



**ELMSTONE**  
— GROUP —  
PROPERTY MANAGEMENT, LLC

## **Employee Handbook**

**October 15, 2019**

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# Core Policies

## 1 Welcome

### 1.1 A Welcome Policy

Welcome! You have just joined a dedicated organization. We hope that your employment with Elmstone Group Property Management, LLC will be both rewarding and challenging. We take pride in our employees as well as in the products and services we provide.

The Company complies with all federal and state employment laws, and this handbook generally reflects those laws. The Company also complies with any applicable local laws, although there may not be an express written policy regarding those laws contained in the handbook.

The employment policies and/or benefits summaries in this handbook are written for all employees. When questions arise concerning the interpretation of these policies as they relate to employees who are covered by a collective-bargaining agreement, the answers will be determined by reference to the actual union contract, rather than the summaries contained in this handbook.

Please take the time now to read this handbook carefully. Sign the acknowledgment at the end to show that you have read, understood, and agree to the contents of this handbook, which sets out the basic rules and guidelines concerning your employment. This handbook supersedes any previously issued handbooks or policy statements dealing with the subjects discussed herein. The Company reserves the right to interpret, modify, or supplement the provisions of this handbook at any time. Neither this handbook nor any other communication by a management representative or other, whether oral or written, is intended in any way to create a contract of employment. Please understand that no employee handbook can address every situation in the workplace.

If you have questions about your employment or any provisions in this handbook, contact Steven or Shari Gould.

We wish you success in your employment here at Elmstone Group Property Management, LLC!

All the best,

CEO Elmstone Group Property Management, LLC

### 1.2 At-Will Employment (PEO)

Your employment with Elmstone Group Property Management, LLC is on an "at-will" basis. This means your employment may be terminated at any time, with or without notice and with or without cause. Likewise, we respect your right to leave the Company at any time, with or without notice and with or without cause.

Nothing in this handbook or any other Company document should be understood as creating a contract, guaranteed or continued employment, a right to termination only "for cause," or any other guarantee of continued benefits or employment. Only the CEO has the authority to make promises or negotiate with

regard to guaranteed or continued employment, and any such promises are only effective if placed in writing and signed by the CEO.

If a written contract between you and the Company is inconsistent with this handbook, the written contract is controlling. However, as to Paychex Business Solution, the written contract between you and the Company does not control if it is inconsistent with this handbook.

Nothing in this handbook will be interpreted, applied, or enforced to interfere with, restrain, or coerce employees in the exercise of their rights under Section 7 of the National Labor Relations Act.

This policy may not be appropriate in its entirety for employees working in Montana.

## **1.3 Important Definitions**

Elmstone Group Property Management, LLC has entered into an agreement with Paychex Business Solution, a professional employer organization (PEO). Paychex Business Solution was selected by the company to help employees enjoy the many company benefits offered through this concept.

The term "Company," as used throughout this handbook, refers exclusively to Elmstone Group Property Management, LLC, your worksite employer, who is primarily responsible for directing your day-to-day duties. The terms "we," "us," and "our" refer to Elmstone Group Property Management, LLC and not Paychex Business Solution, unless otherwise stated.

Where this handbook refers to current benefit plans maintained by the Company and/or Paychex Business Solution, refer to the actual plan documents and summary plan descriptions if you have specific questions regarding the benefit plans. Those documents are controlling.

Paychex Business Solution is not bound by the terms of any contract between employees and the Company unless it is executed by the PEO.

# **2 Introductory Language and Policies**

## **2.1 About the Company**

Elmstone Group is a collection of fully integrated, specialized Real Estate companies. The Elmstone Group is a regionally recognized leader within the Texas Real Estate industry with a full spectrum of services designed to provide the key to simplifying real estate transaction processes, including acquisition, asset management, rehabilitation, repositioning and disposition of multifamily and single family assets.

Headquartered in Plano, Texas the Elmstone Group is a group of companies one per property, and all managed by Elmstone Group Property Management, LLC.

## **2.2 Company Facilities**

Each of the apartment communities below are managed to peak performance by a stellar team provided by Elmstone Group Property Management, LLC.



## **Manchester House**

In February 2019, Elmstone Group XII, LLC acquired the 97 unit Salem Ridge apartments community in Denton, TX. Purchased as a distressed asset, it was immediately re-branded and upgraded with around \$750M in upgrades.

## **The Monterey apartment homes**

In October 2016, Elmstone Group OP2, LLC acquired the 160 unit The Monterey apartment community in Irving.

## **Past Properties**

The following properties are no longer managed by Elmstone Group Property Management, LLC.

### **Silverado Apartments (2016-19)**

In April 2016, Elmstone Group OP1, LLC acquired the 185 unit Silverado Apartments in Irving. More than \$600K in Capital Improvements were made to the property as it was converted from an All Bills Paid property to resident paid utilities. Unused storage space was re-purposed as a multi-function clubhouse; an unused efficiency was also brought back online; and plans are in the works to add new units.

### **The Village on West Irving (2015-18)**

Elmstone Group TV, LLC owned The Village on West Irving apartment community from 2015 through 2018. This 91-unit Class B/C apartment community in West Irving was upgraded and re-branded. The property was built in two phases: the first in 1963 and the newest, bigger phase in 1974.

The property was formerly known as Villas Del Sol, but was rebranded as The Village on West Irving to broaden its appeal beyond the hispanic community in South Irving. With a variety of units and town homes up to 1,472 square feet, The Village on West Irving offered spacious living at an affordable price.

### **Spanish Chase Apartments (2012-17)**

Elmstone Group SC, LLC owned Spanish Chase apartments in Irving, Texas from 2012 through 2017. This 77-unit Class C apartment community constructed in 1973 was completely renovated. At acquisition the property was being run as an All Bills Paid property. Over a 3 year period, various utility expenses were billed back to the residents. Additionally, a handful of "Deluxe" units were created commanding premium rents.

### **Casa Del Sol Apartments (2011-15)**

Elmstone Group CDS, LLC owned Casa Del Sol apartments in Irving, Texas from 2011 through 2015. This 104-unit Class C apartment community built in 1962 consists of 104 1 bedroom, 1 bathroom units, each of 432 sq. ft. The property was operated as an All Bills Paid community and provided a great, economical home for many individuals, couples and small families.

## **2.3 Ethics Code**

Elmstone Group Property Management, LLC will conduct business honestly and ethically wherever operations are maintained. We strive to improve the quality of our services, products, and operations and will maintain a reputation for honesty, fairness, respect, responsibility, integrity, trust, and sound business judgment. Our managers and employees are expected to adhere to high standards of business and personal integrity as a representation of our business practices, at all times consistent with their duty of

loyalty to the Elmstone Group Property Management, LLC.

We expect that officers, directors, and employees will not knowingly misrepresent the Company and will not speak on behalf of the Company unless specifically authorized. The confidentiality of trade secrets, proprietary information, and similar confidential commercially-sensitive information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.) about the Company or operations, or that of our customers or partners, is to be treated with discretion and only disseminated on a need-to-know basis (see policies relating to privacy).

Violation of the Code of Ethics can result in discipline, up to and including termination of employment. The degree of discipline imposed may be influenced by the existence of voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation.

## 2.4 Mission Statement

### Environmental Consciousness

We're always looking for ways that we can provide a superior service while at the same time minimizing the environmental footprint that we all leave behind. Even though we manage older properties mostly built without consideration for the environment that certainly does not mean that we cannot do more to reduce their footprint. Some of the programs that we have already implemented include:

- Water conservation programs at all our properties typically demonstrating a 20-30% Year-on-Year reduction in water usage.
- Replaced exterior halogen, incandescent and fluorescent lights with LED equivalent lighting. Not only do they last longer but they have demonstrated approximately 30-40% Year-on-Year reduction in common-area electricity consumption at one of the larger properties.
- Migrated the electricity contracts at each property to use more renewable energy sources. Since 2015 we have been purchasing wind energy credits to offset 100% of the property's electricity use. The last of the properties completed its' migration in summer of 2017.  
[Note that tenants are free to choose their own electricity provider and source of electricity, though we encourage conversion to a sustainable energy source regardless of which provider they choose.]
- Our migration to purchasing wind power credits prevents more than 1.25 million pounds of [Carbon Dioxide pollution](#) (CO<sub>2</sub>), the major contributing cause of global warming.
- As a Green Power Partner (GPP) both in corporate and at each of our properties we purchase green power in amounts that meet EPA's requirements.
- Adopt e-billing and e-payments with all vendors that provide it. Even for vendors that do not yet support e-billing, we convert paper invoices to electronic thereby replacing a "paper trail" with an "electronic trail" (for accounting purposes).
- By utilizing [integrated pest management \(IPM\)](#) we aim to reduce or minimize risks to human health and the environment. This is just one aspect that we use to improve [Indoor Air Quality \(IAQ\)](#) for our residents and guests.
- Drainage and flood control measures to help reduce local as well as down-stream flooding.
- Allow our residents to pay their rent online or create work-orders online.
- Educate and inspire staff and residents to conserve and preserve.
- Migrating towards a paperless office. Some of the side benefits of this have been easy access to documents across geographically disperse offices, faster turn-around and payment of vendor invoices, and reduce time/expense transporting paper documents.

