Postage Machine, Phones, Internet, email, etc. for personal use.
- Unauthorized removal of company property or property of others from company premises or job locations.
- Removal of any apartment from the market for any other reason than collecting rental incomes without authorization from the Regional Supervisor.
- Unauthorized offer of discounts or credits to a resident.
- Adding vendors without prior approval of Corporate Executive Officers.
- Connection of utilities in the Company name.
- Unauthorized purchase of tools or supplies on the Company accounts.
- Fair Housing violations, including discrimination.
- Using Company property and equipment for personal purpose.
- Failure to obtain approval to work overtime.
- Failure to have apartments ready for show.
- Impolite treatment of a prospective resident, business associate, co-worker, supervisor or the general public.
- Failure to complete all company forms in detail
- Acceptance of cash from a resident/prospective resident.
- Employment verification. All employment verifications are to be handled by the Human Resource Office.
- Allowing residents to stay on property over 45 days without paying rent.
- Negligence or carelessness in the performance of job duties.
- Horseplay on the job.
- Repeated occurrences of minor violation.
- Failure to follow attendance guidelines
- Gross misconduct.
- Speeding or careless driving on Company property.
- Failure to keep log of all appliances, their serial number and location
- Failure to immediately report damage to, or an accident involving Company equipment or vehicles.
- Misrepresentation of your own time records or attendance documents; altering another team member's time record or records, or causing someone to alter your time record or records.
- Failure to send complete New Hire paperwork, Separation paperwork and any work injury paperwork to the Corporate Human Resource Department Office within twenty-four (24) hours of occurrence
- Moving any appliance without using the property dolly
- Failure to abide by Company policies and procedures.

If your performance, work habits, overall attitude, conduct or demeanor becomes unsatisfactory in the sole judgment of the Company, based on violations wither of the above or any other Company policies, rules, or regulations, you may be subject to disciplinary actions, up to and including termination.

Dismissal

Employment and compensation with Adara Communities is “at will” and not for a definite duration in that team members can be terminated with or without cause, and with or without notice, at any time, at the option of either Adara Communities or yourself, except as otherwise provided by law.

If your performance is unsatisfactory due to lack of ability, failure to abide by Adara Investments rules or failure to fulfill the requirements of your job, or for any other reason, we may attempt to notify you of the problem. If satisfactory change does not occur, you may be dismissed. Some incidents may result in immediate dismissal (See “Unacceptable Activities” section of this chapter).

If your employment with Adara Investments terminates for any reason, you will not be paid for any accrued or unaccrued vacation and/or sick time and will have to repay any unaccrued vacation and/or sick time used.

The termination process involves:

- Return of all Company property and records.
- Payment of all rent and other charges if living on site.

Final distribution of moneys due will not be authorized until the return of property and records take place. Payroll will distribute any compensation paid to the terminated team member according to Adara Communities policy and all applicable laws and regulations.

GOSSIP: Gossip among and/or about team member(s) will not be tolerated. Gossip creates a hostile work environment that is unprofessional, may be unlawful and is against company policy. Gossip creates misunderstandings, harmful feelings and low morale. Everyone should discourage gossip, rumors and speculations; should not participate in gossiping and strive to keep gossip from being passed on to others. Participating in or instigating gossip will be grounds for disciplinary action up to and including termination.

DISCIPLINARY ACTIONS/WARNINGS: We expect Property Managers and Regional Supervisors to train and motivate all of their team members. Part of this is to help team members know where they are not meeting expectations and goals. Supervisors will use verbal and written warnings, suspension, training, etc. to help team members improve and grow. Adara Communities does not use a progressive discipline program. Discipline will be decided on a case by case basis based on the problem, length and severity of the issue, occurrences of issues, etc.

Verbal warnings will be documented. It is our hope that a verbal warning will help a team member see what they are or are not doing and give them the opportunity to correct themselves. Verbal warning will be documented on a Verbal Warning form, signed and sent to the Human Resource Office.

Written Warnings will be issued at the discretion of the Property Manager, Regional Supervisor and/or the Human Resource Director. All Written Warnings are to be forwarded to the Human Resource Director for final approval before being given to the team member.

It is mandatory that all verbal and written warnings be signed by the team member and supervisor for acknowledgment of receipt. If you do not agree with the disciplinary action, there is a place for you to voice your side of the issue or your disagreement. This is the

team members opportunity to have their input in the situation. In the event that a team member refuses to sign and acknowledge the disciplinary, the Manager or Supervisor should write “refused to sign” on the disciplinary. Refusing to sign a disciplinary is considered insubordination and is grounds for termination.

SUSPENSION WITHOUT PAY: Wage deductions for all team members, whether exempt or non-exempt, may be made for unpaid disciplinary suspensions in amounts equal to one or more full day’s wages.

TELEPHONE USAGE

A courteous telephone manner is good business; team members are representatives of the Company during telephone contacts. A telephone call from a business contact or resident is not an interruption...it is an opportunity to increase business, display goodwill and offer assistance. Make the best use of the phone by:

- 1) Being the voice with a smile. To an outsider, you are our Company when you pick up the phone. Be friendly, courteous and efficient.
- 2) Identifying yourself and the Property immediately.
- 3) Keeping a pad and pencil handy. Write down the name of your caller. Refer to their name in your conversation as it will make the caller feel important.
- 4) Remembering the powerful magic in such words as *please, thank you* and *may I help you*.

