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# EMPLOYEE HANDBOOK

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January 2007

*Midwest Management Company*

*Employee Policy  
&  
Practices Summary*

**This Employee Handbook replaces or supersedes all other previous Employee Handbooks for APG Services, Inc. as of January 1, 2007.**

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Dear New Employee:

Welcome to employment with Midwest Management Company, LLC. and APG Services, Inc. (“the Company”). I want to take this opportunity to tell you how much we appreciate you joining our team. APG Services, Inc. is a Professional Employer Organization, or PEO. APG Services takes care of Human Resource functions (payroll and benefits) and allows Midwest Management to focus on the day-to-day tasks involved in maintaining and growing the business. You are an employee of both Midwest Management and APG Services.

Our vision is to respond to the needs of our members promptly, efficiently and with a desire to serve those who are, in reality, our customers. Our desire to serve is more than just words. We believe that with the right combination of people, equipment and dedication, we can serve our community and accomplish this vision. This level of excellence requires a commitment on your part to help us become all that we can be. Your commitment means that we can count on you to do the best job that you possibly can. In turn, we intend to recognize your value as our greatest asset.

To accomplish this task, we need a defined set of employment policies and a good benefit package for you, our employee. We hope you will agree that these policies and benefits were designed to make this a better place to work and are for the benefit of all of us. On behalf of the Company, we would once again like to say "Thanks" for joining our team. We hope that you will find working with us a rewarding experience and that you will embrace our philosophy in such a manner that we can count on you to show your dedication to our members.

**On behalf of Midwest Management and APG Services, welcome to our family.**

**Michael McGhie**  
**President**  
**Midwest Management Company, LLC.**

**Robert Czapiewski**  
**CFO**  
**APG Services, Inc.**

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## I. OPENING STATEMENT AND INTRODUCTION

This summary outlines the general personnel policies, practices and procedures of Midwest Management Company, LLC and APG Services, Inc. (the Company). It is a reference for both supervisors and employees. Proper use of this information will assure consistent application of personnel and procedures throughout the workforce and eliminate the need for individual decisions on matters already determined.

These policies and procedures will be reviewed and modified as required. All personnel are invited to make suggestions for additions or revisions by contacting management.

These policies are intended to be consistent with Title VII of the Civil Rights Act of 1964 (race, color, religion, national origin or sex); the 1991 Civil Rights Act; the Age Discrimination in Employment Act of 1967 (age); the Vocational Rehabilitation Act of 1973 (handicap); the Americans with Disabilities Act (ADA) of 1990 (handicap); the Employee Retirement Income Security Act ("ERISA") (pension and employee benefits); the Equal Pay Act of 1963 (prohibits pay differentials based on sex); the Immigration Reform and Control Act ("IRCA") of 1986; Executive Order 11246 (race, color, religion, sex or national origin); Executive Order 11141 (age); the Fair Labor Standards Act ("FLSA") (minimum wage and overtime pay); the Occupational Safety and Health Act ("OSHA") (safety matters); the Family and Medical Leave Act ("FMLA") of 1993, all as amended; the Elliott-Larsen Civil Rights Act (race, color, religion, national origin, age, sex, marital status, height and weight); the Michigan Persons with Disabilities Civil Rights Act (MCL 37.1605, handicap); Michigan Whistleblower's Protection Act; the Michigan Wage Payment Act (MCL Section 408.471) (wages and benefits); the Polygraph Protection Act of 1981 (restrictions on use of polygraphs); as well as any Constitutional provision of the State of Michigan or of the United States.

The policies and procedures in this manual do not constitute a legal contract and do not modify the at-will employment relationship between the employee and the Company.

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## II. "EMPLOYEE HANDBOOK RECEIPT FORM"

My signature below confirms that I have received and am fully aware of all the provisions set forth in this manual on the date indicated. Further, I agree to abide by all such rules and regulations as set forth in this manual. I will bring any questions I have regarding this policy to my supervisor's attention.

This agreement of employment is for an unspecified duration that can be terminated, by either the employer or employee, at will, without reason, notice, explanation or cause. Statements, deeds, or an action by any management employee contrary to the At Will Employment policy is null and void. Management employees cannot give, make, or bestow by words, deeds, or actions an exception to any employee to this At Will Employment policy.

Any Company employee benefit, or employee policy, (which are extended for all full-time employees), which implies directly or indirectly that the employee cannot be terminated except for reason, notice, explanation or cause, is false. While the Company extends benefits to all full-time employees, the At Will Employment policy remains as the employment agreement between the Company and the employee.

