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# LENNOX

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## Companies

**THE LENNOX COMPANIES, LLC**  
**SITE EMPLOYEE HANDBOOK**

Last saved by JWOGAN

Effective January 1, 2017

# **SITE EMPLOYEE HANDBOOK**

## **Introduction**

Employees are employed by THE LENNOX COMPANIES LLC (or the ‘Company’), the managing agent for the property. THE LENNOX COMPANIES is the “common paymaster” for the properties it manages. As common paymaster, THE LENNOX COMPANIES has developed payroll and personnel policies and procedures as well as benefit packages. The employee should contact his/her Supervisor to determine the benefits program applicable to them. THE LENNOX COMPANIES is responsible for hiring, supervision, and termination of employees at all properties.

The Company is made up of dedicated individuals who pool their skills, knowledge and other human resources to work collectively toward the fulfillment of the Company’s goals.

THE LENNOX COMPANIES’s goal is to be aware of the needs and desires of its residents. The mission objectives require that all work will conform to the ethical and technical standards of the Housing Management Profession. Financial and reporting responsibilities to owners will be met in a clear and timely fashion following industry standards. Shelter and community responsibilities to residents will be met with consistency and sensitivity while following Fair Housing rules and regulations.

The Company believes that it offers excellent employment opportunities as well as a forward looking personnel philosophy. THE LENNOX COMPANIES has attempted to summarize many of the more important elements of employment in this handbook. Although THE LENNOX COMPANIES believes this handbook is accurate, it is only a summary. Any questions or any discrepancies between this summary and the terms of the actual benefit plan or employee policy must be governed by the actual terms of the underlying, more detailed plan or policy/procedure.

This handbook is a general guideline voluntarily adopted by the Company for informational purposes only. It is not intended to and does not create an express or implied contract of employment or any other contractual rights, obligations or liabilities.

Because the handbook is not a contract, it does not contain any promises by the Company and the Company is not legally or otherwise bound by it. More specifically, the handbook should not be considered as or relied upon by employees as establishing terms and conditions of employment.

We believe that every employee is an individual and that no general policy can, or should, dictate what must happen in every situation. Therefore, from time to time, situations or problems may arise which the Company believes require deserve special handling, even though a policy stated in this handbook may indicate a different general rule. Accordingly, just because a particular policy or procedure is generally followed in certain circumstances does not mean that the Company must apply that policy or procedure in every instance.

We hope that, through the individualization of our relationships, you will find the Company a good place to work. However, because your employment is at-will, you are not guaranteed employment or any particular job or type of work for any specified period of time.

AGAIN, YOUR EMPLOYMENT BY THE COMPANY IS AN EMPLOYMENT-AT-WILL. THIS MEANS YOU MAY TERMINATE YOUR EMPLOYMENT AT ANY TIME WITH OR WITHOUT NOTICE OR REASON AND THE COMPANY RESERVES THE RIGHT TO TERMINATE YOUR EMPLOYMENT AT ANY TIME WITH OR WITHOUT NOTICE OR REASON AND WITHOUT COMPENSATION TO YOU. TO AVOID MISUNDERSTANDINGS, IT IS IMPORTANT FOR US TO MAKE CLEAR THAT THE COMPANY ALSO RETAINS THE ABSOLUTE RIGHT TO CHANGE AT WILL AN EMPLOYEE'S WAGES AND POSITION, AND TO DISCIPLINE, TRANSFER, REASSIGN AND/OR DEMOTE AN EMPLOYEE, AT ANY TIME, FOR ANY OR NO REASON, WITH OR WITHOUT PRIOR NOTICE. THIS HANDBOOK DOES NOT CONSTITUTE A CONTRACT NOR PROMISE OF ANY KIND. **FURTHER, ALTHOUGH THIS HANDBOOK DESCRIBES THE CURRENT LEVEL OF BENEFITS OFFERED, THE COMPANY MAY AMEND, MODIFY, TERMINATE OR RESCIND ANY BENEFIT AT ANY TIME.**

Please appreciate also that the Company reserves the right to interpret the policies, rules, benefits, sections and provisions contained in the handbook as it deems appropriate in its sole discretion. The Company also reserves the right, in its sole discretion, to amend, modify, change, cancel, terminate or withdraw any or all of the policies, rules, benefits, sections and provisions of this handbook at any time, unilaterally, with or without prior notice, in its sole discretion.

The policies, rules and benefit programs described in this handbook are effective as of the date indicated at the end of the handbook. This handbook, as well as its attachments and all subsequent revisions, supersede and/or replace all policies, rules and benefit-program descriptions issued previously.

**No representative of the Company (other than the President, or Controller, in writing) has the authority to enter into any agreement for employment for any specified period of time, to guarantee any particular position for any specified period of time or to make any promises with respect to compensation, promotional opportunities or any other term or condition of employment.**

The Company operates in many different states. On some issues, the laws differ from state to state. In the event a specific policy or provision in this Employee Handbook conflicts with a particular state law, the policy or provision shall be interpreted and administered in accordance with the state law.

# SITE EMPLOYEE HANDBOOK

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## 1. EMPLOYMENT POLICIES

### Section 1.1 Statement of Equal Employment Opportunity

The Company is an Equal Opportunity Employer. The Equal Employment Opportunity Commission (EEOC) has issued guidelines setting forth the Commission's interpretation regarding harassment (i.e. sexual or racial) as a violation of Title VII of the Civil Rights Act of 1964. These guidelines are consistent with our long standing policy that conduct creating an intimidating, hostile or offensive working environment will not be tolerated and those violating this practice may be subject to disciplinary action up to and including termination. Any employee who feels that he or she is subject to harassment, should immediately contact their Supervisor, or if the Supervisor is perceived as part of the harassment, the next level of supervision.

Section 1.2 Non-Discrimination. The Company is committed to ensuring equal employment opportunity. The Company will not engage in or tolerate unlawful discrimination on account of a person's age, sex, race, color, religion, creed, national origin, citizenship, disability, handicap, sexual orientation, gender identity or expression, marital status, familial status, veteran's status, military status, genetic information or membership in any other protected group.

Section 1.3 Non-Harassment. The Company will neither engage in nor tolerate sexual or any other form of unlawful harassment. By way of example only, the following behaviors and/or communications are inappropriate and as such prohibited, regardless of whether they are illegal:

- Requiring sex as a condition of employment or any term or benefit of employment or punishing a person with regard to any term, condition or benefit of employment because he or she did not submit to sexual advances or making any employment decision based on a person's submission to or refusal to submit to sexual advances.
- Sexual or suggestive pictures, photos, cartoons, e-mails, Internet web sites, jokes, slurs, profanity, nicknames, conversations, questions, innuendo (verbal and nonverbal), objects and symbols; frequent and/or inappropriate comments on appearance; repeated requests for dates; excessive and/or inappropriate touch; and other inappropriate behaviors and/or communications of a sexual, suggestive or biased nature.
- Pictures, photos, cartoons, e-mails, Internet web sites, jokes, slurs, epithets, nicknames, conversations, questions, objects, symbols, imitations, and other communications/behaviors which reflect negatively upon, stereotype, or disparage any protected group, e.g., any race, gender, ethnic group, age, religion or disability.
- Hostile, abusive or demeaning communications or behaviors related to a protected group or directed at someone because of his or her membership in a protected group.

It is important to remember that these prohibitions apply not only to oral and written communications, but also to e-mail, voice mail and Internet communications and searches.

The prohibitions on inappropriate behavior set forth above apply not only in the workplace itself but also to all other work-related settings, such as meetings at customer/client work sites, as well as business trips and business-related social functions.

It is of no defense to inappropriate behavior that there was no bad intent, it was only a joke or that it was not directed at any person.