Personal use of the Company telephone makes it difficult for customers and residents to call in. Please limit your personal calls during business hours. Personal long distance calls or other calls that incur a fee are not allowed.

Cell phones are not to be turned on or used during work hours. If you need to make a call during the day, try to make the call during your lunch break or before or after work. If this is not possible, please let your Business Manager know that you need to make a call. Do not turn on your cell phone or make a call on your cell phone without prior permission from your Business Manager.

VISITORS

Persons that we do business with in person shall be offered the same courtesy given to someone over the telephone. People feel important and welcome when entering an office and being welcomed by a team member who offers assistance in a warm and truly interested manner. Make each person feel that they are important and coming into the office was worthwhile.

GRIEVANCES/ISSUE RESOLUTION

Adara Communities is committed to providing the best possible working conditions for its team members. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from Adara Communities Supervisors and management.

Adara Communities strives to ensure fair and honest treatment of all team members. Supervisors, managers, and team members are expected to treat each other with mutual respect. Team members are encouraged to offer positive and constructive criticism.

If team members disagree with established rules of conduct, policies, or practices, they can express their concern through the problem resolution procedure. No team member will be penalized, formally or informally for voicing a complaint with Adara Communities in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs when team members believe that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps. The team member may discontinue the procedure at any step.

1. Team member presents problem to immediate Supervisor after incident occurs. If Supervisor is unavailable or team member believes it would be inappropriate to contact that person, team member may present problem to the Regional Supervisor and then the Human Resources Department.
2. Supervisor responds to problem during discussion or after consulting with appropriate management, when necessary. Supervisor documents discussion.
3. Team member presents problem to Regional Supervisor and then the Human Resources Department if problem is unresolved.
4. Regional Supervisor and the Human Resource Director counsels and advises team member, assists inputting problem in writing, visits with team member’s manager(s), if necessary, and directs team member to Regional Vice President for review of problem.
5. Regional Vice President reviews and considers problem. RVP informs team member of decision and forwards copy of written response to Human Resources Department for team member’s file. The RVP has full authority to make any adjustment deemed appropriate to resolve the problem.

Not every problem can be resolved to everyone’s total satisfaction, but only through understanding and discussion of mutual problems can team members and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment, and helps to ensure everyone’s job security.

Adara Communities strives to maintain a positive work environment where team members treat each other with respect and courtesy. Sometimes issues arise when team members are unaware that their behavior in the workplace may be disruptive or annoying to others. Many of these day-to-day issues can be addressed by politely talking with a co-worker to bring the perceived problem to his or her attention. In most cases, common sense will dictate an appropriate resolution. Adara Communities encourages all team members to keep an open mind and graciously accept constructive feedback or a request to change behavior that may be affecting another team member’s ability to concentrate and be productive.

ALTERNATIVE DISPUTE RESOLUTION PROGRAM

Adara Communities will employ an Alternative Dispute Resolution (“ADR”) Program by which disputes between Adara Communities (“Adara”) and team members of properties managed by Adara Communities are resolved through means other than litigation and lawsuits. Any team member (hereinafter “Team member”) who (1) accepts employment with Adara Communities Investments and/or at a property or properties managed by ADARA Investments and/or (2) continues employment with ADARA Investments and/or any Adara Communities Investments property or properties managed by Adara, accepts and agrees to be bound by the ADR Program.

ADR is a method of resolving disputes without the substantial time and expense of using litigation. It includes informal discussions, mediation and arbitration. In mediation, a trained professional facilitates discussions between the parties but does not impose a solution. Arbitration, in contrast, is more formal, evidence is presented in front of a third party arbitrator or panel of arbitrators chosen by the parties and the process results in a final and binding decision. An arbitration hearing takes only weeks or months to schedule, while civil litigation can take years to complete. By avoiding litigation, many costs are eliminated. There are charges and fees involved in a mediation or an arbitration, but either will almost always resolve a dispute sooner and at less cost than a trial. It is important to understand, however, that there is only a limited right to appeal an arbitration award. Unless there is evidence of fraud on the part of the arbitrator or a serious procedural defect, an arbitration award will be final. Of course, Adara Communities also agrees to be bound by the arbitrator’s decision.

While both Team member and Adara Communities Investments retain all substantive legal rights and remedies under the ADR Program, Team member and Adara Communities are both giving up all rights that either may have to a jury or court trial and agree that any dispute between them be subject to mediation first, then arbitration if not resolved by mediation. If Team member accepts or continues employment, then, with limited exception explained below, Team member hereby agrees to resolve all legal claims against Adara, and Adara Communities against Team member through this process instead of through litigation.

Disputes Covered

This ADR Program applies to all claims, disputes or controversies between Adara Communities and Team member that are in any way related to or arise as a result of Team member’s employment by Adara Communities and/or at a property or properties managed by Adara, including without limitation any claims of Team member arising under common law or under any federal, state or local statutes (including without limitation, Title VII of the Civil Right Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Fair Labor Standards Act, the state Commission on Human Rights Act, and the state Labor Code) (all of the foregoing collectively called by “Disputes”).