The Company reserves the rights to alter, modify, amend, change or terminate any or all of these policies and benefits in any manner that it believes to be in the Company's interest.

Violation of these policies could result in a disciplinary action up to and including termination.

Employee Name (Print or Type) \_\_\_\_\_

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

Employee Social Security Number # XXX - XX - \_\_\_\_\_ (please provide last 4 digits of your SS#)

Supervisor's Signature \_\_\_\_\_ Date \_\_\_\_\_

Supervisor's Title \_\_\_\_\_

**This Employee Handbook replaces or supersedes all other previous Employee Handbooks for APG Services, Inc. as of January 1, 2007.**

*A copy of this receipt will be retained by the employee and the original maintained in the personnel file.*

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## III. GENERAL EMPLOYMENT

### “AT WILL” EMPLOYMENT

The employee agrees and is aware that the employee's employment and compensation is "at will", and can be terminated for any reason at any time, with or without cause, and with or without prior notice, by either the employee or the company. The employee also understands and is aware that no supervisor, manager or other representative of the company, other than an officer of the company, has any authority to enter into any agreement for employment for any reason or for any specified period of time or to make any agreement contrary to the foregoing provisions. The employee further agrees that any employment promises are not binding, unless made in writing by an officer of the company and signed by both parties.

The employee agrees not to initiate or cause to be initiated against “the Company”, any compliance review, investigation, or proceeding of any kind, or participate in same, except as permitted or required by law or duly issued subpoena.

The employee acknowledges that any action or suit against the Company arising out of his/her employment or termination of employment under certain state and federal civil rights statutes, must be brought within 180 days of the event giving rise to the claims or be forever barred, or within 300 days if the complaint is filed with both the Michigan Department of Civil Rights and the Equal Employment Opportunity Commission, or 300 days before filing a charge with respect to the ADA. The employee waives any limitations period to the contrary.

### CLASSIFICATIONS & DEFINITIONS

***Regular Full-Time Employee*** - works a continuing schedule of 40 hours or more each week for an expected duration generally exceeding nine (9) months.

***Temporary Full-Time Employee***- initially scheduled for work 40 hours or more with an expected duration of less than nine (9) months, or hired in a fill-in capacity. Waiter/waitress positions within the company are considered temporary.

***Regular Part-Time Employee – Benefit Eligible*** - works a consistent schedule of at least 30 hours per week but less than 40 hours for an expected duration generally exceeding nine (9) months.

***Regular Part-Time Employee*** - works a continuing schedule less than 30 hours for an expected duration generally exceeding nine (9) months.

***Temporary Part-Time*** - initially scheduled for work less than 40 hours per week with an expected duration of less than nine (9) months, or hired in a fill-in capacity. Server positions (waiter/waitress) within the company are classified as temporary.

***Exempt Employees***- ineligible for overtime pay. Generally, an employee who works in an administrative capacity (at least 80 percent of the time) and supervises at least 80 hours (per week) of other employees' time. Generally, Property Managers and above or all other jobs as determined by the Department of Labor.

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*Non-Exempt Employees* - eligible for overtime pay.

*Benefit Eligibility* - only regular employees working a consistent schedule of 30 hours or more per week are eligible for benefits.

## **EQUAL OPPORTUNITY**

The company is committed to a policy of Equal Opportunity in both employment and real estate in full compliance with the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Americans With Disabilities Act of 1990.

The company will provide "reasonable accommodation" for modification or adjustment to a job or the work environment that will allow a qualified disabled person to perform essential job functions, provided it will not impose an "undue" hardship on the company's operation of business (i.e., nature/cost of accommodation, financial resources involved).

The company does not condone, support, or accept illegal discrimination as defined by state and federal laws/regulations. In general, illegal discrimination results from actions (or inaction) based on race, color, creed, religion, sex, marital status (employment and housing), national origin, age, handicap, disability, unfavorable military discharge (in employment in Illinois), familial status (housing), for employment only height and weight, or misdemeanor arrest, detention or disposition where conviction did not result.

The company does not condone, support, or accept any act of maliciousness (either physical or by word) with specific intent to intimidate or harass another person because of that person's race, color, religion, gender, or national origin.

If any employee, client, or resident feels that illegal discrimination has or is occurring, contact should be made immediately with an officer of the company. All contacts made will be kept confidential to the greatest extent possible.