- [Recycling](#) in corporate offices including papers and plastics, as well as printer ink and toner cartridges.
- Even our investors and property owners get involved and are encouraged to view presentations electronically rather than have us print out unnecessary copies of presentations and reports. The primary form of communications with our investors is electronic. We do not provide paper copies of any documents. If the individual investor prefers paper copies then they can elect to print out documents, though it is not required.
- We're always exploring additional ways to help reduce our impact on the environment, including additional water conservation, flood reduction and control, and more.
- As an [EPA Green Power Partner](#) we purchase green power in amounts that meet EPA's requirements. We also use energy and water efficient devices whenever possible and encourage all of our residents to do the same.

## 2.5 Organization Policy

**Shari L. Gould** is a co-founder of the Elmstone Group and the majority owner. Shari Gould owns and operates the property management company, Elmstone Group Property Management, LLC, that manages all of the properties in the Elmstone Group portfolio. Shari also oversees acquisition and management of all of the properties, as well as assists with identification of new prospects. Elmstone Group Property Management currently is a member of the [National Apartment Association \(NAA\)](#), the [Apartment Association of Greater Dallas \(AAGD\)](#), [Texas Apartment Association \(TAA\)](#), and education and mentor group [Lifestyles Unlimited, Inc.](#) She successfully completed her Certified Apartment Manager (CAM) and Certified Apartment Portfolio Supervisor (CAPS) accreditation from NAA through AAGD to further enhance her existing operations and management skills.

**Steven R. Gould** is a co-founder of the Elmstone Group. Steven Gould oversees the day-to-day financial operations of all of the properties, and conducts financial analysis of new prospects to help determine feasibility. As a member of Elmstone Group Property Management, LLC, Steven is also a member of the National Apartment Association (NAA), the Apartment Association of Greater Dallas (AAGD), Texas Apartment Association (TAA), and education and mentor group Lifestyles Unlimited, Inc. He successfully completed his Certified Apartment Portfolio Supervisor (CAPS) accreditation and [Independent Rental Owner Professional \(IROP\)](#) accreditation both from NAA to further enhance his existing operations and management skills.

# 3 Hiring and Orientation Policies

## 3.1 Conflicts of Interest

Elmstone Group Property Management, LLC is concerned with conflicts of interest that create actual or potential job-related concerns, especially in the areas of confidentiality, customer relations, safety, security, and morale. If there is any actual or potential conflict of interest between you and a competitor, supplier, distributor, or contractor to the Company, you must disclose it to your Managers. If an actual or potential conflict of interest is determined to exist, the Company will take such steps as it deems necessary to reduce or eliminate this conflict.

## **3.2 Employment of Relatives and Friends**

We will not employ friends or relatives in circumstances where actual or potential conflicts may arise that could compromise supervision, safety, confidentiality, security, and morale at Elmstone Group Property Management, LLC. It is your obligation to inform the Company of any such potential conflict so the Company can determine how best to respond to the particular situation.

## **3.3 Job Descriptions**

Elmstone Group Property Management, LLC attempts to maintain a job description for each position. If you do not have a current copy of your job description, you should request one from your Managers.

Job descriptions prepared by the Company serve as an outline only. Due to business needs, you may be required to perform job duties that are not within your written job description. Furthermore, the Company may have to revise, add to, or delete from your job duties per business needs. On occasion, the Company may need to revise job descriptions with or without advance notice to employees.

If you have any questions regarding your job description or the scope of your duties, please speak with your Managers.

## **3.4 New Hires and Introductory Periods**

The first 90 days of your employment is considered an introductory period. During this period, you will become familiar with Elmstone Group Property Management, LLC and your job responsibilities, and we will have the opportunity to monitor the quality and value of your performance and make any necessary adjustments in your job description or responsibilities. Your introductory period with the Company can be shortened or lengthened as deemed appropriate by management and Human Resources. Completion of this introductory period does not imply guaranteed or continued employment. Nothing that occurs during or after this period should be construed to change the nature of the "at-will" employment relationship.

## **3.5 Employment Authorization Verification**

New hires will be required to complete Section 1 of federal Form I-9 on the first day of paid employment and must present acceptable documents authorized by the U.S. Citizenship and Immigration Services proving identity and employment authorization no later than the third business day following the start of employment with Elmstone Group Property Management, LLC. If you are currently employed and have not complied with this requirement or if your status has changed, inform your Managers.

If you are authorized to work in this country for a limited period of time, you will be required to submit proof of renewed employment eligibility prior to expiration of that period to remain employed by the Company.

# 4 Wage and Hour Policies

## 4.1 Attendance Policy

If you know ahead of time that you will be absent or late, provide reasonable advance notice to your Managers. You may be required to provide documentation of any medical or other excuse for being absent or late where permitted by applicable law.

Elmstone Group Property Management, LLC reserves the right to apply unused vacation, sick time, or other paid time off to unauthorized absences where permitted by applicable law. Absences resulting from approved leave, vacation, or legal requirements are exceptions to the policy.

Every employee is assigned a primary job site. Working from home is not permitted as a substitute for being at your designated job site.

## 4.2 Direct Deposit

Elmstone Group Property Management, LLC encourages all employees to enroll in direct deposit. If you would like to take advantage of direct deposit, ask payroll for an application form. Typically, the bank will begin the direct deposit of your payroll within 30 calendar days after you submit your completed application.

If you have selected the direct deposit payroll service, a written explanation of your deductions will be given to you on paydays described in the preceding sections in lieu of a check.

## 4.3 Job Abandonment

If you fail to show up for work or fail to call in with an acceptable reason for the absence for a period of three consecutive days, you will be considered to have abandoned your job and voluntarily resigned from Elmstone Group Property Management, LLC.

## 4.4 Paycheck Deductions

Elmstone Group Property Management, LLC is required by law to make certain deductions from your pay each pay period. This includes income and unemployment taxes, Federal Insurance Contributions Act (FICA) contributions (Social Security and Medicare), and any other deductions required under law or by court order for wage garnishments. The amount of your tax deductions will depend on your earnings and the number of exemptions you list on your federal Form W-4 and applicable state withholding form. You may also authorize voluntary deductions from your paycheck, including contributions for insurance premiums, retirement plans, spending accounts, or other services. Your deductions will be reflected in your wage statement.

The Company will not make deductions to your pay that are prohibited by federal, state, or local law. If you have any questions about deductions from your pay, contact your Managers. You will be reimbursed in full for any isolated, inadvertent, or improper deductions, as defined by law. If an error is found, you will receive an immediate adjustment, which will be paid no later than your next regular payday.

## 4.5 Recording Time

Elmstone Group Property Management, LLC is required by applicable federal, state, and local laws to keep accurate records of hours worked by certain employees. To ensure that the Company has complete and accurate time records and that employees are paid for all hours worked, nonexempt employees are required to record all working time using Paychex Time app on your SmartPhone (iPhone and Android only). Exempt employees may also be required to track days or time worked. Speak with your Managers for specific instructions.

You must accurately record all of your time to ensure you are paid for all hours worked, and must follow established Company procedures for recording your hours worked. Time must be recorded as follows:

- Immediately before starting your shift.
- Immediately after finishing work, before your meal period.
- Immediately before resuming work after your meal period.
- Immediately after finishing work.
- Immediately before and after any other time away from work.

Electronic time sheets are to be turned in to your Managers or appropriate department by the end of your shift on Friday.

If you are required to clock in, you should clock in no more than five minutes ahead of your start time and clock out no later than five minutes after your quitting time.

Notify your Managers of any pay discrepancies, unrecorded or misrecorded work hours, or any involuntarily missed meal or break periods. Any adjustments to time punches or time-tracking must be in the Paychex system by noon on Saturday in order to get credit for them in the following paycheck.