By way of example and without limitation, included Disputes are claims of wrongful discharge, claims for wages, benefits or other compensation due, claims for breach of any contract or covenant (express or implied), claims of sexual harassment or other harassment, tort claims, claims for discrimination (including, but not limited to race, sex, religion, national origin, age, marital status, medical condition, handicap or disability), and claims of retaliation (including, but not limited to workers’ compensation retaliation). The ADR Program does not apply to worker’s compensation or unemployment claims, nor claims where trade secrets or confidential information need to be protected by injunction or other equitable remedy.

All such disputes not resolved through internal negotiation or mediation (as described below) shall be settled by final and binding arbitration in accordance with the procedures and conditions set forth herein. This ADR Program does not preclude any Team member from filing a complaint with the Equal Employment Commission, the Human Rights Commission, the National Labor Relations Board, or any other governmental agency, however, the ADR Program does preclude Adara Communities or the Team member from bringing any action in a court of law with respect to a Dispute, except to enforce an arbitration decision.

Internal Dispute Resolution

At the outset, Team member should first raise his or her Dispute with his or her Supervisor who should attempt to resolve the situation. Should this discussion not resolve Team member’s Dispute, Team member should raise the Dispute in writing with the Company’s Director of Human Resources. In the event internal dispute resolution does not resolve the Dispute within thirty (30) days after internal dispute resolution is commenced, then Team member or Adara Communities may proceed to mediation.

Mediation

If Team member’s Supervisor cannot resolve the Dispute, Team member and Adara Communities agree to try in good faith to settle any Dispute through mediation. Adara Communities will pay for the entire administrative cost of a half-day mediation. Team member should contact the Director of Human Resources and select the mediator from a panel of approved mediators and schedule a mutually available mediation date. In the event the Dispute is not resolved within 30 days after the mediation commences, then Team member or Adara Communities may proceed to arbitration.

Arbitration

Any Dispute not resolved through internal dispute resolution or mediation shall be finally resolved by binding arbitration administered by the American Arbitration Association (“AAA”) pursuant to it then-existing Employment Arbitration Rules (hereinafter “Rules”). Subject to prior compliance with the internal dispute resolution and mediation above, any party may initiate arbitration of a Dispute by giving written notice to the other party of a Demand for Arbitration at any time consistent with any applicable statutes of limitation, but in no event may any party request arbitration more than four (4) years from the date the Dispute occurred.

An arbitrator shall be selected pursuant to the Rules established by the AAA, unless an alternative arbitrator not associated with the AAA is mutually agreed to in writing by both Team member and Adara Communities. An arbitrator selected to hear any Dispute may grant any remedy or relief that the arbitrator deems just and equitable, but is limited to providing any remedy or relief that would have been available had the matter been heard in a court of law. In the event that an arbitrator not associated with AAA is mutually agreed to by Team member and Adara, it is agreed that all other applicable provisions in the Rules will govern the arbitration unless modified by this ADR Program or written agreement of the parties. The arbitrator’s decision shall be final and binding on both Team member and Adara.

Place of Arbitration

The arbitration shall be held in Houston, Texas, unless otherwise agreed to in writing by Team member and Adara.

Arbitration Fees

The Team member and Adara Communities shall each be responsible for their own respective costs and fees, including that each party must pay administrative and other costs for the arbitration as well as each paying one-half of the cost of the arbitrator and any associated costs.

Representation By Counsel and Attorneys' Fees

Both Team member and Adara Communities have the rights to be represented by counsel at the mediation and the arbitration. If Team member chooses not to be represented by counsel at the mediation or arbitration, Adara Communities will also forego representation by outside counsel but reserves the right to have its Human Resource Director attend and participate in any hearings. If Team member decides to be represented by an attorney, all attorney fees will be the responsibility of Team member. If either Party prevails on a statutory claim which affords the prevailing party attorneys' fees, or if there is a written agreement providing for recovery of attorney fees, the Arbitrator may award reasonable attorney's fees to the prevailing party.

No Retaliation

This ADR Program is not meant to discourage or deter Team member from exercising his or her rights. Instead, the purpose of the ADR Program is to provide a faster, less expensive way for both Adara Communities and Team member to resolve Disputes. Adara Communities will not retaliate in any way against Team member for exercising his or her rights or for utilizing the ADR Program.

Entire Agreement

This ADR Program reflects the entire agreement between Team member and Adara Communities with regard to this subject matter. Neither party has made any promises, guarantees or assurances not contained herein.

Not An Employment Contract

This ADR Program is not intended as, nor should it be construed as, a contract of employment between Adara Communities and Team member, nor is this ADR Program intended to modify in any manner the at-will employment relationship between Adara Communities and Team member.

Miscellaneous

This ADR Program, and Team member's agreement with the terms hereof shall survive the termination of Team member's employment and can only be revoked or modified by a written instrument signed by both Adara Communities and Team member that specifically states an intent to revoke or modify the ADR Program. Should one or more provisions of this ADR Program be rendered or declared invalid by reason of any existing or subsequently enacted legislation, or by a decree of a court of competent jurisdiction, such invalidation of such provision or provisions hereof shall not affect the remaining portions of the ADR Program and a valid provision as close as possible in intent and import to the provision rendered or declared invalid will be deemed to be included in this ADR Program as originally written herein. This ADR Program is to be interpreted under the laws of the State where the property and/or properties are located, and State law shall apply to the construction and validity hereof.