It is also important to keep in mind that these are only some examples of inappropriate behavior. If you have any question about whether behavior is inappropriate, don't do it.

Section 1.4 Reasonable Accommodations. The Company makes reasonable accommodations with respect to disabilities as well as religious observances, practices or beliefs of which it is aware and which do not impose an undue hardship on the Company. If you need an accommodation, please contact the President.

Section 1.5 Complaint Procedure. If you believe that you have been discriminated against, harassed by or retaliated against by any employee or non-employee with whom we do business, please speak with your Supervisor or President immediately. Please speak with the person with whom you feel most comfortable.

The Company will:

- Conduct a prompt and fair investigation.
- Disclose allegations only to the extent necessary to conduct the investigation/take corrective action.
- Take corrective action with respect to any employee or non-employee who has engaged in unlawful discrimination, harassment or retaliation and/or inappropriate behavior inconsistent with this policy (even if not unlawful), including discipline up to and including termination of the employment or other relationship. Exempt and non-exempt employees who violate this policy also may be suspended without pay. Exempt employees will be suspended in full-day increments only.
- Not tolerate any unlawful retaliation of any kind against anyone who makes a complaint, serves as a witness, or otherwise participates in the investigatory process.

If you are not entirely satisfied with how your complaint has been handled, please contact the President in writing so that he can look into your concerns.

You were hired for a reason, to do a job well. The Company hopes you will derive pleasure and satisfaction from it. THE LENNOX COMPANIES will seek to provide equal opportunity in

employment, promotion, wages and benefits and all other privileges, terms, and conditions of employment.

#### Section 1.6 Code of Ethics and Conduct.

The Company has established a Code of Ethics and Conduct to maintain the integrity, honesty and professionalism of our organization and protect and promote our future success in a mutually beneficial manner. The following are guidelines to be applied to all daily business activities.

1. Comply with all local, state and federal laws, statutes, rules and regulations;
2. Refrain from engaging in any activity or business which would conflict with or compromise your ability to carry out your assigned duties and responsibilities;
3. Do not use, remove and/or take for personal use any property which belongs to the property, THE LENNOX COMPANIES or its related companies without proper authorization;
4. Refrain from receiving any fee, commission, payment, service or item of value from anyone who does business with, or seeks to do business with the Company, which can be construed as compromising your independence in the performance of your duties;
5. Refrain from making any unauthorized statement or taking any action which would harm the Company's integrity or jeopardize the professional standing of the Company or employees;
6. Record all transactions accurately and timely to prevent misstatements of facts;
7. Maintain as confidential any legitimate business information provided in confidence or obtained through normal business channels until and/or unless given permission to disclose said information by the person or entity affected;
8. Deal fairly and professionally with co-workers, business associates and residents in a nondiscriminatory manner that promotes communication, mutual respect and trust. No employee shall take unfair advantage of anyone through manipulation, harassment, concealment, abuse of status or privilege or other unethical practices;
9. Act, at all times, in a manner which promotes the Company's corporate goals and objectives, and not out of a motive for personal gain or status;
10. Value and be considerate of the needs and desires of others while engaged in activities related to or on behalf of the Company;
11. An Employee cannot be paid as a contractor, sub-contractor, or be employed by a contractor or sub-contractor for the any work performed on the Company's properties while the Employee is employed by the Company;

While the above articles are designed as a guideline, it is the responsibility of each of us to monitor our own behavior and actions and where applicable to report or discuss concerns with a Supervisor should you suspect that an action has been taken or which you have knowledge of that violates the spirit of the above Code of Ethics and conduct.

Although your employment with the Company is **at-will (i.e.,** either party can terminate the employment relationship at any time, for any or no reason, with or without prior notice), your failure to meet these expectations may result in Corrective Disciplinary Action, the goal of which is to preserve your employment by turning around unsatisfactory job performance and/or unacceptable conduct. A discussion of the Corrective Disciplinary Action process begins in Section 5.1.

#### Section 1.7 Anti-Discrimination in Housing.

Employees must obey all applicable Fair Housing Laws (specifically Title VIII of the Civil Rights Act of 1968). They must refrain from discrimination regarding any application for employment or housing on the basis of race, age, color, disability, religion, sex, national origin, handicap, familial status, sexual orientation, gender identity, and membership in any other protected class; and they must affirmatively promote fair housing.

Again, the Equal Employment Opportunity Commission (EEOC) has issued guidelines setting forth the Commission's interpretation regarding harassment (i.e. sexual or racial) as a violation of Title VII of the Civil Rights Act of 1964. These guidelines are consistent with our long standing policy that conduct creating an intimidating, hostile or offensive working environment will not be tolerated and those violating this practice may be subject to disciplinary action up to and including termination. Any employee who feels that he or she is subject to harassment, should immediately contact their Supervisor, or if the Supervisor is perceived as part of the harassment, the next level of supervision.

#### Section 1.8 Confidentiality.

In the course of performing your duties on behalf of the Company, you may, from time to time, be placed in a position of trust and confidence in which you receive or contribute to the creation of confidential and/or proprietary information relative to the operations of the Company. This **confidential and/or proprietary information** includes, but is not limited to:

- Business, manufacturing, marketing, legal and accounting methods, policies, plans, procedures, strategies and techniques;
- Information concerning the Company's earnings, production volumes and methods for doing business;
- Research-and-development projects, plans and results;
- Technical information, such as patterns and product specifications, computer information systems;

- The names, addresses and telephone numbers of the Company's employees, vendors, and suppliers;
- Resident lists and the names, addresses and telephone numbers of the Company's residents and prospective residents;
- Pricing, credit and financial information; and
- Any and all other data or information relating to the operations and business of the Company which is not known generally by and readily accessible to the public.

During your employment:

- You must protect this confidential and/or proprietary information and use and/or disclose such information only as necessary to further the Company's business interests; and
- You may not use or disclose such confidential and/or proprietary information for personal gain or for any purpose which does not further and/or which is inconsistent with the business interests of the Company.

Upon your separation from the Company, regardless of the reason and whether initiated by the Company or you:

- You must return to the Company, retaining no copies, any and all files, records, correspondence, documents, electronic diskettes, computer compact discs, computer and electronic-mail printouts, drawings, specifications, writings and similar items, which relate to or reflect the Company's business operations, residents, prospective residents, employees, suppliers, vendors, etc., regardless of where such items were kept or prepared; and
- You may not use and/or disclose the Company's confidential and/or proprietary information at any time, at any place, for any reason.

Use or disclosure of confidential and/or proprietary information in violation of this policy will result in appropriate disciplinary action, up to and including termination of your employment with the Company and/or the commencement of legal action against you.

Exempt and non-exempt employees who violate this policy also may be suspended without pay. Exempt employees will be suspended in full-day increments only.

#### Section 1.9 Smoking Regulations.

Medical research has established that second hand smoke can be harmful to the health of non-smokers. Accordingly, smoking is prohibited in all Company buildings and vehicles except in designated smoke areas. Smoking is permitted only outside of the Company's buildings and

vehicles and in designated smoke areas, provided that all cigarette butts are properly and safely disposed.

#### Section 1.10 Mission Statement.

##### **Mission Statement**

To commit ourselves to providing quality housing to our residents by maintaining clean, quiet, and safe communities; to establishing a culture centered on our Core Values; and to offering long-term solutions that enhance the value of the assets we are entrusted with. We look to achieve these goals by employing trained professionals, partnering with loyal residents, and maintaining a quality product.