Falsifying time entries is strictly prohibited. Falsifying time entries includes working "off the clock." If you falsify your own time records, or the time records of co-workers, or if you work off the clock, you will be subject to discipline up to and including termination. Immediately report to HR ([hr@elmstonegroup.com](mailto:hr@elmstonegroup.com)) any employee, supervisor, or manager who falsifies your time entries or encourages or requires you to falsify your time entries or work off the clock.

## 4.6 Travel Expenses

The purpose of this policy is to define approved business travel expenses and the authority for incurring and approving such expenses at Elmstone Group Property Management, LLC.

Travel expenses are the reasonable and necessary expenses incurred by employees when traveling on approved Elmstone Group Property Management, LLC business trips. Travel is limited to business activities for which other means of communication is inadequate and for which prior approval from your Managers has been received.

### Advances

The Company does not generally provide cash travel advances. Normally, you will be expected to use personal credit cards and/or your own cash and submit approved expenses on the standard Expense Report Form.

## **Travel Expenses**

The Company pays the actual amounts incurred for appropriate expenses when you are on travel assignments. Examples of typical expenses include the following:

- Airline tickets.
- Meals and lodging.
- Car rental, bus, taxi, parking.
- Telephone and fax.
- Laundry and dry cleaning (trips exceeding one week only, unless emergency).
- Business supplies and services.
- Associated gratuities.
- Other expenses necessary to achieve the business purposes.

## **Family Members**

The Company will pay the travel expenses of spouses or other family members only when their presence is necessary to the business purpose of the trip and when approved in advance in writing by the Chief Executive Officer.

## **Air Travel**

Use economy or tourist class airfares when traveling on Company business. In addition, private, noncommercial aircraft or chartered aircraft is not to be used, and no more than two Company officers should travel together on the same flight.

Airfares are to be charged to personal credit cards and subsequently submitted for reimbursement on a monthly expense report.

## **Hotels**

Neither in-room movies nor refreshment bars are approved Company expenses.

## **Insurance**

The Company does not pay for personal travel insurance for employees.

## **Rental Cars**

You are to use rental firms having existing relationships with the Company and, where feasible, have negotiated discount rates. Available reasonable transportation is to be used.

## **Personal Vehicles**

When using your own vehicle for business purposes, you must maintain insurance coverage as required by law and may not have more than 2 points on your driving record. Travel between your home and primary office is not considered to be business travel. You may not use your personal vehicle for business travel without authorization. Every attempt should be made to utilize the use of courier and delivery services in order to avoid hazard of liability and the time away from work. You will be reimbursed for vehicle use at the standard IRS mileage rate. The Chief Executive Officer must authorize any deviation from this policy.

## **Reporting**

Report approved expenses and include a description of the expense, its business purpose, date, place, and the participants.

## **Travel Reservations**

Airline travel, rental cars, and hotels must be booked through the corporate designated travel agency in order to be reimbursed.

# **5 Performance, Discipline, Layoff, and Termination**

## **5.1 Criminal Activity/Arrests**

Elmstone Group Property Management, LLC will report all criminal activity in accordance with applicable law. Involvement in criminal activity while employed by the Company, whether on or off Company property, may result in disciplinary action including suspension or termination of employment.

You are expected to be on the job, ready to work, when scheduled. Inability to report to work as scheduled may lead to disciplinary action, up to and including termination of employment, for violation of an attendance policy or job abandonment.

## **5.2 Exit Interview**

You may be asked to participate in an exit interview when you leave Elmstone Group Property Management, LLC. The purpose of the exit interview is to provide management with greater insight into your decision to leave employment; identify any trends requiring attention or opportunities for improvement; and to assist the Company in developing effective recruitment and retention strategies. Your cooperation in the exit interview process is appreciated.

## **5.3 Outside Employment**

Outside employment that creates a conflict of interest or that affects the quality or value of your work performance or availability at Elmstone Group Property Management, LLC is prohibited. The Company recognizes that you may seek additional employment during off hours, but in all cases expects that any outside employment will not affect job performance, work hours, or scheduling, or otherwise adversely affect your ability to effectively perform your duties. Any conflicts should be reported to your Managers. Failure to adhere to this policy may result in discipline up to and including termination.

## **5.4 Problem Solving Procedures**

Elmstone Group Property Management, LLC strives to provide a comfortable, productive, legal, and ethical work environment. To this end, we want you to bring any problems, concerns, or grievances you have about the workplace to the attention of your Managers and, if necessary, to Human Resources or upper level management. To help manage conflict resolution we have instituted the following problem solving procedure:

If you believe there is inappropriate conduct or activity on the part of the Company, management, its employees, vendors, customers, or any other persons or entities related to the Company, bring your concerns to the attention of your Managers at a time and place that will allow the person to properly listen to your concern. Most problems can be resolved informally through dialogue between you and your



immediate Managers. If you have already brought this matter to the attention of your Managers before and do not believe you have received a sufficient response, or if you believe that person is the source of the problem, present your concerns to upper level management. Describe the problem, those persons involved in the problem, efforts you have made to resolve the problem, and any suggested solution you may have.

## 5.5 Standards of Conduct

Elmstone Group Property Management, LLC wishes to create a work environment that promotes job satisfaction, respect, responsibility, integrity, and value for all our employees, clients, customers, and other stakeholders. We all share in the responsibility of improving the quality of our work environment. By deciding to work here, you agree to follow our rules.

While it is impossible to list everything that could be considered misconduct in the workplace, what is outlined here is a list of common-sense infractions that could result in discipline, up to and including immediate termination of employment. This policy is not intended to limit our right to discipline or discharge employees for any reason permitted by law.

Examples of inappropriate conduct include:

- Violation of the policies and procedures set forth in this handbook.
- Possessing, using, distributing, selling, or negotiating the sale of illegal drugs or other controlled substances.
- Being under the influence of alcohol during working hours on Company property (including in Company vehicles), or on Company business.
- Inaccurate reporting of the hours worked by you or any other employees.
- Providing knowingly inaccurate, incomplete, or misleading information when speaking on behalf of the Company or in the preparation of any employment-related documents including, but not limited to, job applications, personnel files, employment review documents, intra-company communications, or expense records.
- Taking or destroying Company property.
- Possession of potentially hazardous or dangerous property (where not permitted) such as firearms, weapons, chemicals, etc., without prior authorization.
- Fighting with, or harassment of (as defined in our EEO policy), any fellow employee, vendor, or customer.
- Disclosure of Company trade secrets and proprietary and confidential commercially-sensitive information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development information, customer lists, patents, trademarks, etc.) of the Company or its customers, contractors, suppliers, or vendors.
- Refusal or failure to follow directions or to perform a requested or required job task.
- Refusal or failure to follow safety rules and procedures.
- Excessive tardiness or absences.
- Smoking in non-designated areas.
- Working unauthorized overtime.
- Solicitation of fellow employees on Company premises during working hours.
- Failure to dress according to Company policy.
- Use of obscene or harassing (as defined by our EEO policy) language in the workplace.
- Engaging in outside employment that interferes with your ability to perform your job at this Company.
- Gambling on Company premises.
- Lending keys or keycards to Company property to unauthorized persons.

Nothing in this policy is intended to limit your rights under the National Labor Relations Act, or to modify the at-will employment status where at-will is not prohibited by state law.

## **6 General Policies**

### **6.1 Authorization for Use of Personal Vehicle**

All employees required to operate a motor vehicle as part of their employment duties must maintain a valid driver's license, acceptable driving record, and appropriate insurance coverage. Elmstone Group Property Management, LLC may run a motor vehicle department check to determine your driving record. It is your responsibility to provide a copy of your current driver's license and insurance coverage for your personnel file. Any changes in your driving record, including, but not limited to, driving infractions or changes to your insurance policy, must be reported to the Company.

If you use your personal vehicle in the course and scope of employment, you may not operate such vehicle while:

1. Under the influence of drugs, alcohol, or any other substance that might impair your judgment or ability to drive; or
2. Texting, emailing, or otherwise using a cell phone or other handheld device without utilizing a hands-free device.

### **6.2 Computer Security and Copying of Software**

Software programs purchased and provided by Elmstone Group Property Management, LLC are to be used only for creating, researching, and processing materials for Company use. By using Company hardware, software, and networking systems you assume personal responsibility for their use and agree to comply with this policy and other applicable Company policies, as well as city, state, and federal laws and regulations.