CONFIDENTIAL INFORMATION

Our customers and suppliers entrust Adara Communities with important information relating to their businesses. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, Adara Communities earns the respect and further trust of our customers and suppliers.

Information about our business or our team member or clients will not be released to people or agencies outside the Company without Corporate written consent; the only exceptions to this policy will be to follow legal or regulatory guidelines. All memoranda, notes, reports, or other documents will remain part of the Company's confidential records.

Personal or identifying information about our team members (such as names, addresses, phone numbers, salaries, etc.) will not be released to people not authorized by the nature of their duties to receive such information, without the consent of management and the team member.

Your employment with Adara Communities assumes an obligation to maintain confidentiality, even after you leave our employment.

OFF-DUTY CONDUCT

Team members are expected to conduct themselves at all times in a manner that does not adversely affect the integrity, reputation or credibility of the Company or themselves. The conduct, behavior and decorum of team members while at work or at any time while on Company property reflects upon the Company in the eyes of our customers and residents. Team members should always be respectful and courteous towards residents, guests and other persons while at work or at any time while on Company property. Any illegal, immoral, unprofessional, discourteous, disrespectful, violent or rude conduct by a team member while at work or on Company property, as well as off-duty conduct, which adversely affects the Company's legitimate business interests or the team member's ability to perform his or her job, will not be tolerated and will lead to disciplinary action up to and including termination.

USE OF E-MAIL, VOICEMAIL, INTERNET AND OTHER COMPANY PROPERTY

The Company expects every team member to use care in handling Company equipment, materials, and supplies to avoid waste, breakage or loss. You are responsible for the Company property used by you or entrusted to your care. This includes, but is not limited to tools, supplies, office equipment and technical equipment. Misuse, abuse and/or unauthorized use of Company property may result in disciplinary action up to and including termination.

The use of any software and business equipment, including, but not limited to, telephones, voice mail, facsimilies, telecopiers, postage machine, computers (including electronic mail and internet systems), and copy machines for personal use is strictly prohibited.

The Company respects the individual personal privacy of all team members, however, a team member should not expect privacy rights to be extended to or cover, nor will privacy rights be extended to or cover, team member conduct on Company time and/or other work related conduct and/or the use of Company owned equipment, supplies, systems or property. YOU MUST HAVE NO EXPECTATION OF PRIVACY AND THAT NO EXPECTATION OF PRIVACY EXISTS IN CONNECTION WITH OR REGARDING YOUR USE OF SUCH EQUIPMENT, SUPPLIES, SYSTEMS OR PROPERTY AND THAT NONE OF SUCH USE CAN BE FOR PERSONAL OR OTHER NON-WORK RELATED PURPOSES. Any information or materials contained or maintained within Company supplied equipment, supplies, systems or property, including but not limited to, in desks, office cabinets, office supplies, office safes, access gate controllers, alarm systems, computer files, computer databases and networks, voicemail, e-mail and internet accounts, work areas, systems or property, is the sole property of the Company and cannot be withheld from the Company for any reason. THIS APPLIES EVEN IF YOU HAVE YOUR OWN PERSONAL KEY, COMBINATION, ACCESS PASSWORD OR USER ID. Team members also may not and cannot alter any computer setup or configuration and/or install software for any reason. Should the Regional Vice President, Regional Supervisor or Property Manager feel that there is a business necessity for any added software, based on a business necessity, The Regional Vice President or Regional Supervisor may submit a request to the Corporate Computer Support for evaluation of the necessity of the requested software. NO ONE else has the authority to request a change or addition to the property computer.

Without limiting the generality of any of the foregoing, the following also specifically applies to your use of Company owned equipment, supplies, systems and property:

1. **Company's Right to Access Information.** Team members may have individual user-id's and/or access passwords to voicemail and e-mail systems, access gates, alarm systems, computer databases and/or computer network systems and/or a key or combination to desks, office cabinets, and/or office safes, HOWEVER, SUCH EQUIPMENT, SUPPLIES, SYSTEMS AND PROPERTY ARE THE PROPERTY OF, AND THUS ARE ACCESSIBLE AT ALL TIMES TO AND BY COMPANY OFFICIALS AND MAY (AND WILL) BE SUBJECT TO PERIODIC, UNANNOUNCED INSPECTIONS WITHOUT WARNING OR NOTICE BY COMPANY OFFICIALS FOR BUSINESS, LEGAL OR ANY OTHER PERMISSABLE PURPOSES. Specifically and without limiting the foregoing, email and voicemail account and computer usage is subject to unannounced audit, monitoring and access by the Company. No right of privacy exists and is expressly waived. Use by an team member of such equipment, supplies, systems and property constitutes such team member's consent to policies contained in this policy and to the periodic, unannounced inspections described above. All keys, combinations, codes and user-id's or passwords must be available to Company officials at all times and team members may not use secret codes or passwords. Team members may not change or alter any keys, combinations, codes or user-id's or passwords without their Supervisor's consent and once changed or altered, the new keys, combinations, codes and user id's or passwords must be given to the Team member's Supervisor. Team members should only work under and/or enter onto the Company's voicemail, e-mail, computer network systems and any other information systems under the user-id or password assigned to them. In the event the Company encounters secret codes or passwords or other locks or blocks which prevent or limit access to such equipment, supplies, systems and property to those who are authorized to have such access, Company officials may employ whatever means necessary to obtain such access including but not limited to breaking open a lock and breaking the code of any secret password. Team members may not defeat, break or change or attempt to defeat, break or change any locks, user-id's, passwords or blocks installed by the Company in order to limit or prevent access by team members. Backup copies of voicemail, e-mail and any other files (whether computer or hard copy) may be made and maintained by the Company and may be referenced, copied and/or used in any other manner for business, legal or any other permissible purpose at any time.
2. **Systems Use Restricted to Company Business.** Team members are expected to use voicemail, e-mail, and computer network systems for Company business only and not for personal or other non-work purposes. Team members are expected to use the Company's telephone, postage, supplies and copiers for Company business only and not for personal or other non-work purposes. Without limiting what action may be taken against an team member who violated the foregoing, a team member may be charged for the cost to the Company of such personal use of Company equipment, supplies, systems and property (i.e. personal long distance telephone calls or postage) or other forms of discipline up to and including termination. Personal or other non-work purposes include, but are not limited to: soliciting or communicating for or with respect to commercial ventures, religious or political causes, and any other outside or other non-work related organizations; communication by voicemail, e-mail and/or internet use for non-work related matters, such as, without limitations, forwarding lists and jokes and/or corresponding with friends or family members; any other non-work related solicitations, research or communications. The Company acknowledges that team members may need to take or make important or emergency telephone calls during work hours from and to persons such as children, spouses, schools and doctors and those calls should be limited and of short duration. Team member may make and take personal telephone calls on non-work time such as lunch, before 8:30 a.m. and after 5:30 p.m. (not long distance). Team members should not check their personal e-mails from work except in extreme circumstances and then only with the approval of the IT Coordinator. Unauthorized access can cause damage to our system and create a legal liability for the Company. Violation of this policy may lead to disciplinary action up to and including termination.
3. **Forbidden Content.** Team members are prohibited from using the Company's voicemail, e-mail and computer network systems and/or the internet in any way that may be disruptive or offensive to others, including, but not limited to, the transmissions of sexually explicit or implied messages, pornographic pictures, cartoons, ethnic or racial slurs, or any other thing, picture or written or oral communication that is defamatory and/or may or could reasonably be construed by another party as offensive or inappropriate and/or as harassment or disparagement of others. Without limiting the foregoing, sexually explicit or implicit language, jokes, pictures and the like, as well as other offensive language, jokes, pictures and the like, may constitute sexual harassment and thus is prohibited by law and Company policy. If you have any question or doubt as to whether a communication or file you contemplate sending, forwarding or otherwise disseminating is prohibited by the guidelines set forth in this Policy, DO NOT SENT IT. REMEMBER: **YOU ARE REPRESENTING THE**

COMPANY IN A PUBLIC MEDIUM! Under no circumstances should an team member use any Company equipment, supplies, systems and property, especially e-mail, voice-mail, computer network systems and/or the internet in a manner which would compromise the legitimate business interests of the Company nor for purposes of copying, using or transmitting copyrighted or patented information in violation of applicable laws.

4. **Prohibited.** Chat rooms are strictly forbidden. Any use of Company property by a team member to participate in a chat room will be subject to immediate termination. Instant messaging for non-business purposes is strictly forbidden and violators will be subject to immediate termination. The Company's communication systems may not be used to solicit for religious or political causes, commercial enterprises, outside organizations, or other non-job related solicitations. Accessing personal email accounts from the Company computer is strictly prohibited and will result in immediate termination.
5. **Confidential and Proprietary Information.** Most of the information and data contained and to be contained in the Company's voicemail, e-mail and computer network systems is confidential and/or proprietary and must be maintained as such by all Team members. Information and materials transmitted and/or received to or from the Company's voicemail, e-mail and computer network systems (including by virtue of the Internet) should only be transmitted or disclosed to authorized Team members and Company officials and should be limited in all instances only to those with "the need to know." The e-mail and Internet usage is not secure and, therefore, in the event a team member wished to convey any information or data which must remain confidential at all costs, then they should do so by courier, overnight express or any United States Postal Service method. If you have any question as to how information or data should be handled, ask your Supervisor. REMEMBER: E-mail and the internet are only as private as a postcard! Records and computer files may be subject to discovery in litigation. Emails must be preserved and should contain business information.
6. **Change of Policies.** As with Company policies, the policies contained herein are subject to amendment or any other change at any time (to the extent not prohibited by applicable law) and once such amendments or other changes are communicated to the Team members, in writing, you will be bound by such amendments or other changes.
7. **Violation of Policies.** As with all Company policies, a violation of the policies contained herein, which would include without limitation, personal or inappropriate use of the Company's property or information systems, will result in disciplinary action up to and including termination.

INTERNET USE POLICY

Certain team members may be provided with access to the Internet to assist them in performing their jobs. The Internet can be a valuable source of information and research. Use of the Internet, however, must be tempered with common sense and good judgment.