##### **Core Values**

Our Core Values are our foundation that sustains us through fluid market trends:

- INTEGRITY: Absolute integrity and honest recognition of the importance of our roles
- CUSTOMER SERVICE: Extraordinary quality and service for our residents
- RESPECT: Unparalleled employment experience for our associates
- RESPONSIBILITY: Enduring contributions to the broader communities

## 2. NEW EMPLOYEES

#### Section 2.1 Introductory Period.

All newly hired employees, regardless of employee status, are required to complete a minimum ninety (90) day introductory period from the date of hire. This is a get acquainted period to help you decide if you are satisfied with your job and to help your Supervisor evaluate your performance and compatibility with the job duties and skills required. During the introductory period, the employee may be terminated with or without corrective disciplinary action procedures - such as verbal warnings, written warnings, etc. **President's approval is required for all terminations**, including termination during the initial introductory period.

It is important to remember that an employee is not guaranteed employment for the entire Introductory Period. Equally important, completion of the Introductory Period does not guarantee your employment with the Company for any period of time thereafter.

## Section 2.2    Forms to be Completed.

The following forms need to be completed by all new employees. It is the employee's responsibility to see that these forms are completed. Failure to do so may result in a delay in processing payroll.

1. Employment Application (Also attached resume, if available)
2. Paylocity Payroll Form
3. Background Consent Authorization- First Advantage
4. Maintenance Test (if applicable, ***Mandatory for ALL Maintenance applicants***)
  - (a.) Copy of EPA (Environmental Protection Agency) Card (if available)
  - (b.) Copy of State License(s); i.e., Mechanical, Electrical, Pool, etc. (if available)
5. Federal Income Tax Withholding (W-4) Form
6. State Income Tax Withholding Form (if applicable)
7. DHS Employment Eligibility Verification (I-9) Form ***with Supporting Documentation***
8. Employee Information and Direct Deposit Worksheet
9. Employee Handbook – Signed Last Page confirming receipt of Employee Handbook
10. Employee Agreement (Job Description)
11. Offer Letter- if applicable

## Section 2.3    Criminal Records Check.

All conditional employees MUST agree to a criminal background check as a condition of their employment. The ideal scenario would be to secure a copy of the potential employee's background check prior to his or her start date. New employees must understand that their employment is conditioned upon the receipt of a favorable criminal background check. The President will conduct the review of criminal background records.

## Section 2.4    Drug Screening.

All conditional employees must submit to a pre-employment drug test. The test must be taken within 24 hours of the offer for employment being made. The offer of employment is conditioned upon the timely taking of the drug test and upon successfully passing the test. Any employee rehired after a 90 day period of separation must submit to a new pre-employment drug test.

## Section 2.5    On Site Apartments.

Any employee living on site is expected to be a model resident and conduct him or herself as if he or she were a non-employee resident of the property. Unsatisfactory behavior (i.e. causing disturbances, unclean conditions, non-payment of rent, etc.) will be cause for immediate eviction from the property and immediate termination of employment.

All employees who live on property managed by THE LENNOX COMPANIES must execute a month-to-month lease. THE LENNOX COMPANIES offers a discount of 20% off the market rent for all employees. Employees must agree to move within thirty (30) days from termination of employment.

## Section 2.6   Van Drivers.

### 1.      Commercial Drivers License (15+ passenger vans)

To comply with Federal Motor Carrier Safety Regulations, we must follow a strict CDL (Commercial Drivers License) Driver Policy. All perspective and existing drivers of 15+ passenger vans are required to possess a valid Commercial Drivers License (CDL) with a Passenger Endorsement.

In order for initial employment and continued employment, all passenger van drivers must possess an acceptable Motor Vehicle Record (MVR) **at all times**. Motor Vehicle Records will be reviewed annually by a third party administrator.

Perspective and existing passenger van drivers (CDL Drivers) are subject to random substance abuse testing. In addition, passenger van drivers involved in certain types of vehicle accidents will be subject to post-accident substance abuse testing. Both random and post-accident substance abuse testing will be conducted by a third party administrator for the insurance company.

All CDL drivers must adhere to Local and Federal Laws regarding the use of “cell phones” while driving (i.e. requirements of hands-free devices).

### 2.      Non-Commercial Drivers License

A Non-CDL Driver is defined as any employee who is designated to drive any passenger vehicle designed for less than fifteen (15) passengers, for the purpose of resident or community transportation.

In order for initial employment and continued employment, all passenger van drivers must possess an acceptable Motor Vehicle Record (MVR) **at all times**. Motor Vehicle Records will be reviewed annually by a third party administrator.

Unacceptable Motor Vehicle Record for both CDL Drivers and Non-CDL Drivers includes any one of the following:

- a.      Involved in two or more preventable accidents within a three (3) year period.
- b.      Six (6) or more points accrued within one year.
- c.      Failed drug or alcohol test.
- d.      Driving while under the influence of alcohol/drugs.
- e.      Involved in a hit and run accident.
- f.      Failure to report an accident.
- g.      Negligent homicide involving the use of a motor vehicle.

- h. Operating a motor vehicle during a period of suspension or revocation.
- i. Using a motor vehicle to commit a felony.
- j. Operating a motor vehicle without owner's authority.
- k. Permitting unlicensed person to drive.
- l. Reckless driving.

All Non-CDL drivers must adhere to Local and Federal Laws regarding the use of "cell phones" while driving (i.e. requirements of hands-free devices).

### 3. PROPERTY DRESS CODE

#### Section 3.1 Appropriate Attire.

Your personal appearance is important. Your clothing should be clean and appropriate to your work assignment.

For men, appropriate business casual attire includes casual pants, dress shirts, polo shirts, and sweaters. For women, acceptable business casual attire includes slacks, dresses, skirts, blouses, polo shirts, and sweaters. Skirts or dress length must not be shorter than mid-thigh. For men and women, shirts with tails should be tucked in. Clothing should fit properly and be in good condition (i.e., no tears, holes, frays or rips).

Attention should also be paid to personal hygiene; a neat appearance is important in a business setting (i.e., clothing should be laundered and pressed).

While body piercing is a matter of personal choice, it is the policy of THE LENNOX COMPANIES that public display of body piercing is only acceptable for the ears.

Visible dental caps, fillings, and corrective dental devices should be worn for corrective or medical purposes only.

Traditional business attire (suits) continues to be acceptable.

#### Section 3.2 Inappropriate Attire.

Inappropriate attire includes denim jeans of any color, flannel shirts, shorts of any kind, T-shirts, sweat shirts and/or sweat pants, contoured leggings or contoured stirrup pants (i.e., tight spandex/stretch like form fitting of any kind) or other exercise wear, spaghetti strap shirts, halter tops, short shirts which expose your back or stomach, polo shirts or, any other type of clothing with large logo's or lettering. Inappropriate shoes include - flip flops or thong-like sandals, athletic shoes, hiking or construction like work boots (unless needed for maintenance staff).

Excessive or offensive tattoos should not be exposed to the public. Appropriate dress attire should be taken to conceal excessive or offensive tattoos.

## Exceptions.

Maintenance Supervisors and maintenance personnel must wear company uniforms daily where they are provided. Where the uniforms are not provided, maintenance personnel must dress in an appropriate attire to perform their job in a safe manner and to present a professional appearance. Employees who anticipate a business meeting, or when visits by VIPs are scheduled, may be required to dress in traditional business attire. Please understand that your Supervisor or manager may feel that it is necessary for you to dress in traditional business attire on a given business day (e.g. if customers, or other business guests, are expected to be in or around the work place).

Requests for any alteration to the business casual dress code due to medical reasons must be made to your immediate Supervisor.