All software acquired for or on behalf of the Company, or developed by Company employees or contract personnel on behalf of the Company, is and will be deemed Company property. It is the policy of the Company to respect all computer software rights and to adhere to the terms of all software licenses to which the Company is a party. The Chief Financial Officer is responsible for enforcing these guidelines.

You may not illegally duplicate any licensed software or related documentation. Unauthorized duplication of software may subject you and/or the Company to both civil and criminal penalties under the United States Copyright Act. To purchase software, obtain your manager's approval. All software acquired by the Company must be purchased through Company internal procedures.

You may not duplicate, copy, or give software to any outsiders including clients, contractors, customers, and others. You may use software on local area networks or on multiple machines only in accordance with applicable license agreements entered into by the Company.

### **6.3 Driving Record**

All employees required to operate a motor vehicle as part of their employment duties at Elmstone Group Property Management, LLC must maintain a valid driver's license and acceptable driving record. The Company may run a motor vehicle department check to determine your driving record. It is your

responsibility to provide a copy of your current driver's license for your personnel file. Any changes in your driving record, including but not limited to driving infractions, must be reported to the Company.

State law requires all motorists to carry auto liability insurance. It is against the law to drive without insurance. If you use your own vehicle as a part of your employment duties, you must provide management with a current proof of insurance statement or card. New proof of insurance is required every time your policy expires and renews.

## **6.4 Employer-Provided Cell Phone/Mobile Device Policy**

The purpose of this policy is to provide guidance to departments and employees regarding eligibility for Elmstone Group Property Management, LLC-provided cell phones and plans, and the appropriate use of the phone and plan.

You must have a legitimate business need for a cell phone/mobile device and the issuance of same must be approved by your Managers. The typical legitimate reasons employees may need a cell phone/mobile device include frequent business travel or for key personnel who must be immediately reachable during an emergency.

When the cell phone/mobile device is used for personal reasons and the activity results in additional cost to the Company, you are responsible for the cost of that usage, including all applicable taxes. Make note of personal calls and reimburse the Company after review of the monthly call detail.

If the cell phone/mobile device has a flat rate airtime/data plan, you are responsible for reimbursing the Company when personal activities cause the plan threshold to be exceeded. With concurrence of an authorized signer on the account, you should determine the amount of personal use that caused the usage to exceed the plan and reimburse the Company for that amount plus all applicable taxes. If you drive a vehicle during your employment, you may not use any cell phone/mobile device or other communication device while driving unless the device is equipped or configured with a "hands-free" listening/speaking option, and you in fact utilize the hands-free device. This option must be approved by your Managers.

The Company owns and remains entitled to all cell phone/mobile devices, including all passwords controlling access to them. You may not change those passwords except with permission. At the time of employment termination, all such equipment and passwords must be returned to the Company in operable condition.

## **6.5 Non-solicitation/Nondistribution Policy**

To avoid disruption of business operations or disturbance of employees, visitors, and others, Elmstone Group Property Management, LLC has implemented a Non-solicitation/Nondistribution Policy. For purposes of this policy, "solicitation" includes, but is not limited to, selling items or services, requesting contributions, and soliciting or seeking to obtain membership in or support for any organization. Solicitation performed through verbal, written, or electronic means is covered by the Non-solicitation/Nondistribution Policy.

You are prohibited from soliciting other employees during your assigned working time. For this purpose, working time means time during which either you or the employees who are the object of the solicitation are expected to be actively engaged with assigned work. You may conduct solicitations during your lunch period, coffee breaks, or other authorized nonworking time, so long as you do so when the other employees are also on non-working time.

To avoid inappropriate litter, clutter, and safety risks, you may not distribute literature or other items that are not work related in working areas at any time. Working areas do not include break/rest areas, lunch rooms, or parking lots. Electronic distribution of materials is prohibited during work time. Literature that violates the

company's equal employment opportunity (EEO) and nonharassment policies (including threats of violence), or is knowingly and recklessly false, is never permitted. Non-employees are not permitted to distribute materials on company premises at any time.

This policy is not intended to restrict the statutory rights of employees, including the right to discuss terms and conditions of employment.

Violations of this policy should be reported to Managers.

## **6.6 Open Door Policy**

At Elmstone Group Property Management, LLC, we welcome suggestions for continued improvement and welcome your ideas for better ways to do your job, produce or sell the products or services of our Company, or meet customer and client needs. Discuss your ideas with your Managers or another member of the management team.

We also encourage you to offer any suggestions derived from seminars, magazines, or other outside sources of information you believe would add value to the Company.

Understand that any suggestions, innovations, inventions, or other matter created by you on work time or with Company tools or property are considered to be the property of the Company.

## **6.7 Personal Appearance**

Your personal appearance reflects on the reputation, integrity, and public image of Elmstone Group Property Management, LLC. All employees are required to report to work neatly groomed and dressed. You are expected to maintain personal hygiene habits that are generally accepted in the community, including clean clothing, good grooming and personal hygiene, and appropriate attire for the workplace and the work being performed. This may include wearing uniforms or protective safety clothing and equipment, depending upon the job. Use common sense and good judgment in determining what to wear to work.

Fragrant products, including but not limited to perfumes, colognes, and scented body lotions or hair products, should be used in moderation out of concern for others with sensitivities or allergies.

The Company, in accordance with applicable law, will reasonably accommodate employees with disabilities or religious beliefs that make it difficult for them to comply fully with the personal appearance policy unless doing so would impose an undue hardship on the Company. Contact your Managers to request a reasonable accommodation.

Failure to comply with the personal appearance standards may result in being sent home to groom or change clothes. Frequent violations may result in disciplinary action, up to and including termination of employment.

## **6.8 Personal Cell Phone/Mobile Device Use**

While Elmstone Group Property Management, LLC permits employees to bring personal cell phones and other mobile devices (i.e. smart phones, PDAs, tablets, laptops) into the workplace, you must not allow the use of such devices to interfere with your job duties or impact workplace safety and health.

Use of personal cell phones and mobile devices at work can be distracting and disruptive and cause a loss of productivity. Thus, you should primarily use such personal devices during nonworking time, such as breaks and meal periods. During this time, use devices in a manner that is courteous to those around you.

Outside of nonworking time, use of such devices should be minimal and limited to emergency use only. If you have a device that has a camera and/or audio/video recording capability, you are restricted from using those functions on Company property unless authorized in advance by management or when they are used in a manner consistent with your right to engage in concerted activity under section 7 of the National Labor Relations Act (NLRA).

You are expected to comply with Company policies regarding the protection of confidential and proprietary information when using personal devices.

While operating a vehicle on work time, the Company requires that the driver's personal cell phone/mobile device be turned off. If you need to make or receive a phone call while driving, pull off the road to a safe location unless you have the correct hands-free equipment for the device that is in compliance with applicable state laws.

You may not connect your personal device to the Company network or to Company equipment (computers, printers, etc.).

You may have the opportunity to use your personal devices for work purposes. Before using a personal device for work-related purposes, you must obtain written authorization from management. The use of personal devices is limited to certain employees and may be limited based on compatibility of technology. If you are authorized to use a personal device, you will receive a monthly stipend based on the estimated use of the device. If you obtain or currently have a plan that exceeds the monthly stipend, the Company will not be liable for the cost difference.

Nothing in this policy is intended to prevent employees from engaging in protected concerted activity under the NLRA.

You will be subject to disciplinary action up to and including termination of employment for violation of this policy.

## **6.9 Personal Data Changes**

It is your obligation to provide Elmstone Group Property Management, LLC with your current contact information, including current mailing address and telephone number. Inform the Company of any changes to your marital or tax withholding status. Failure to do so may result in loss of benefits or delayed receipt of W-2 and other mailings. To make changes to this information, contact payroll or the appropriate department, or person.

## **6.10 Security**

All employees are responsible for helping to make Elmstone Group Property Management, LLC a secure work environment. Upon leaving work, lock all desks, lockers, and doors protecting valuable or sensitive material in your work area and report any lost or stolen keys, passes, or similar devices to your Managers immediately. Refrain from discussing specifics regarding Company security systems, alarms, passwords, etc. with those outside of the Company.

Immediately advise your Managers of any known or potential security risks and/or suspicious conduct of employees, customers, or guests of the Company. Safety and security is the responsibility of all employees and we rely on you to help us keep our premises secure.