If you abuse your right to use the Internet, it will be taken away from you. In addition, you may be subject to disciplinary action, including termination and civil and criminal liability.

Disclaimer of Liability: The Company is not responsible for material viewed or downloaded by users from the Internet. The Internet is a worldwide network of computers that contains millions of pages of information. Users are cautioned that many of the pages include offensive, sexually explicit and inappropriate material. It is sometimes difficult to avoid at least some contact with this material while using the Internet. Even innocuous search requests may lead to sites with highly offensive content. In addition, having an e-mail address on the Internet may lead to receipt of unsolicited e-mail containing offensive content. Users accessing the Internet do so at their own risk.

Duty Not to Waste Computer Resources: Team member must not deliberately perform acts that waste computer resource or unfairly monopolize resources to the exclusion of others. These acts include, but are not limited to, sending mass mailing or chain letters, spending excessive amounts of time on the Internet, playing games, engaging in online chat groups, printing multiple copies of documents, or otherwise creating unnecessary network traffic. Because audio, video and picture files require significant storage space, files of this or any other sort may not be downloaded unless they are business-related.

No Expectation of Privacy: The computers and computer accounts given to employees are to assist them in performance of their jobs. Team members should not have an expectation of privacy in anything they create, store, send, or receive on the computer system. The computer system belongs to the Company and may only be used for business purposes.

Monitoring Computer Usage: The Company has the right to monitor any and all aspects of the computer system, including, but not limited to, monitoring sites visited by team members on the Internet, monitoring chat groups and news groups, reviewing material downloaded or uploaded by users to the Internet, and reviewing e-mail sent and received by users.

Blocking of Content: The Company may use software to identify prohibited Internet sites. Sites may be blocked from access by Company networks.

Prohibited Activities: material that is fraudulent, harassing, sexually explicit, profane, obscene, intimidating, defamatory or otherwise unlawful, inappropriate, offensive (including offensive material concerning sex, race, color, national origin, religion, age disability, veteran status or other protected category), or violates the Company's equal employment opportunity policy and its policies against sexual or other harassment may not be downloaded from the Internet or display or stored in the Company's computers. Accessing personal email accounts is prohibited and will result in immediate termination.

Games and Entertainment Software: Team members may not use the Company's Internet connection to download games or other entertainment software, including wallpaper and screen saver or to play games over the Internet.

Illegal Copying: Employees may not illegally copy material protected under copyright law or make that material available to others for copying. You are responsible for complying with copyright law and applicable licenses that may apply to software, files, graphics, documents, messages, music, and other material you wish to download or copy. You may not agree to a license or download any material for which a registration fee is charged without first obtaining the express written permission of the Corporate Computer Support System and Regional Vice President.

Accessing the Internet: The ensure security and to avoid the spread of viruses, team members accessing the Internet through a computer attached to the Company's network must do so through an approved Internet firewall. Accessing the Internet directly by modem is strictly prohibited unless the computer you are using is not connected to the Company's network.

Virus Detection: Files obtained from sources outside the Company, including information brought from home, files downloaded from the Internet, newsgroups, bulletin boards, or other online services, files attached to e-mail and files provided by customers or vendors may contain dangerous computer viruses that may damage the Company's computer network. You should never download files from the Internet, accept e-mail attachments from outsiders or use other resources (disks, CD's, etc.) from non-Company sources. If you suspect that a virus has been introduced into the Company's network, notify the Computer Support at Corporate immediately.

Unsolicited E-mail and Internet "Posting": Without the express permission of the Computer Support at Corporate, you may not send unsolicited e-mail to persons with whom you do not have a prior relationship. Corporate approval is required before anyone can post any information on commercial on-line systems or the Internet. Any approved material that is posted should obtain all proper copyright and trademark notices.

Accessing personal email and instant messaging is grounds for termination.

Violations of this policy will be taken seriously and may result in disciplinary action, up to and including termination, and civil and criminal liability. Use of the Internet via the Company's computer system constitutes consent by the user to all of the terms and conditions of this policy.

TERMINATION UPON ARREST

Any arrest of a team member for charges such as child molestation, theft, driving while under the influence, murder, assault, battery, burglary, breaking and entering or any other serious crime of a violent or intrusive nature, may result in immediate termination of employment. Any arrest on the Company Property may result in termination. Any team member arrested for any reason must inform their Property Manager, Regional Supervisor or Corporate Office immediately.

TEAM MEMBER PROBLEMS

Should you have a concern regarding your job, please speak with your Supervisor. If you feel discussion with the Supervisor is not appropriate or if the problem was not corrected through your Supervisor, you may request a meeting with the next level of supervision or the Human Resource Director.

Adara Communities maintains an Open Door Policy up to and including the CEO.

If it is a matter of discrimination, harassment, or intimidation, you may speak confidentially to the Human Resources Director who serves as the Company Team member Grievance Coordinator and Equal Employment Officer.

VERIFICATION OF EMPLOYMENT

For you and the Company's protection, it is Adara's policy not to provide work references for current or former team members. We will verify employment dates and titles over the phone and confirm rates of pay if the request is made in writing. All requests for employment and wage verification from banks, legal and financial institutions, landlords, etc. must be made in writing and must be signed by you.