## 4. COMPENSATION AND HOURS OF WORK

### Section 4.1 Employment Classifications.

Upon hire, your employment will be assigned a specific classification. Classifications are defined as follows:

- Exempt Employees: These employees are exempt from overtime under federal and state law. These employees, include, but are not limited to, professional, executive and administrative employees as defined by federal and state law.
- Non-Exempt Employees: These employees are not exempt from overtime under federal and/or state law. These employees are eligible for overtime under federal and/or state law.

Your employment will be further defined as Regular Full-Time, Regular Part-Time, Full-Time Temporary, or Part-Time Temporary as follows:

- Regular Full-Time: This describes the employment of those persons who are regularly-scheduled to work at least thirty (30) hours in a work week. As a Full-Time employee, you may be eligible for all of the benefits described in this Handbook.
- Regular Part-Time: This describes the employment of those persons who are regularly-scheduled to work fewer than thirty (30) hours in a work week. As a Part-Time employee, you are not eligible for insurance benefits, sick, or vacation time. You will be eligible for holiday pay if you are normally scheduled to work the day of the holiday.
- Full-Time Temporary: Is an employee who works a full weekly schedule for a temporary time, such as summer help. Full-Time Temporary employees are not entitled to any benefits described in this handbook, with the exception of holiday pay.

- Part-Time Temporary: Is an employee who works less than a full time schedule for a limited time (i.e. special project). A Part-Time Temporary employee is not entitled to any benefits described in this handbook.

#### Section 4.2 Working Hours.

A regular work week for **Non-exempt** full-time employees normally consists of at least forty (40) hours of work scheduled within a seven (7) day work week (some employees will be required to work a minimum of 40-hours per week depending upon job title, location, and property). Your immediate Supervisor will arrange your assigned work schedule.

Regular business hours fluctuate depending on the needs of the particular property. However, it is important to remember that the nature of our business and the structure of certain jobs often make it impossible to operate on a completely-regular schedule. Consequently, you may be required as part of your job to work on Saturdays and/or Sundays, to have different starting times from week to week or day to day, or to be assigned irregular work hours or work weeks.

#### Section 4.3 Recording Time Worked.

If your job is classified as **Non-exempt**, you are paid a specific rate for all time actually worked in a work day. Consequently, to comply with all applicable laws and regulations and to ensure the accuracy of our payroll, **all Non-exempt employees** are required to record the time they start work and the time they end their assigned duties on their time card. You will not be paid for your meal break and must record the time that you are out for your break.

If your job is classified as **Exempt**, your pay does not depend on the number of hours you work per day and/or per week. Rather, exempt employees receive a fixed salary each week without regard to the number of hours they work, subject only to those deductions specifically authorized by law consistent with their exempt status.

**Under no circumstances may you record the time worked by another employee or may you allow another employee to record your time.<sup>1</sup> Both events are acts of dishonesty which are cause for immediate discharge of all parties involved.**

#### Section 4.4 Leaving the Premises During the Work Day.

If an Exempt or Non-exempt employee finds it necessary to be away from the Company's premises during the work day, other than the scheduled lunch break, you must first request permission from your Supervisor. If permission is granted, you must be reachable at all times in the event of an emergency.

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<sup>1</sup> Nonexempt employees also must record when they begin and when they end their Meal Break.

#### Section 4.5 Pay Period.

Employees are paid via a bi-weekly payroll. The pay period begins at 12:01 a.m. Saturday and ends the second Friday at 12:00 midnight. Employees are paid one week after the previous two (2) week work period.

You will have access to your personal statement of earnings and deductions with each payroll check. This statement describes all deductions taken during the pay period including taxes and any voluntary deductions.

In the event a pay day falls on a Holiday, paycheck funds will be available the day before the regular pay day when possible.

In the event that Direct Deposit is unavailable, a paycheck will be given only to the employee to whom it belongs. In special circumstances, with prior approval from the Payroll Department, you may authorize the Company to give your paycheck to someone other than you.

Your pay is your personal business, and generally only those in management with a “need to know” have knowledge of your pay level. As such, policy requires that discussions of salaries, bonuses, commissions and other pay, not be discussed or shared with fellow employees at any time. If you have questions regarding your pay, please speak with your immediate Supervisor, or the Controller.

#### Section 4.6 Deductions from Pay of Exempt Employees.

The Department of Labor issued new regulations with regard to exempt employees. This policy has been adopted pursuant to and to ensure compliance with the new regulations.

If your job is classified as exempt, your pay does not depend on the number of hours you work per day and/or per week. Rather, exempt employees receive a fixed salary each work week without regard to (i) the number of hours they work or (ii) the quantity or quality of their work, subject only to those deductions specifically authorized by the Federal Labor Standards Act or FLSA as consistent with their exempt status.

Under the FLSA, exempt employees are not entitled to payment for any work week in which they perform no work for the Company. In addition, the salary of an exempt employee may be prorated in their first and last weeks of employment.

If you are an exempt employee paid on a salaried basis, your pay is subject only to certain deductions as permitted by the FLSA regulations. No deductions will be taken from an exempt employee’s pay inconsistent with the exempt employee’s salaried status. Moreover, no policy or statement in our Employee Handbook or any other Company policy or procedure shall be construed as permitting or authorizing an exempt employee’s pay to be subject to deductions inconsistent with the exempt employee’s salaried status.

For example only:

1. Deductions from your pay for absences due to illness or disability or for personal reasons will be in 4 hour increments only unless approved by your supervisor (to the extent you are not eligible for or have exhausted your eligibility for payments under our sick leave/disability plan(s) in accordance with their respective terms, conditions and restrictions). The one exception is that an exempt employee's pay may be subject to deductions for absences of less than a full day to the extent such absences are covered by the federal FMLA.
2. Exempt employees may be suspended without pay for infractions of workplace conduct rules in accordance with policies distributed to all employees, including, but not limited to, the policies included in our Employee Handbook (for example, our policies prohibiting harassment and violence). Suspensions of exempt employees under these circumstances will be implemented in good faith in full day increments only.
3. For any work week in which an exempt employee is on witness duty, jury duty or temporary military leave and performs any work for the Company, the exempt employee will receive his or her full salary (minus any military, jury or witness fees).
4. No deductions will be taken from an exempt employee's pay if he or she is ready, willing and able to work and the Company shuts down for less than a full work week due to inclement weather or for any other reason.

If you believe your salary has been subject to an impermissible deduction inconsistent with the FLSA's salaried basis requirement, or if you have any other concerns about your pay, please contact the Corporate Office. The Company will conduct an immediate investigation of your concerns, disclosing them only to those who have a need to know in order to investigate and/or to take corrective action. If an improper deduction has been taken from your pay, you will be reimbursed for the improper deduction in the next possible paycheck. We also will ensure that, in the future, no similar deductions are taken from your pay or the pay of other exempt employees. Regardless of whether an improper deduction was taken from your pay, we also will ensure that there is no retaliation against you for bringing your concerns to our attention.

#### Section 4.7    Meal Breaks.

Meal Breaks are required for **Non-exempt** employees and must be taken for a minimum of thirty (30) minutes and not to exceed sixty (60) minutes in length and are **unpaid**. To prevent interruptions in the work flow, your immediate Supervisor may schedule your Meal Break.

If you are a Non-exempt employee and are required to work during your Meal Break, you will be paid for such time, but you must have prior approval by your immediate Supervisor or manager.

#### Section 4.8    Overtime.

Overtime worked without proper approval will subject the employee to disciplinary action. All non-exempt employees will be paid at the rate of time and a half for hours worked in excess of 40 hours in a work week. The Company's work week begins at 12:01 a.m. Saturday and ends the following Friday at 12:00 midnight. Sick Leave, Vacation and/or Holiday time are not considered as hours "worked" to calculate overtime.