## 6.11 Social Media Policy

At Elmstone Group Property Management, LLC, we recognize the Internet provides unique opportunities to participate in interactive discussions and share information using a wide variety of social media. However, use of social media also presents certain risks and carries with it certain responsibilities. To minimize risks to the Company, you are expected to follow our guidelines for appropriate use of social media.

This policy applies to all employees who work for the Company.

### Guidelines

For purposes of this policy, **social media** includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal website, social networking or affinity website, web bulletin board or a chat room, whether associated or affiliated with the Company, as well as any other form of electronic communication.

Company principles, guidelines, and policies apply to online activities just as they apply to other areas of work. Ultimately, you are solely responsible for what you communicate in social media. You may be personally responsible for any litigation that may arise should you make unlawful defamatory, slanderous, or libelous statements against any customer, manager, owner, or employees of the Company.

### Know and Follow the Rules

Ensure your postings are consistent with these guidelines. Postings that include unlawful discriminatory remarks, harassment, and threats of violence or other unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

### Be Respectful

The Company cannot force or mandate respectful and courteous activity by employees on social media during nonworking time. If you decide to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as unlawful, slanderous, threatening, or that might constitute unlawful harassment. Examples of such conduct might include defamatory or slanderous posts meant to harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, age, national origin, religion, veteran status, or any other status or class protected by law or Company policy. Your personal posts and social media activity should not reflect upon or refer to the Company.

### Maintain Accuracy and Confidentiality

When posting information:

- Maintain the confidentiality of trade secrets, intellectual property, and confidential commercially-sensitive information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.) related to the Company.
- Do not create a link from your personal blog, website, or other social networking site to a Company website that identifies you as speaking on behalf of the Company.
- Never represent yourself as a spokesperson for the Company. If the Company is a subject of the content you are creating, do not represent yourself as speaking on behalf of the Company. Make it clear in your social media activity that you are speaking on your own behalf.
- Respect copyright, trademark, third-party rights, and similar laws and use such protected information in compliance with applicable legal standards.

## **Using Social Media at Work**

Do not use social media while on your work time, unless it is work related as authorized by your manager or consistent with policies that cover equipment owned by the Company.

## **Media Contacts**

If you are not authorized to speak on behalf of the Company, do not speak to the media on behalf of the Company. Direct all media inquiries for official Company responses to the Chief Financial Officer (CFO).

## **Retaliation and Your Rights**

Retaliation or any other negative action is prohibited against anyone who, based on a reasonable belief, reports a possible deviation from this policy or cooperates in an investigation. Those who retaliate against others for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Nothing in this policy is designed to interfere with, restrain, or prevent employees from communications regarding wages, hours, or other terms and conditions of employment, or to restrain employees in exercising any other right protected by law. All employees have the right to engage in or refrain from such activities.

## **6.12 Third Party Disclosures**

From time to time, Elmstone Group Property Management, LLC may become involved in news stories or potential or actual legal proceedings of various kinds. When that happens, lawyers, former employees, newspapers, law enforcement agencies, and other outside persons may contact our employees to obtain information about the incident or the actual or potential lawsuit.

If you receive such a contact, you should not speak on behalf of the Company and should refer any call requesting the position of the Company to Shari Gould (but do not give out cell phone numbers). If you have any questions about this policy or are not certain what to do when such a contact is made, contact the CEO or CFO.

## **6.13 Use of Employer Vehicles**

Company vehicles are to be used for Elmstone Group Property Management, LLC business only. Unless the use of the vehicle has been approved for personal use, personal or outside business use is strictly prohibited.

If you drive a Company vehicle, all infractions or violations while driving the vehicle and all restrictions, suspensions, or revocations against your driver's license must be immediately reported to your Managers.

When a Company vehicle cannot be operated, is unsafe for use, or has been damaged, notify your Managers immediately.

As the driver of a Company vehicle, you are responsible for the vehicle while in your charge and must not permit unauthorized persons to drive it. You are also responsible for the daily housekeeping of the vehicle; it is to remain clean and uncluttered.

You may not operate a motor vehicle while under the influence of alcohol or a chemical substance or other substance that can impair judgment. You may not operate a motor vehicle while texting, emailing, or otherwise using a cell phone or other handheld device without utilizing a hands-free device.

Multiple driving moving violations that appear on the annual state department of motor vehicle check will result in suspension of rights to drive a Company vehicle or drive a personal vehicle on Company business. Suspension of rights will continue until one year has passed with no infractions. If there are persistent and ongoing problems with driving infractions, and driving a vehicle is a part of successful execution of job responsibilities, you may be terminated.

## **6.14 Workplace Privacy and Right to Inspect**

Elmstone Group Property Management, LLC property, including but not limited to lockers, phones, computers, tablets, desks, workplace areas, vehicles, or machinery, remains under the control of the Company and is subject to inspection at any time, without notice to any employees, and without their presence.

You should have no expectation of privacy in any of these areas. We assume no responsibility for the loss of, or damage to, your property maintained on Company premises including that kept in lockers and desks.

# **7 Benefits**

## **7.1 Exempt Personnel**

If you are classified as exempt at the time of your hiring, you are not eligible for overtime pay as otherwise required by federal, state, or local laws. If you have a question regarding whether you are exempt or nonexempt, contact your Managers for clarification.

## **7.2 Holidays**

Elmstone Group Property Management, LLC offers the following paid holidays each year:

- New Year's Day
- Independence Day
- Memorial Day
- Labor Day
- Christmas Day
- Thanksgiving Day

If occupancy is 95% or above and projected to be by month's end, the holiday extends to Christmas Eve and the day after Thanksgiving.

When a holiday falls on a Saturday, it will be observed the preceding Friday. Holidays falling on a Sunday will be observed the following Monday.

If a holiday falls on your regular day off, ask your Managers how it affects you.

You will be compensated for holidays in accordance with federal and state law.



## **7.3 Leaves of Absence**

Leaves of absence should be requested through your manager. Leaves of absence may or may not be paid, based on your current employment status.

## **7.4 Temporary Personnel**

Temporary employees are hired for a specific period or specific work project, not to exceed 3 months in duration. Elmstone Group Property Management, LLC reserves the right to extend the duration of temporary employment where necessary. Temporary employees are not eligible for benefits unless specified otherwise in this handbook or in the benefit plan summaries, or specifically permitted by law. Temporary employees may be converted to employees of Elmstone group Property LLC at the sole discretion of the Company.

## **7.5 Workers' Compensation Insurance Policy**

Workers' compensation is a no-fault system designed to provide benefits to all employees for work-related injuries. Workers' compensation insurance coverage is paid for by employers and governed by state law. The workers' compensation system provides for coverage of medical treatment and expenses, occupational disability leave, and rehabilitation services, as well as payment for lost wages due to work related injuries. If you are injured on the job while working at Elmstone Group Property Management, LLC, no matter how slightly, you are to report the incident immediately to your Managers. Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize your claim for benefits.

To receive workers' compensation benefits, notify your Managers immediately of your claim. If your injury is the result of an on-the-job accident, you must fill out an accident report. You will be required to submit a medical release before you can return to work.

## **7.6 Military Leave (USERRA)**

Elmstone Group Property Management, LLC complies with applicable federal and state law regarding military leave and re-employment rights. Unpaid military leave of absence will be granted to members of the uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA; with amendments) and all applicable state law. You must submit documentation of the need for leave to your supervisor or appropriate department. When returning from military leave of absence, you will be reinstated to your previous position or a similar position, in accordance with state and federal law. You must notify your Managers of your intent to return to employment based on requirements of the law. For more information regarding status, compensation, benefits, and reinstatement upon return from military leave, contact your supervisor or appropriate department.

# **8 Safety and Loss Prevention**

## **8.1 General Safety Policy**

It is the responsibility of all Elmstone Group Property Management, LLC employees to maintain a healthy and safe work environment. Report all safety hazards and occupational illnesses or injuries to your Managers as soon as reasonably possible and complete an occupational illness or injury form as needed.

Failure to follow the Company health and safety rules may result in disciplinary action, up to and including termination of employment.

## **8.2 Policy Against Workplace Violence**

As the safety and security of our employees, vendors, contractors, and the general public is in the best interests of Elmstone Group Property Management, LLC, we are committed to working with our employees to provide a work environment free from violence, intimidation, and other disruptive behavior.

### **Zero Tolerance Policy**

The Company has a zero tolerance policy regarding workplace violence and will not tolerate acts or threats of violence, harassment, intimidation, and other disruptive behavior, either physical or verbal, that occurs in the workplace or other areas. This applies to management, co-workers, employees, and non-employees such as contractors, customers, and visitors.