Please allow sufficient time for the Human Resource Department to respond to such requests. We will do everything we can to respond in a timely manner. If you are contacted directly for any such references or verification, please refer them to the Human Resources Department. In certain circumstances, there may be a fee for such a response.

No one at Property level may verify employment or past employment of any team member.

All disciplinary, hiring and terminations will be handled through the Human Resources Department.

TEAM MEMBERS LIVING ON-SITE

Business necessity mandates that certain team members live on-site as a condition of their employment for the benefit of the Company and the property for reasons such as, without limitation, being the "eyes and ears" of the Company and/or being able to respond to maintenance or other situations quickly and/or promoting pride in the property, and for those team members that are so required.

Generally, at least one of the Business Manager or the Assistant Business Manager, and the Lead Maintenance are required to live on-site. These are guidelines only since due to market conditions, property performance, ability or inability to hire and retain qualified personnel and other factors, an exception may be made to these guidelines resulting in not requiring one or more of the foregoing to live on site and/or requiring additional or other personnel to live on site. Further, and again generally, a team member who is required to live on site must do so at his or her primary assigned property, but also again, market conditions, property performance, ability or inability to hire and retain qualified personnel and other factors may result in a team member being required to live on site at another property managed by the Company.

Team members who move off site will not be compensated for the value of their apartment since as discussed above, this is not a part of a team member's compensation package. Notwithstanding the foregoing, however, a team member who is required to live on site as a condition of his or her employment cannot move off site unless and until a written exception to the on site requirement is granted by the Regional Vice President of the Company. If a team member who is required to live on site moves off without such a written exception, it is deemed that the team member has resigned his or her position since the team member is no longer able to fulfill the requirements of his or her position (i.e., live on site). Likewise, a team member who lives off site and is asked to change his or her status and move on site as a condition of his or her employment cannot do so until a written approval is granted by the Regional Vice President of the Company.

Persons that live on site prior to employment with the Company will have a deposit disposition completed on their apartment by the Business Manager, be refunded or pay any monies as reflected on the deposit disposition and will sign a new lease and follow the procedure for all team members living on site simultaneously or before (but not after) commencing employment.

All team members living on site will sign a lease, and a team member amendment to lease. A copy of the lease and amendment to lease will be sent to Corporate Human Resource Office. You must work for the Company for one month prior to moving onto an eligible property. The standard apartment concession/allowance is 20% off market rent. The Company reserves the right to adjust the concession amount based on individual property and position. The Regional Vice President must approve any additional apartment allowance on each property. Should a team member choose to move into a larger unit than allowed, the team member must pay the difference based on market rent. A signed lease package must be delivered to the Human Resource Office at Corporate prior to moving in. No key may be issued until all paperwork is completed and received at the Corporate Office. Regional Supervisors must sign all team member leases prior to move-in. In the event a Regional Supervisor is becoming a resident, the Regional Vice President must sign the lease prior to move-in. Corporate Executive Officer reserves the right to resend an offer at anytime.

Team members must sign a month-to-month lease with a statement noting that you agree to move out within seventy-two (72) hours of resignation or job termination. If the team member decides to move at any time, a thirty (30) day notice of intent will be required.

Team member-tenants are required to pay a deposit on the unit that is comparable of that paid by the residents of that property with no discount or special offer applicable. In addition, if the team member has a pet, they must pay the pet deposit the same as all residents on that property. Team members who live on property are expected to abide by all policies of the community and pay their rent in a timely manner. Regional Supervisors, Property Managers and the team member will be held accountable for any delinquent team member accounts for rent, utilities, etc. Team member delinquent accounts will be handled in exactly the same manner as with any other resident, including late charges and filing legal proceedings. **NO TEAM MEMBER WILL HAVE ANY LATE FEES WAIVED!** Delinquent accounts are ground for immediate termination.

Please note that providing an apartment rent free for a team member is for the benefit of the Company and is not meant to provide free housing to friends, brothers, sisters, other non-immediate family relatives or casual acquaintances of the team member.

Once the employment relationship has ceased, a team member and all other residents of the team member's apartment will vacate the apartment no later than midnight of the third (3rd) day following termination. In rare instances the Regional Vice President of the Company (such as children finishing up the school year in a few weeks or where the team member is ill), may allow a longer time as long as such extension is granted in writing and the team member pays market rent for the extended period past the initial three (3) days.

Team members are expected to follow the policies of the property, to represent the Company well whenever on Company property or Company business. If you live on property, you are expected to be model community citizens, to reflect the Company and your own professional at all times. Socializing with or befriending residents while employed by our Company may create a conflict of interest and is strictly prohibited. Violations of policies may result in losing your right to reside on the property and may lead to termination.

Responsibility for Guests: If you have guests visiting you on property, you are responsible that they observe community rules and policies. Your guests are a direct reflection on you as a professional.

Violation of policy and disturbances may adversely affect the Company. Occupancy may be terminated at any time by management with seventy-two (72) hour notice when management, in its sole judgment, determines a disturbance has occurred. In addition, employment may be terminated for the team members conduct off the job that evidences or violates conduct by the team member's invited guest on Company Property.