No employee is to work over 40 hours per week for any reason without approval from his/her immediate Supervisor prior to working those hours (emergencies are the only exception). The Property Manager must also approve all overtime prior to working those hours. Compensating time off in lieu of overtime is not permitted unless it is within the same normal 40 hour work week.

Exempt employees are not eligible for overtime payments.

#### Section 4.9 Changes in Personnel Information.

It is important to keep all employee information current. Please notify the Corporate Office regarding any of the following changes by submitting a completed Payroll Transmittal Form to the Corporate Office.

1. Address.
2. Telephone number.
3. Whom to notify in case of emergency.
4. Legal name.
5. Marital status/dependents (only if relevant to your participation in Company-sponsored insurance benefits).
6. Social security numbers.
7. Licenses, certifications.
8. Change in the number of exemptions claimed for income-tax withholding purposes.
9. Any other personnel information which relates to your employment status.

Upon request, you may be eligible to inspect certain contents in your personnel record. If you wish to make such an inspection, you must make a request to the Corporate Office. At that time, you will be informed of the procedure and conditions governing personnel record inspection. Please be aware, laws regarding personnel file inspection differ from state to state.

#### Section 4.10 Direct Deposit Payroll Option.

Employees must have all of their paycheck deposited directly into their checking and/or savings account. There will be no charge to the employee for this feature. Employees are permitted up to maximum of three (3) transactions in total per pay, which may include any combination of checking and/or savings accounts. You will be given instructions for reviewing your pay stub on line. The money will be wired to your account(s) where the funds will be available by 12:00 p.m. the Friday of the pay week.

#### Section 4.11 Employee Evaluations.

The following guidelines have been developed to assist Supervisors in promoting a better work environment for our employees by encouraging discussions of employee performance and conduct between Supervisors and employees.

Although an employee is evaluated on a day-to-day basis, a formal written evaluation of performance will be done at least once a year for full-time employees. The evaluation will be discussed with the employee and must be signed by the employee. If the employee disagrees with the evaluation, he/she has the right to have a written response attached to the evaluation. The evaluation and employee comments, if any, must be forwarded to the Corporate Office and included in the employee's personnel folder.

Based on the results of the employee's evaluation, the employee may be recommended for an adjustment in his or her pay rate.

#### Section 4.12 Unsatisfactory Performance or Conduct.

Employee performance and conduct issues should be addressed according to the nature and severity of the problem. Some problems require immediate disciplinary action while others may be addressed through progressive discipline. Progressive discipline may be employed if it appears to the Supervisor that the problem or work related behavior can be corrected.

### 5. DISCIPLINARY POLICIES

#### Section 5.1 Corrective Disciplinary Action.

Although your employment with the Company is "at-will" (that is, either party can terminate the employment relationship at any time, for any or no reason, with or without prior notice), your failure to meet the Company's expectations may result in Corrective Disciplinary Action.

When an unsatisfactory employee performance or conduct problem emerges that management believes may be susceptible to corrective action, the corrective action may, at management's discretion, be initiated to give the employee an opportunity to address the problem. The following steps, applied progressively, may be provided:

Step 1 - Verbal warning. This should include counseling the employee as to what is acceptable conduct or performance;

Step 2 - Written warning. The written warning should note that the verbal warning was given and that conduct or performance is still not acceptable. The written warning should be noted as delivered to the employee. The employee has the right to respond in writing to the Supervisor and to the next level of management;

Step 3 – Final written warning/probation with or without conditions or other discipline;<sup>2</sup>

Step 4 – Termination. Requires approval of the President.

In Steps 2 and 3, the Supervisor must inform the employee of the time period expected for correcting the performance or conduct problem.

When an employee successfully meets the performance or conduct expectations outlined by management, the Supervisor should so apprise the employee. The Supervisor should prepare a letter regarding the successful results and a copy sent to the Corporate Office for inclusion in the employee's personnel file. Any future recurrence of the performance or conduct problem may require resumption of the corrective disciplinary process at whatever step is deemed appropriate by management.

Because unsatisfactory job performance and unacceptable conduct have different levels of seriousness, counseling may be initiated at an intermediate level or a Step or Steps of Corrective Disciplinary Action may be bypassed. Circumstances which may impact on such a decision include, but are not limited to:

- The severity of and conditions under which substandard performance/conduct occurred;
- Whether the unacceptable behavior violated more than one rule of conduct;
- The quality of your overall job performance; and
- Your demonstrated willingness to make improvements in performance or behavior as needed.

The Corrective Disciplinary Action process discussed above will **NOT** be followed:

- When management is of the opinion that remedial efforts are unlikely to be successful (for example, where a negative attitude or personality conflicts are present);
- During the New-Hire Introductory Period; or
- When you have engaged in misconduct which falls so far below the expectations of the Company that the Company concludes that your employment cannot be continued.

The following are examples of employee conduct and performance problems that may be susceptible to corrective action. The examples given below are not intended to be all-inclusive

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<sup>2</sup> In conjunction with Step 3, exempt and non-exempt employees are subject to unpaid suspensions. Exempt employees may be suspended without pay only in full day increments and only for violations of workplace conduct policies applicable to all employees.

but are listed for illustrative purposes and may also result in immediate disciplinary action including termination.

1. Failure to meet minimum job performance.
2. Excessive absenteeism and/or tardiness.
3. Abuse of telephone privileges.

#### Section 5.2 Immediate Disciplinary Action.

There are times when immediate disciplinary action, including termination, may be warranted on the first occurrence of a performance or conduct problem. Examples of such cases, though not all-inclusive, are illustrated by the following:

1. Failure to carry out management directives;
2. Unauthorized release of confidential Company information;
3. Theft or inappropriate use of Company property;
4. Falsification of Company records or reports, including expense reports;
5. Negligence involving the possibility of serious accident or injury to self, other employees, residents or the general public;
6. Unauthorized possession of weapons or controlled substances;
7. Assault and/or battery on fellow employees, Supervisor, customers, residents and general public while at work or representing the Company;
8. Such other actions or inactions deemed by management to be inconsistent with further employment.

The discharge of an employee is at the sole discretion of the Company.

In cases where immediate termination is warranted, the Company reserves the right first to suspend the employee with or without pay. Management may investigate the allegation and upon conclusion of the investigation reinstate with or without conditions, otherwise discipline, or terminate the employee. If an employee's suspension is continued without pay, the suspended employee shall not be eligible to earn vacation days, and/or sick days during the period of the suspension. Termination requires President approval.

#### Section 5.3 Absenteeism and Lateness.

Absences and lateness decrease effectiveness, disrupt the performance of services and place a greater burden on your co-workers. Occasionally, because of circumstances beyond your control, you may have to be absent or report late for work. If this should occur, you are required to contact your Supervisor no later than the start of the workday to report your absence. If you

are going to be more than a few minutes late, contact your Supervisor as to when you will arrive for work.

Unauthorized absence and excessive absenteeism for any reason is a serious offense. Unauthorized or excessive absenteeism will result in disciplinary action, up to and including termination.

#### Section 5.4 Substance Abuse.

Reporting to work or working with impaired abilities or the possession, consumption or distribution of drugs or alcohol shall be grounds for disciplinary action up to and including termination.

Legally defined disabilities will be dealt with in accordance with applicable State and Federal laws.

#### Section 5.5 Possession or Concealment of Weapons.

The Company prohibits the possession or concealment of weapons while on Company premises or anywhere else while doing business for the Company. Any violation of this policy may be grounds for immediate termination.

For purposes of this prohibition, a weapon is defined to include guns, rifles, firearms, knives, explosives, bombs and any and all other tools or instruments capable of inflicting harm to persons or property. Company premises include the buildings, parking lots, surrounding grounds and motor vehicles owned or leased by the Company. In the case of guns, rifles and other firearms, it is irrelevant that the person has a license or that the gun, rifle or firearm has no ammunition in it.