Workplace violence can include oral or written statements, gestures, or expressions that communicate a direct or indirect threat of physical harm, damage to property, or any intentional behavior that may cause a person to feel threatened.

### **Prohibited Conduct**

Prohibited conduct includes, but is not limited to:

- Physically injuring another person.
- Threatening to injure a person or damage property by any means, including verbal, written, direct, indirect, or electronic means.
- Taking any action to place a person in reasonable fear of imminent harm or offensive contact.
- Possessing, brandishing, or using a firearm on Company property or while performing Company business except as permitted by state law.
- Violating a restraining order, order of protection, injunction against harassment, or other court order.

### **Reporting Incidents of Violence**

Report to your Managers or appropriate department, in accordance with this policy, any behavior that compromises our ability to maintain a safe work environment. All reports will be investigated immediately and kept confidential, except where there is a legitimate need to know. You are expected to cooperate in any investigation of workplace violence.

### **Violations**

Violating this policy may subject you to criminal charges as well as discipline up to and including immediate termination of employment.

### **Retaliation**

Victims and witnesses of workplace violence will not be retaliated against in any manner. In addition, you will not be subject to discipline for, based on a reasonable belief, reporting a threat or for cooperating in an investigation.

If you initiate, participate, are involved in retaliation, or obstruct an investigation into conduct prohibited by this policy, you will be subject to discipline up to and including termination.

If you believe you have been wrongfully retaliated against, immediately report the matter to your supervisor or appropriate department.

## **9 Trade Secrets and Inventions**

### **9.1 Confidentiality and Nondisclosure of Trade Secrets**

As a condition of employment, Elmstone Group Property Management, LLC employees are required to protect the confidentiality of Company trade secrets, proprietary information, and confidential commercially-sensitive information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.) related to the Company. Access to this information should be limited to a "need to know" basis and should not be used for personal benefit, disclosed, or released without prior authorization from management. If you have information that leads you to suspect that employees or competitors are obtaining such information, you are required to inform your Managers or appropriate department.

Violation of this policy may result in discipline or termination, and may subject the violator to civil liability.

## **10 Customer Relations**

### **10.1 Customer, Client, and Visitor Relations**

Elmstone Group Property Management, LLC strives to provide the best products and services possible to our customers and clients. Our customers and clients support this business and generate your wages. You are expected to treat every customer, client, or visitor with the utmost respect and courtesy during your working time. You should never argue or act in a disrespectful manner towards a visitor or customer during your working time. If you are having problems with a customer, client, or visitor, notify your Managers immediately. If a customer, client, or visitor voices a suggestion, complaint, or concern regarding our products or services, inform your Managers or a member of management. Lastly, make every effort to be prompt in following up on customer, client, or visitor orders or questions. Positive customer, client, and visitor relations will go a long way in establishing our Company as a leader in its field.

## **Texas Policies**

### **Introductory Language and Policies**

#### **Revisions to Handbook**

This handbook is our attempt to keep you informed of the terms and conditions of your employment, including Elmstone Group Property Management, LLC policies and procedures. The handbook is not a contract. The Company reserves the right to revise, add, or delete from this handbook as we determine to be in our best interest, except the policy concerning at-will employment. When changes are made to the policies and guidelines contained herein, we will endeavor to communicate them in a timely fashion, typically in a written supplement to the handbook or in a posting on company bulletin boards.

# Hiring and Orientation Policies

## Disability Accommodation

Elmstone Group Property Management, LLC complies with the Americans with Disabilities Act (ADA), the Pregnancy Discrimination Act, and all applicable state and local fair employment practices laws, and is committed to providing equal employment opportunities to qualified individuals with disabilities, including disabilities related to pregnancy, childbirth, and related conditions. Consistent with this commitment, the Company will provide reasonable accommodation to otherwise qualified individuals where appropriate to allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship on the business.

If you require an accommodation because of your disability, it is your responsibility to notify your Managers. You may be asked to include relevant information such as:

- A description of the proposed accommodation.
- The reason you need an accommodation.
- How the accommodation will help you perform the essential functions of your job.

After receiving your request, the Company will engage in an interactive dialogue with you to determine the precise limitations of your disability and explore potential reasonable accommodations that could overcome those limitations. Where appropriate, we may need your permission to obtain additional information from your medical provider. All medical information received by the Company in connection with a request for accommodation will be treated as confidential.

The Company encourages you to suggest specific reasonable accommodations that you believe would allow you to perform your job. However, the Company is not required to make the specific accommodation requested by you and may provide an alternative accommodation, to the extent any reasonable accommodation can be made without imposing an undue hardship on the Company.

If leave is provided as a reasonable accommodation, such leave may run concurrently with leave under the federal Family and Medical Leave Act and/or any other leave where permitted by state and federal law.

The Company will not discriminate or retaliate against employees for requesting an accommodation.

## EEO Statement and Nonharassment Policy

### Equal Opportunity Statement

Elmstone Group Property Management, LLC is committed to the principles of equal employment. We are committed to complying with all federal, state, and local laws providing equal employment opportunities, and all other employment laws and regulations. It is our intent to maintain a work environment that is free of harassment, discrimination, or retaliation because of sex (including pregnancy, childbirth, or related medical conditions), gender, race, religion, color, national origin, physical or mental disability, genetic information, marital status, age (40 and older), sexual orientation, AIDS/HIV status, military service, veteran status, or any other status protected by federal, state, or local laws. The Company is dedicated to the fulfillment of this policy in regard to all aspects of employment, including but not limited to recruiting, hiring, placement, transfer, training, promotion, rates of pay, and other compensation, termination, and all other terms, conditions, and privileges of employment.

The Company will conduct a prompt and thorough investigation of all allegations of discrimination, harassment, or retaliation, or any violation of the Equal Employment Opportunity Policy in a confidential

manner. The Company will take appropriate corrective action, if and where warranted. The Company prohibits retaliation against employees who provide information about, complain about, or assist in the investigation of any complaint of discrimination or violation of the Equal Employment Opportunity Policy.

We are all responsible for upholding this policy. You may discuss questions regarding equal employment opportunity with your Managers or any other designated member of management.

## **Policy Against Workplace Harassment**

Elmstone Group Property Management, LLC has a strict policy against all types of workplace harassment, including sexual harassment and other forms of workplace harassment based upon an individual's sex (including pregnancy, childbirth, or related medical conditions), gender, race, religion, color, national origin, physical or mental disability, genetic information, marital status, age (40 and older), sexual orientation, AIDS/HIV status, military service, veteran status, or any other status protected by federal, state, or local laws. All forms of harassment of, or by, employees, vendors, visitors, customers, and clients are strictly prohibited and will not be tolerated.

### **Sexual Harassment**

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when (1) submission to such conduct is made either explicitly or implicitly as a term or condition of an individual's employment; (2) submission to, or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

While it is not possible to identify every act that constitutes or may constitute sexual harassment, the following are some examples of sexual harassment:

- Unwelcome requests for sexual favors;
- Lewd or derogatory comments or jokes;
- Comments regarding sexual behavior or the body of another;
- Sexual innuendo and other vocal activity such as catcalls or whistles;
- Obscene letters, notes, emails, invitations, photographs, cartoons, articles, or other written or pictorial materials of a sexual nature;
- Repeated requests for dates after being informed that interest is unwelcome;
- Retaliating against another for refusing a sexual advance or reporting an incident of possible sexual harassment to the Company or any government agency;
- Offering or providing favors or employment benefits such as promotions, favorable evaluations, favorable assigned duties or shifts, etc., in exchange for sexual favors; and
- Any unwanted physical touching or assaults, or blocking or impeding movements.

### **Other Harassment**

Other workplace harassment is verbal or physical conduct that insults or shows hostility or aversion towards an individual because of the individual's sex (including pregnancy, childbirth, or related medical conditions), gender, race, religion, color, national origin, physical or mental disability, genetic information, marital status, age (40 and older), sexual orientation, AIDS/HIV status, military service, veteran status, or any other status protected by federal, state, or local laws.

Again, while it is not possible to list all the circumstances that may constitute other forms of workplace harassment, the following are some examples of conduct that may constitute workplace harassment:

- The use of disparaging or abusive words or phrases, slurs, negative stereotyping, or threatening, intimidating, or hostile acts that relate to the above protected categories;
- Written or graphic material that insults, stereotypes, or shows aversion or hostility towards an individual or group because of one of the above protected categories and that is placed on walls, bulletin boards, email, voicemail, or elsewhere on our premises, or circulated in the workplace; and
- A display of symbols, slogans, or items that are associated with hate or intolerance towards any select group.