Under no circumstance will a team member be allowed to lease or sub-lease to a third party. Random inspections may be conducted by Management without notice. If a team member is found not occupying the unit, demand for possession will be made within twenty-four (24) hours. Such behavior will result in termination.

Company utilities: The connection of utilities for any reason other than make-ready purposes is strictly prohibited. Team members living on Company properties are responsible for obtaining utility services in their name before move-in and are responsible for maintaining their utility services. NO Manager may authorize a team member to connect any utilities in the Company's name for personal use. Unauthorized connection of utilities will be grounds for immediate termination. Additionally, usage will be deducted from payroll and services will be disconnected without further notice. **ALL EMPLOYEES WILL PAY THEIR OWN ELECTRIC, WATER, TRASH, PEST CONTROL AND GAS IF APPLIES!**

PERFORMANCE REVIEWS

Performance evaluations are important for several reasons including:

- Team member morale
- Access needs of business
- Team member development
- Retention
- Making team members feel important
- Provide review of past work performance
- Create opportunity to develop new performance goals
- Establish communication about team member performance
- Document team member performance and provide support for merit increases, promotions, terminations
- Document corrective action necessary to improve work performance
- Feedback on work quality
- Feedback on overall performance
- Feedback on work behavior
- Feedback from customers
- Identify Strengths and Weaknesses
- Recognize achievements and accomplishments

Performance reviews do not guarantee salary increases or promotions. Their main purpose is to align the Company and team member goals and objectives so that the Company and team member are both successful.

PROMOTIONS AND TRANSFERS

The Company reserves the right to promote, demote, transfer or make other changes in a team member's job duties at their sole discretion. We reserve the right to seek the most qualified person for all positions. Demotions and transfers are at will and salary will reflect demotions. All promotions and transfers must be approved by the Vice President of Operations and the Director of Human Resources. Any team member that is being considered for a promotion must pass any tests, have any certification or licensing, etc. that is required for that position prior to being promoted.

TERMINATIONS AND RESIGNATIONS

All Company team members have the status of "employee-at-will", meaning that no one has a contractual right, express or implied, to remain in the Company's employ. The Company may terminate a team member, or a team member may terminate his/her employment, without cause, and with or without notice, at any time for any reason. No supervisor or other representative of the Company (except the President) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above. **ALL TEAM MEMBER TERMINATIONS MUST BE APPROVED BY THE HUMAN RESOURCE DIRECTOR PRIOR TO TERMINATION. A QUALIFIED REPLACEMENT MUST BE APPROVED BY THE HUMAN RESOURCE DIRECTOR PRIOR TO DISCHARGING CURRENT EMPLOYEE. In regions where there is a rehab coordinator, all maintenance staff must be second interviewed by the Regional Construction Director.** Separation paperwork must be faxed to the Human Resource Office within 24 hours of termination of employment.

If a team member is considering resigning because of a problem with his/her job or supervisor, the team member is encouraged to use the Company's Open Door policy.

RE-HIRE ELIGIBILITY

Former team members may be rehired provided their performance was satisfactory, their termination was voluntary and they gave and physically served out their two week resignation period. The work record of a former team member must be cleared through the Human Resource Department before a team member may be considered for rehire.

Former team members that were terminated involuntarily or did not give and serve adequate resignation notice are not eligible for rehire.

PERSONNEL CORRESPONDENCES

All legal verification that involves information of current or ex-team members must be verified through the Corporate Human Resource Office. These include, but are not limited to: Human Service Department, Attorneys, Loan or Mortgage Companies, Student Loans, Child Support, Internal Revenue, Verification of past of present employment, etc. The Manager must send these documents to the Corporate Human Resource Department immediately without disclosing any information to any employees. Failure to abide by this policy will result in immediate termination and may subject the person to civil and criminal charges.

UNEMPLOYMENT NOTICE

In the event that a terminated team member files for unemployment compensation, it is critical that the claim form be sent to the Human Resource Office within twenty-four (24) hours of receipt. The Human Resource Department will respond to the Unemployment Office. These documents are time sensitive and deadlines must be adhered to. Failure to note the deadlines and make a timely response will expose the Company to financial burden.

VIDEO SURVEILLANCE

To promote the safety of team members and Company visitors, as well as the security of Company facilities, Adara Communities may find it necessary to monitor and record work areas and Company facilities with security cameras when there is a specific job or business-related reason to do so, such as security or theft protection. Only authorized personnel will be permitted to view surveillance footage. Team members should not have any expectation of privacy on Company premises. Team member privacy in certain, non-work related private areas, such as restrooms or dressing rooms, will be respected under this Video Surveillance policy to the extent possible and/or as required by applicable law.

TELEPHONE RECORDING

Adara Communities may monitor and/or record Company telephone communications for legitimate management and business reasons as applicable law allows. Such monitoring and/or recording of telephone communications includes calls made directly to or from a Company telephone or device, as well as calls forwarded from a Company telephone or device to a team member's personal telephone or device.

All Company information and communication systems/devices including, without limitation, Company telephones, Company cell phones, voice-mail, as well as information transmitted by, received from, or stored in these systems/devices are the property of the Company.

Team members should not have any expectation of privacy when using Company telephones or cell phones, or when using personal telephones or cell phones to conduct Company business.