#### Section 5.6 Hiring Family Members.

Family members related to present employees of the Company will not be hired without the expressed written approval of the President. This hiring policy will apply to both corporate as well as site employees.

A family member includes a parent, parent-in-law, child, children-in-law, sibling, spouse, ex-spouse, grandparent, grandchild, and/or anyone who resides in the same house as the employee and any other member of an individual's family whether or not related by marriage or blood. This means that not more than one (1) family member shall be hired by THE LENNOX COMPANIES on a property, unless approved in writing by the President. This policy will affect both hourly and salaried employees, as well as part-time or seasonal employees, and outside contractors where an obvious conflict of interest exists.

#### Section 5.7 Company Owned Vehicles.

All Company owned vehicles are to be used for business purposes only and by authorized personnel who possess a valid driver's license with an acceptable Motor Vehicle Record.

Personnel will not be permitted to drive the Company owned vehicles unless they are listed as an approved driver with the Company's automobile insurance company.

All Company owned or project-owned vehicles are to remain on business premises during off hours except in a case where the President provides written permission otherwise. Company owned vehicles are not to be used for the purpose of commuting to and from work. Company owned vehicles are not to be used for any personal benefit. Fines imposed as a result of traffic violations will be paid entirely by the employee responsible for the violation.

Any employee who operates a Company owned or project-owned vehicle must have at all times a valid operator's (driver's) license.

Federal Motor Carrier Safety Regulations require all drivers of passenger vehicles designed to carry and/or transport 15 or more passengers (excluding the driver) to possess a Commercial Drivers License (CDL) with Passenger Endorsement. NOTE: Removal of seats(s) does not exempt vehicle from regulations. See Section 2.61 for CDL requirements.

If an employee operates a Company owned or project-owned vehicle and any required license is suspended or revoked, the employee must advise his/her Supervisor immediately. The employee's failure to notify his/her Supervisor of an occurrence of this nature and/or the employee operates a Company owned or project-owned vehicle without the required license is grounds for immediate termination.

#### Section 5.8    Cell Phone Policy.

The excessive use of cell phones for personal business is disruptive and counterproductive to our daily operations. Please try to refrain from using your cell phone for personal use during business hours. Also, please advise all persons having your cell phone number not to make personal calls to you during the business day.

#### Section 5.9    Searches.

To protect our employees and our business, the Company reserves the right to search at any time any person or property on Company premises, including, but not limited to, an employee's:

- Work area or office, and company owned computer, laptops, or tablets
- Desk, cabinets or locker, even if locked
- Company Automobile

The Company also reserves the right to monitor, access, search, block, copy, review and disclose at any time messages or documents created, sent, stored or received on, as well as any websites visited on, any of the Company's communication systems, including, but not limited to:

- Telephone system
- Fax machines/eFax storage

- Computer software and hardware (including laptops)
- E-mail system
- Voice mail system
- Internet Server

By using the Company's communication systems (with respect to which you have no expectation of privacy), employees consent to the Company's monitoring, accessing, searching, blocking, copying, reviewing and disclosing, both real time and after the fact, any documents or messages which they create, send, store or receive on, as well as websites visited on, the Company's communications systems.

Failure to submit to a search as required by this Policy is cause for an employee's immediate discharge.

For purposes of this Policy, the term "Company premises" includes the facilities, parking area, surrounding grounds and motor vehicles owned or leased by the Company.

#### Section 5.10 Power of Attorney/Executor Relationship with Residents.

Employees are not permitted for a non-related Resident to be the Executor/Executrix, Administrator/Administratrix, Trustee, Conservator or Guardian of a resident or a resident's estate, nor have Power of Attorney for a resident's bank account. If an employee has a relative that is a resident and one of these relationships exists, the relationship must be disclosed in writing to the President.

## 6. EMPLOYEE EXPENSES

### Section 6.1 Expense Reimbursements.

The Company will reimburse an employee for reasonable travel-related expenses and reasonable automobile related expenses when incurred for business purposes. When an employee's personal auto is used for business, the employee will be reimbursed at the current reimbursement rate for each mile driven for business, plus tolls and parking. Travel expenses (airplane, hotel, etc.) must have prior approval from your Supervisor and will be reimbursed based on the actual expense. Receipts are required for travel expenses, tolls, parking, etc. When an employee is out of town, meals will be reimbursed at the current per diem rate. Contact your Supervisor for the current rates of reimbursement as they are periodically adjusted to maintain compliance with IRS regulations.

To be reimbursed for reasonable travel and automobile expenses, an employee must complete an expense reimbursement form supplying appropriate support and documentation for the reimbursement. The report must be approved by your Supervisor and/or the President. Submission of the expense report constitutes a certification by the employee that the expenses therein are valid business expenses incurred for business or a professional course.

When an employee takes training, educational or professional course and the cost of the course and travel related expenses exceeds \$500.00, the employee must submit a written or electronic request and receive approval from the President. If the employee **should voluntarily** terminate their employment within eighteen months of completing the course, the employee will reimburse the Company the monthly prorated share of the total cost. This requirement is waived if management mandates the course.

#### Relocation Expense Reimbursement.

When an employee is reimbursed for relocation expense, the employee must complete the Expense Reimbursement Form which indicates that, if the employee **should voluntarily** terminate employment within twenty-four (24) months of the reimbursement, the employee will reimburse the Company the monthly prorated share of the cost.

## 7. COMPUTER INFORMATION SYSTEM POLICY

### Section 7.1 E-Mail Purpose and Guidelines.

The Company's e-mail system is to be used for transmitting, receiving and storing information for business purposes. Although E-mail is designed for business purposes, the Company recognizes that some personal use of E-mail may occur. These non-business uses should be kept to a minimum and not interfere with business activities.

The Company's Policy on Equal Employment Opportunity applies to E-mail; no obscene, derogatory or offensive communication should be sent. Any use of E-mail to send or forward any materials which is sexual or suggestive or which disparages, stereotypes or otherwise makes fun of any protected group, for example, any race, religion, ethnic group, gender, sexual orientation, age or disability, is strictly prohibited.

Within the guidelines set forth above, it is permissible to send E-mail communications within the Company where they relate to Company activities or personnel matters. This would include items such as Company sponsored or group sports activities, announcements about personnel (e.g., newborn children), invitations to Company functions, traffic reports, lights-on reports, and lost and found notices. However, the guidelines would generally not permit E-mail soliciting the sale of items, contributions or participating in outside activities unrelated to the business of the Company.

E-mail is not private and may be read by the Company, notwithstanding the existence of passwords. Please also be aware that no one in the Company has a right to privacy in any matter created, received or sent on the E-mail system. E-mail messages may be accessed and reviewed by systems or Company personnel, notwithstanding the use of passwords. If you would not say it in a typewritten memo or letter, you should not say it in E-mail.

Because the E-Mail system is the property of the Company with respect to which employees have no expectation of privacy, the Company reserves the right to monitor, access, search, block, copy, review and disclose messages sent, received or stored on E-Mail. By using the Company's E-Mail system, employees consent to the Company's monitoring, accessing, searching, blocking,

copying, reviewing and disclosing messages sent, received, or stored on the Company's E-Mail system, both real time and after the fact.

Information transmitted or stored on E-mail is the sole property of the employer.

If you want to send E-mail within the Company and are uncertain as to whether or not it is permitted under these guidelines, you should discuss the matter first with the President, or your immediate Supervisor.

An employee who violates this Policy will be subject to appropriate disciplinary action, up to and including immediate termination.