## **Reporting Discrimination and Harassment**

If you feel that you have witnessed or have been subjected to any form of discrimination or harassment, immediately notify HR ([hr@elmstonegroup.com](mailto:hr@elmstonegroup.com)) or any member of management.

The Company prohibits retaliation against employees who, based on a reasonable belief, provide information about, complain, or assist in the investigation of any complaint of harassment or discrimination.

We will promptly and thoroughly investigate any claim and take appropriate action where we find a claim has merit. To the extent possible, we will retain the confidentiality of those who report suspected or alleged violations of the harassment policy.

Discipline for violation of this policy may include, but is not limited to, reprimand, suspension, demotion, transfer, and discharge. If the Company determines that harassment or discrimination occurred, corrective action will be taken to effectively end the harassment. As necessary, the Company may monitor any incident of harassment or discrimination to assure the inappropriate behavior has stopped. In all cases, the Company will follow up as necessary to ensure that no individual is retaliated against for making a complaint or cooperating with an investigation.

## **Religious Accommodation**

Elmstone Group Property Management, LLC is dedicated to treating its employees equally and with respect and recognizes the diversity of their religious beliefs. All employees may request an accommodation when their religious beliefs cause a deviation from the Company dress code or the individual's schedule, basic job duties, or other aspects of employment. The Company will consider the request, but reserves the right to offer its own accommodation to the extent permitted by law. Some, but not all, of the factors that will be considered are cost, the effect that an accommodation will have on current established policies, and the burden on operations — including other employees — when determining a reasonable accommodation. At no time will the Company question the validity of a person's belief.

If you require a religious accommodation, speak with your Managers or appropriate department.

## **Wage and Hour Policies**

### **Accommodations for Nursing Mothers**

Elmstone Group Property Management, LLC will provide nursing mothers reasonable break time to express milk for their infant child(ren) for up to one year following the child's birth.

If you are nursing, you will be provided with a space, other than a restroom, that is shielded from view and free from intrusion from co-workers and the public.

Expressed milk can be stored in company refrigerators, refrigerators provided in the lactation room or other

location, in a personal cooler. Sufficiently mark or label your milk to avoid confusion for other employees who may share the refrigerator.

Break time should, if possible, be taken concurrently with any other break time already provided. If you are nonexempt, clock out for any time taken that does not run concurrently with normally scheduled rest periods, and such time will be paid in accordance with federal law.

You are encouraged to discuss the length and frequency of these breaks with your Managers.

No provision of this policy applies, or will be enforced, if it conflicts with or is superseded by any requirement or prohibition contained in a federal, state, or local law, or regulation.

## **Meal and Rest Periods**

Elmstone Group Property Management, LLC strives to provide a safe and healthy work environment and complies with all federal and state regulations regarding meal and rest periods. Check with your Managers regarding procedures and schedules for rest and meal breaks. The Company requests that employees accurately observe and record meal and rest periods. If you know in advance that you may not be able to take your scheduled break or meal period, let your Managers know; in addition, notify your Managers as soon as possible if you were unable to or prohibited from taking a meal or rest period.

## **Overtime**

If you are nonexempt, you may qualify for overtime pay. All overtime must be approved in advance, in writing, by your Managers.

At certain times Elmstone Group Property Management, LLC may require you to work overtime. We will attempt to give as much notice as possible in this instance. However, advance notice may not always be possible. Failure to work overtime when requested or working unauthorized overtime may result in discipline, up to and including discharge.

Unless otherwise required or exempted by law, overtime pay of one and one-half times your regular rate of pay is paid for any hours worked in excess of 40 hours in a workweek. Holidays, vacation days, and sick leave days do not count as time worked for computing overtime.

## **Pay Period**

At Elmstone Group Property Management, LLC, the standard pay period is biweekly for all employees. Pay dates are every two weeks. If a pay date falls on a holiday, you will be paid on the preceding workday. If a pay date falls on a Saturday, paychecks will be issued on Friday. If a pay date falls on a Sunday, paychecks may be issued on Monday. Special provisions may be required from time to time if holidays fall on pay dates. Check with your Managers if this type of date arises. If you are paid by commission, refer to your commission agreement.

Review your paycheck for accuracy. If you find an issue, report it to your Managers immediately.

## **Travel Time Pay**

Some nonexempt positions within Elmstone Group Property Management, LLC require travel. The Company pays nonexempt employees for travel time in accordance with federal and state law. For purposes of this policy, the regular workday is 9:30 – 5:30 (Monday – Friday); 10 - 2 Saturdays.

## **Home to Work Travel**

If you travel from home before the regular workday and return to your home at the end of the workday, you are engaged in ordinary home to work travel, which is not work time.

## **Home to Work on a Special One Day Assignment in Another City**

If you regularly work at a fixed location in one city and you are given a special one day assignment in another city, but return home the same day, the time spent in traveling to and returning from the other city is work time, except that the Company may deduct/not count that time you would normally spend commuting to the regular work site.

## **Travel That Is All in a Day's Work**

Your time spent in travel as part of your principal activity, such as travel from job site to job site during the workday, is work time and must be counted as hours worked.

## **Travel Away from Home Community**

Travel that keeps you away from home overnight is travel away from home. Travel away from home is clearly work time when it cuts across your workday. The time is not only hours worked on regular working days during normal working hours but also during corresponding hours on nonworking days. The Company will not consider as work time that time spent in travel away from home outside of your regular working hours as a passenger on an airplane, train, boat, bus, or automobile.

## **Work Performed While Traveling**

Any work you perform while traveling must be counted as hours worked.

## **Calculating and Reporting Travel Time**

You are responsible for accurately tracking, calculating, and reporting your travel time. Travel time should be calculated by rounding up to the nearest quarter hour.

# **General Policies**

## **Payroll Advances and Loans**

Elmstone Group Property Management, LLC does not make payroll advances or loans.

## **Voicemail, Email, and Internet Policy**

This Voicemail/Email/Internet Policy is intended to provide Elmstone Group Property Management, LLC employees with the guidelines associated with the use of the voicemail/email/Internet system (the system). This policy applies to all employees and any others accessing and/or using the system through onsite or remote terminals.

## **General Provisions**

- The system, and all data transmitted or received through the system, is the exclusive property of the Company. You should not have any expectation of privacy in any communication over this system. If you are permitted to have access to the system, you will be given a voicemail, email, and/or Internet address and/or access code and will have use of the system consistent with this policy.



- The Company reserves the right to monitor, intercept, and/or review all data transmitted, received, or downloaded over the system. Any individual who is given access to the system is hereby given notice that the Company will exercise this right periodically, without prior notice and without the prior consent.
- The interests of the Company in monitoring and intercepting data include, but are not limited to: protection of Company trade secrets, proprietary, and similar confidential commercially-sensitive information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.); managing the use of the computer system; and/or assisting employees in the management of electronic data during periods of absence.
- You should not interpret the use of password protection as creating a right or expectation of privacy. To protect everyone involved, no one can have a right or expectation of privacy regarding the receipt, transmission, or storage of data on the Company voicemail/email/Internet system.

Any employees who violate this policy will be subject to corrective action, up to and including termination of employment. If necessary, the Company will also advise law enforcement officials of any illegal conduct.

## **Video Surveillance Policy**

This Video Surveillance Policy is intended to provide Elmstone Group Property Management, LLC employees with the guidelines associated with the use of any surveillance system installed at any company workplace.

### **General Provisions**

- In accordance with the Company policy regarding searches, you understand that all desks, storage areas, lockers, and all vehicles owned, financed, or leased by the Company or used by the Company to transport employees, goods, and/or products are subject to search at any time without your knowledge, presence, or permission. You should not have any expectation of privacy in anything stored in such places.
- With the exception of your personal vehicle, you are prohibited from locking or otherwise securing any such desk, storage area, locker, or vehicle with any lock or locking device not supplied or approved by the Company. If you use your own lock on any such item, you must furnish as soon as practically possible a copy of the key or combination to the lock to your supervisor so that the company may open the lock at any time that it may deem such action necessary.
- In the event that a search of my personal vehicle becomes necessary, I agree to allow personnel designated by the Company to conduct such a search at any time the company may direct during my duty shift.
- In order to promote the safety of employees and company visitors, as well as the security of its facilities, the Company may conduct audio and video surveillance of any portion of its premises at any time, the only exception being private areas of restrooms, showers, and dressing rooms, and that video cameras will be positioned in appropriate places within and around Company buildings and used in order to help promote the safety and security of people and property.
- You should not attempt to disable, bypass or otherwise interfere with any surveillance equipment at any time; nor should you attempt to delete any recording from the servers.