## Section 7.2 Internet Use Policy Statement.

### 1. Permitted Purposes

Employees may access the Internet through the Company network or using Company-provided equipment solely for the purpose of conducting business for the Company. However, the Company's network and/or equipment may be used for non-business purposes if such non-business use is kept to a minimum and such non-business use does not interfere in any way with business activities or otherwise violate this Policy. However, the non-business use cannot be for political, romantic or for-profit or other commercial purposes.

### 2. Authorized Company Activities

Since all Internet transactions conducted from the Company network could be perceived as authorized Company activities, employees must follow all applicable laws, regulations and policies when accessing the Internet.

### 3. Publishing on Behalf of Company

Employees placing information on the Internet are, in effect, publishing such information on the Company's behalf. Accordingly, employees must observe all existing standards, policies and regulations regarding materials published on the Company's behalf.

### 4. Copying

Employees must obtain approval from the President before downloading any materials for which an online (or "click") agreement must be completed. Employees shall refrain from illegally copying protected works or making available copies of such works. Employees are responsible for observing copyright and licensing agreements that may apply when downloading files, documents and software.

### 5. Prohibited Uses

Employees are prohibited from sending or posting messages that contain abusive or objectionable language, that defame or libel others, or that infringe the privacy rights of others.

Employees shall not view, download, copy, send, post or access information that is illegal, obscene or otherwise inconsistent with the Company's non-discrimination and non-harassment policies (e.g., sexual images, sexist comments, racist messages, ethnic slurs, religious slurs).

#### 6. Monitoring and Ownership

All employees have no right to privacy to Internet searches and communications, and consent to the Company's monitoring, accessing, searching, blocking, copying, reviewing and disclosing of their Internet searches and communications, both real time and after the fact.

It is important for employees to remember that all works of authorship in any form which are created for the Company and/or using the Company's information technology, regardless of when or where the works of authorship are created, are owned solely by the Company, including, but not limited to, all intellectual property rights therein.

#### 7. Company Network Security

Employees shall access the Internet in a manner which does not compromise the security and integrity of the Company network such as allowing intruders or viruses into the Company network. Employees wishing to download any document, file or software from non-Company sources must observe Company policies and procedures for virus checking and system security.

An employee who violates the Policy will be subject to appropriate disciplinary action, up to and including immediate discharge.

#### Section 7.3 Computer Policy.

Licensing agreements and other legal restrictions and requirements apply to the use of computers (including laptops), software programs and network services. Our Corporate Office is responsible for ensuring our compliance with these licensing agreements and other legal restrictions and requirements.

To ensure legal compliance and to avoid the inadvertent creation of technological problems, an employee must obtain prior approval from the Corporate Office before he or she:

- Copies Company-provided software programs (even if from one Company computer to another or to a storage device).
- Installs or loads on or downloads or removes from a Company computer or from any network service any software programs or other electronic content (including, but not limited to, games, screen savers, digital photographs or video, anti-virus software and shareware or freeware).
- Installs Company-provided software programs on a home or other non-Company computer system.
- Runs any maintenance or diagnostic software programs, such as Scandisk.

- Installs new hardware on Company computer or attempts to service Company computer or any other computer peripherals.
- Upgrades, enhances or attempts to alter or reverse engineer any software program.

An employee who engages in any of the activities set forth above without the prior approval required by this Policy, or who violates the guidelines provided by the Corporate Office where approval has been granted, will be subject to appropriate disciplinary action, up to and including discharge.

Passwords are provided to all employees who have access to the Company's computers. An employee may neither use another employee's password nor permit another employee or non-employee to use his or her password to access the Company's computer systems.

Because the Company's computers and storage devices are the sole property of the Company with respect to which you have no expectation of privacy, they and any information which you create or store on them are subject to search by the Company at any time at its sole discretion. Similarly, any Company-provided software program authorized for use by an employee on his or her home computer system or elsewhere subjects any such computer system (with respect to which you have no expectation of privacy) to search by the Company at any time at its sole discretion.

#### Section 7.4 Software Installation.

We live in an age where computer viruses are prevalent, and there have been countless incidents where companies have experienced such hazards.

The Corporate Office must be notified prior to installing any software onto your computer.

## 8. CURRENT INSURANCE BENEFITS

### Section 8.1 Insurance Benefit.

All new employees will receive enrollment information. If you have any questions regarding your benefit programs, you should contact your President.

Your specific rights to benefits under each benefit plan and the conditions to be satisfied for eligibility for participation/coverage is governed solely, and, in every respect, by the eligibility requirements and other terms, conditions and restrictions in the Plan Documents and insurance contracts, and not by the information in this handbook. If there is any discrepancy between the descriptions of the plans presented in this handbook and the official Plan Document, the language of the official Plan Document shall govern as the "**final word**".

You should remember that the Company reserves the right, at its sole discretion, to revise, to modify or to terminate any benefit plan, option or coverage including any retiree benefit plan, option or coverage, at any time, for any reason, with or without further notice.

## Section 8.2 Health Insurance

The Company currently offers medical coverage in areas of hospitalization, major medical, dental, prescription and vision care for all eligible Regular Full Time employees.

New Regular Full-Time Eligible Employees will be eligible to join the Company's Health Insurance on the first day of the month following the 60<sup>th</sup> day of the start of employment.

Upon terminating employment, the eligible employees are permitted to apply for continued health benefit coverage in accordance with COBRA law. If the employee qualifies for COBRA coverage, generally, the individual may purchase group health insurance at the employer's premium rate for a period of up to 18 months upon termination of employment, at the employee's expense.

## Section 8.3 Workers' Compensation Insurance.

All employees are covered by the Company's Workers' Compensation insurance policy from the moment employment with the Company begins. This coverage provides medical treatment for an employee in the event the employee is injured or becomes ill as a result of his/her job duties and also provides for income-continuation should job-related injuries or illnesses prevent the employee from reporting to work.<sup>3</sup> Workers' Compensation insurance policies shall comply with the requirements of the state in which the employee works. All work related illnesses or injuries must be immediately reported to the President and the Property Manager. Voicemail does not constitute notification. A written report (i.e. Incident Report) must be sent to the President for inclusion in the personnel file to protect benefits for which you may be eligible.

## 9. VACATION TIME

### Section 9.1 Vacation Time.

The Lennox Companies is pleased to offer unlimited vacation days based on the criteria listed below.

**Regular Full-Time Employees:** These employees are eligible for paid vacations. Employees are not eligible for vacation hours within the first 90 days of employment. Employees must have their immediate Supervisor's approval to take vacation. Vacation requests must be submitted by the employee to their Supervisor at least 30 days in advance.

Vacation is paid at the current rate of pay when the vacation is taken. Employees are encouraged to use vacation for rest, relaxation, illness, bereavement, and personal pursuits.

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<sup>3</sup> If you have an accident or injure yourself in the course of your work, no matter how minor, it is essential that this be reported to your Supervisor **immediately**. This is necessary to ensure that you receive the appropriate level of medical care as soon as possible. It is also necessary to allow the Company to complete and forward the proper forms and reports to governmental agencies and to the Company's Workers' Compensation carrier as required by law.

## Section 9.2 Sick Time

Sick time is Four (4) sick days in a calendar year. Any unused sick time is automatically cancelled and cannot be carried into the next calendar year. Sick time will be earned at the beginning of the year and will be pro-rated should employment begin after the start of the year.

No paid sick time may be taken during an employee's initial Introductory Period. An Employee will not receive compensation at any time for any sick time taken during an Introductory Period.

No payment will be made for sick time not taken. No payment will be made for unused sick time upon termination of employment.

In all cases where more than three (3) consecutive days are taken as sick leave, in any scenario, a written explanation must be submitted to the Company from a physician. In such cases, sick leave will not be paid if the above written explanation is not submitted.

Payments for sick days will be reduced by any payments received, or amount an employee is entitled to receive, under Workers' Compensation or disability income benefits. Sick time should not be used if an employee is filing a Workers' Compensation claim.

When a sick day is taken on a regularly scheduled workday preceding and/or following a holiday, the sick day may not be paid without written explanation from a physician.

The Employee will not be eligible to use Sick Time once the employee has given their notice of resignation.

## Section 9.3 Holidays.

Company paid Holidays are as follows, subject to annual notice:

1. New Year's Day
2. Martin Luther King's Day
3. Presidents' Day
4. Memorial Day
5. Independence Day
6. Labor Day
7. Thanksgiving Day
8. Day after Thanksgiving
9. Christmas Eve
10. Christmas Day
11. Floating Holiday, ie. Birthday
12. Yom Kippur

Regular Full-Time Employees and Temporary Full-Time Employees are eligible for paid holiday time. Regular Part-Time Employees are eligible for paid holiday time if the holiday falls on a day that they are normally scheduled to work. Temporary Part-Time Employees are not eligible for paid holiday time. Straight time shall be paid for holidays not worked. To be entitled to holiday pay, an employee must have worked the regularly scheduled working day preceding and

following the holiday unless absent for a reason satisfactory to the Company, (i.e., approved vacation).

Should the holiday fall on a weekend, the Employee shall be allowed to take the following Monday as their paid Holiday date. If Christmas Eve and Christmas Day both fall on a weekend day, the Christmas Eve holiday date shall be used on the Friday prior to the holiday date and Christmas Day holiday date shall be used on the Monday following the holiday date.

#### Section 9.4    Jury Duty.

Any employee who is called for jury duty shall be excused from work for the days served and shall receive the difference between a day's pay and the payment received for such service for each day of service that falls within the employee's regular work week. The employee will be responsible to present proof of service and amount of pay received.

#### Section 9.5    Military Leave.

Full-time and part-time employees shall be eligible for Military Leave for voluntary or involuntary military service in conformity with applicable federal and state laws. An employee on Military Leave will be reinstated in accordance with applicable federal and state laws.

An exempt employee shall receive his or her full salary minus military fees for any work week in which he or she is on Military Leave and performs any work for the Company.

Employees may use available paid time off benefits during Military Leave.

An employee should provide their Supervisor with as much notice as possible of his or her need for Military Leave. Such notice is requested to the extent possible but not required. A Supervisor will provide the employee with additional detail about the terms and conditions of such Leave.

#### Section 9.6    Condolence Leave.

In the event of death in the immediate family (which is defined as husband, wife, child, mother, father, brother, sister, mother-in-law, father-in-law and domestic partner), an employee will be excused from work for three (3) days with pay in order to attend the funeral. Proof of death in family may be required before leave with pay is granted. For the death of all other family members, employees will be excused from work for one (1) day with pay.

#### Section 9.7    Family and Medical Leave.

The Company complies with the Federal Family and Medical Leave Act, and all state law equivalents.

The Company complies with Federal and State laws that permit a family or medical leave or absence without pay to eligible employees who wish to take time off from work duties to fulfill certain family or medical obligations. Please see the addenda for Family Leave laws applicable in your state, if one exists.

A request for family or medical leave must be in writing, stating the reason for the leave and an estimate of the time required. The Company may require employees to provide a physician's statement verifying the illness, its beginning and expected ending dates, the need for the employee to provide care and the estimated time required. The Company reserves the right to require an employee to seek a second opinion. The second opinion provider will be selected and paid for by the Company.

Eligible employees may request up to twelve (12) weeks of family or medical leave within any twelve (12) month period. The Company uses a "rolling" twelve-month period measured backward from the date an employee uses any FMLA leave. Under the "rolling" method, each time an employee takes FMLA leave the remaining leave entitlement would be any balance of the twelve weeks which has not been used during the immediately preceding twelve months. For example, if an employee has taken eight weeks of leave during the past twelve months, an additional four weeks of leave could be taken. If an employee used four weeks beginning February 1, 2004, four weeks beginning June 1, 2004 and four weeks beginning December 1, 2004, the employee would not be entitled to any additional leave until February 1, 2005. However, beginning on February 1, 2005, the employee would be entitled to four weeks of leave, on June 1, the employee would be entitled to an additional four weeks, etc.

Eligible employees must have worked at least 1,250 hours in the twelve (12) month period preceding the leave request and the employee must be employed at a worksite where 50 or more employees are employed within 75 miles of the worksite.

Where leave is to be taken for the birth or placement of a child for adoption or foster care, the leave may not be taken intermittently or on a reduced leave schedule. In addition, leave taken under these circumstances must be completed within twelve (12) months of the birth or placement to which the leave relates.

Where leave is taken to care for a sick family member or due to the employee's own serious health condition, leave may be taken intermittently or on a reduced schedule when medically necessary. Employees requesting intermittent or reduced leave must attempt to schedule their leave so as to minimize the disruption to the Company's operations.

Subject to the terms, conditions and limitations of the applicable plans, the Company will continue to provide health insurance benefits for the full period of the approved family or medical leave under the same conditions as if the employee had been continuously employed during the entire leave period. Any share of health plan premiums, which had been paid by the employee prior to the FMLA leave, must continue to be paid by the employee during the leave. If an employee fails to return to work after the period of leave expires, the Company reserves the right to recover the premium paid for coverage during the leave period, except when the employee does not return to work due to the following:

1. The continuation, recurrence, or onset of a serious health condition of a family member or the employee that would otherwise entitle the employee to take leave or,
2. Other circumstances beyond the control of the employee.

3. Premiums must be paid in full to be able to continue coverage under COBRA (Consolidated Omnibus Budget Reconciliation Act).

An employee on family or medical leave must provide the Company with at least two (2) day notice of the date the employee intends to return to work.

Section 9.8 Employee Training and Education.

The Company recognizes that education/training of employees is of paramount importance to the Company and its ability to manage properties. Participation in professional organizations which enhance the visibility and accessibility of the Company should be undertaken and maintained in order to strengthen the Company. The following reimbursement policy has been set to provide the greatest number of employees access to continuing education at a cost that is fiscally responsible.

1. The Company will recognize for reimbursement those courses directly related to the employee's job. Reimbursement will be for courses approved for your job level and only to maintain or enhance your skills for your current position. These courses must be offered by a professional organization approved by the Company.
2. Professional organization training or continuing education courses will be paid in advance when:
  - a. Executive management approves course and the course is required to maintain certification.
  - b. The Education Reimbursement Form for course over \$500 has been signed.
  - c. Employee reimbursement for calendar year has not exceeded 1 course or \$1,000.
  - d. Upon completion, employee must provide a copy of certificate or letter of notification indicating successful completion of course.
  - e. All travel expenses incurred by the Company must be included in the repayment note and calculation of the \$500 threshold.
3. Courses taken or certifications maintained at the request of the Company shall be paid for in full by the Company and will not count against the employee's maximum educational reimbursements. Courses required to maintain your license or professional designation will count towards maximum limit, if not taken at the request of the Company.

**THE LENNOX COMPANIES LLC**  
**ACKNOWLEDGEMENT OF RECEIPT OF SITE EMPLOYEE HANDBOOK**

This is to acknowledge that I have received and read the copy of the THE LENNOX COMPANIES LLC Site Employee Handbook effective March 5, 2014.

\_\_\_\_\_  
Employee's Name (typed or printed)

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Property Name (typed or printed)

\_\_\_\_\_  
Date

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