Any employees who violate this policy will be subject to corrective action, up to and including termination of employment. If necessary, the Company will also advise law enforcement officials of any illegal conduct.

# Benefits

## Jury Duty Leave

Elmstone Group Property Management, LLC encourages employees to fulfill their civic duties related to jury duty. If you are summoned for jury duty, notify your Managers as soon as possible to make scheduling arrangements.

If you are classified as exempt, you will not incur any deduction in pay for a partial week's absence due to jury duty. If you are classified as nonexempt, you will not be compensated for time spent on jury duty.

The Company reserves the right to require employees to provide proof of jury duty service to the extent authorized by law.

The Company will not retaliate against employees who request or take leave in accordance with this policy.

## Paid Time Off (PTO) Policy

Paid time off (PTO) provides you with the flexibility to use your time off to meet your personal needs, while recognizing your individual responsibility to manage your paid time off.

You will accumulate PTO each pay period worked and it is up to you to allocate how you will use it — for vacation, illness, caring for children, school activities, medical/dental appointments, personal business, or emergencies. Elmstone Group Property Management, LLC may require you to use any unused PTO during disability or family medical leave, or any other leave of absence, when permissible according to state and federal law. The amount of PTO earned will depend on your length of service with the Company.

### Eligibility

You are eligible to receive PTO if you are regularly scheduled to work at least 40 hours per week. PTO will accrue from your first date of employment, however you are not eligible for PTO until six months of employment.

### Deposits Into Your Leave Account

The amount of PTO you accrue each year is based on your length of service and accrues according to the accrual schedule determined by the Company. PTO is accrued as you work. You will not accrue PTO time while you are taking time off for any reason.

### Maximum Accrual

Although you may carry over unused PTO time from year to year, there is a cap on the amount of PTO time you can accrue. Once you reach your cap, you will not accrue any more PTO until you use some of the time in your account and drop below the cap. After your balance goes below the cap, you will begin accruing PTO again. However, you will not receive retroactive credit for time worked while you were at the cap limit. PTO accrual is capped at one and one half times your annual PTO accrual rate.

The amount of PTO accrued, used, and available will appear on your paycheck stub.

## **Termination**

You will not be paid for all accrued and unused PTO when you leave the Company.

## **Using Your PTO**

The minimum amount of PTO you can use at one time is one hour.

## **Notice and Scheduling**

You are required to provide your Managers with reasonable advance notice and obtain approval prior to using PTO. This allows for you and your Managers to prepare for your time off and assure that all staffing needs are met. There may be occasions, such as sudden illness, when you cannot provide advance notice. In those situations, inform your Managers of your circumstances as soon as possible.

## **Voting Leave**

If your work schedule prevents you from voting on Election Day, Elmstone Group Property Management, LLC will allow you a reasonable time off to vote. The time when you can go to vote will be at the discretion of your Managers, consistent with applicable legal requirements.

## **Witness Leave**

Elmstone Group Property Management, LLC realizes that, on occasion, employees may be subpoenaed to appear in a civil, criminal, legislative, or administrative proceeding. In such cases, you will be provided unpaid leave to attend. Notify your Managers as soon as possible to make scheduling arrangements. You may opt to use PTO time in place of unpaid leave.

The Company reserves the right to require employees to provide proof of the need for leave to the extent authorized by law.

The Company will not retaliate against employees who request or take leave in accordance with this policy.

# **Safety and Loss Prevention**

## **Drug and Alcohol Policy**

Elmstone Group Property Management, LLC is committed to providing a safe, healthy, and productive work environment. Consistent with this commitment, it is the intent of Company to maintain a drug and alcohol-free workplace. Being under the influence of alcohol or illegal drugs (as classified under federal, state, or local laws), including marijuana, while on the job may pose a serious health and safety risk to others, which will not be tolerated.

## **Prohibited Conduct**

The Company expressly prohibits employees from engaging in the following activities when they are on duty or conducting Company business or on Company premises (whether or not they are working):

- The use, abuse, or being under the influence of alcohol, illegal drugs, or other impairing substances.
- The possession, sale, purchase, transfer, or transit of any illegal or unauthorized drug, including prescription medication that is not prescribed to the individual, or drug-related paraphernalia.
- The illegal use or abuse of prescription drugs.

Nothing in this policy is meant to prohibit your appropriate use of over-the-counter medication or other medication that can legally be prescribed under both federal and state law, if it does not impair your job performance or safety or the safety of others. If you take over-the-counter medication or other medication that can legally be prescribed under both federal and state law to treat a disability, inform your Managers if you believe the medication may impair your job performance, safety, or the safety of others or if you believe you need a reasonable accommodation before reporting to work while under the influence of that medication.

### **Employer-Sponsored Events**

From time to time, the Company may sponsor social or business-related events where alcohol may be served. This policy does not prohibit the use or consumption of alcohol at these events. However, if you choose to consume alcohol at such events, you must do so responsibly and maintain your obligation to conduct yourself properly and professionally at all times.

### **Treatment and/or Rehabilitation**

The Company may assist you in seeking treatment or rehabilitation for drug or alcohol dependency. In such cases, the Company may consider your continued employment as long as concerns regarding safety, health, production, communication, or other work-related matters are adequately addressed. The Company may also require you to obtain a medical clearance and agree to random testing and a "one-strike" rule as a condition of continued employment.

### **Violations**

A violation of this policy may result in disciplinary action, up to and including termination of employment.

## **Non-smoking Policy**

Elmstone Group Property Management, LLC is concerned about the effect that smoking and secondhand smoke inhalation can have on its employees and clients. Smoking in the office, client areas, and restrooms is prohibited. Smoking, as defined in this policy also includes the use of electronic cigarettes including vapor cigarettes.

# Closing Statement

Thank you for reading our handbook. We hope it has provided you with an understanding of our mission, history, and structure as well as our current policies and guidelines. We look forward to working with you to create a successful Company and a safe, productive, and pleasant workplace.

Shari Gould, CEO  
Elmstone Group Property Management, LLC

# Acknowledgment of Receipt and Review

By signing below, I acknowledge that I have received a copy of the Elmstone Group Property Management, LLC Employee Handbook (handbook) and that I have read it, understand it, and agree to comply with it. I understand that the Company has the maximum discretion permitted by law to interpret, administer, change, modify, or delete the rules, regulations, procedures, and benefits contained in the handbook at any time with or without notice. No statement or representation by a supervisor, manager, or any other employee, whether oral or written, can supplement or modify this handbook. Changes can only be made if approved in writing by the President of the Company. I also understand that any delay or failure by the Company to enforce any rule, regulation, or procedure contained in the handbook does not constitute a waiver on behalf of the Company or effect the right of the Company to enforce such rule, regulation, or procedure in the future.

I understand that neither this handbook nor any other communication by a management representative or other, whether oral or written, is intended in any way to create a contract of employment. I further understand that, unless I have a written employment agreement signed by an authorized Company representative, I am employed "at-will" (to the extent permitted by law) and this handbook does not modify my "at-will" employment status.

If I am covered by a written employment agreement (signed by an authorized Company representative) or a collective-bargaining agreement that conflicts with the terms of this handbook, I understand that the terms of the employment agreement or collective-bargaining agreement will control.

This handbook is not intended to preclude or dissuade employees from engaging in legally protected activities under the National Labor Relations Act (NLRA).

This handbook supersedes any previous handbook or policy statements, whether written or oral, issued by Elmstone Group Property Management, LLC.

If I have any questions about the content or interpretation of this handbook, I will contact Steven or Shari Gould.

I understand that my worksite employer, Elmstone Group Property Management, LLC, has entered into an agreement with Paychex Business Solution whereby Paychex Business Solution has agreed to assign individuals to perform services for Elmstone Group Property Management, LLC in connection with the agreement. I understand that for certain purposes I may be a co-employee of Paychex Business Solution, and that this relationship may be terminated at-will at any time by me, Elmstone Group Property Management, LLC, or Paychex Business Solution for any reason, with or without cause or notice, unless otherwise prohibited by law.

Signature: \_\_\_\_\_

Date \_\_\_\_\_

Print Name: \_\_\_\_\_