## **GRIEVANCE PROCEDURE**

### **Definitions**

“**COMPANY**” is defined as APG Services, Inc. and Midwest Management Company and any and all its management companies and/or managed properties, all of its heirs, personal representatives, agents, assigns, Parent Corporations, Successor Corporations, Subsidiary Corporations, affiliated Corporations, officers, directors, shareholders, General Partnership(s) and Limited Partnerships, if any.

“**Employee**” is defined as any person, his/her heirs, successors, administrators, executors, or assigns, which works or has worked for the Company, including those employees working at a managed property.

Occasionally disputes arise between the Company and the Employee. It is the intent of the Company and the Employee to resolve such disputes and/or differences in the timeliest manner. Recognizing that

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litigation is a process most time consuming and costly to all parties, the Company and the Employee agree to the settlement of any controversy or claim arising out of or relating to the employment by submitting said claims to the American Arbitration Association. Disputes will be settled by binding arbitration, administered by the American Arbitration Association pursuant to the National Rules for the Resolution of Employment Disputes, as amended. Judgment rendered by the Arbitrator shall be entered in any Court having competent jurisdiction.

Before the employee engages in arbitration under the above rules, it is the policy of the company to attempt resolution of a dispute through an Open Door Policy. The employee shall have the right and obligation to consult with the supervisor, and if the employee is unsatisfied with the result, the employee may next ask for resolution with the Human Resources Department at APG Services, Inc., and finally, if necessary, the employee may seek resolution with an officer of the Company. The employee must inform the supervisor of the desire to resolve the dispute, in writing, within 21 days from the time the dispute arose. If the employee is unsatisfied with the resolution result with the supervisor, the employee must request in writing within 5 days, for resolution with the Human Resources Department at APG Services, Inc. If the employee is still unsatisfied with the result, the employee must request in writing within 5 days, for resolution of the dispute with an officer of the Company. Thereafter, if the Employee is still unsatisfied, the Employee may file for arbitration with the American Arbitration Association, in accordance with the National Rules for the Resolution of Employment Disputes.

Under this agreement, which is binding upon the Company and the Employee, all claims and disputes between the Company and the Employee arising out of the employment and/or the employee's **separation or termination from the Company, Statutory claims, discrimination and harassment claims based on, for example, but not limited to, race, religion, national origin, age, height, weight, disability or other characteristic covered by law**, shall be brought before and decided by the American Arbitration Association. Further, any claims brought by the Company against the Employee, including, but not limited to, enforcement of non-compete agreements, protection of Trade Secrets, proprietary information, confidential information, intellectual property and to protect the Company's business reputation, shall be brought before and decided by the American Arbitration Association. Because this agreement promotes arbitration as the exclusive remedy for claims covered by this agreement, the Company and the Employee agree to be bound by those laws best enforcing arbitration agreements, including the Federal Arbitration Act, federal common law, applicable State laws and state common laws promoting arbitration.

**CLAIMS NOT COVERED BY THIS AGREEMENT**, are those the employee might have for:

Worker's compensation benefits pursued through a state administrative agency

Unemployment compensation benefits

Benefits under a Company benefit plan covered by the Employment Retirement Income Security Act (ERISA), or any other claims covered by ERISA.

Claims against an individual manager, which involve conduct not within the scope of the manager's employment.

Also, any dispute, which is expressly agreed to in writing between the Company and the Employee, specifically providing for judicial or other remedy.

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**TIME.** It is agreed between the parties that time is of the essence. Therefore, a claim must be submitted to the American Arbitration Association within 180 Days of the date the dispute arose. Failure to bring such claim within the time for dispute resolution, shall automatically bar either party from raising said claim, either through Arbitration, at law or equity in any court. It is contemplated by the parties that the arbitration shall be completed within 6 months from the date of filing for arbitration and each of the parties and the arbitrator shall make best effort to resolve the dispute(s) within 6 months from date of filing.

**AT WILL EMPLOYMENT.** It is further agreed that the Employment is, has been and will continue to be an “At Will” employment relationship and nothing in this agreement shall be construed to change, alter or cause the dissolution of the “At Will” relationship of the employment.

**COSTS & FEES.** The Company will pay all costs and fees of the Arbitration, with the exceptions, that the Employee shall pay his/her portion of the filing fee, (currently \$125) as per the National Rules for the Resolution of Employment Disputes, as amended, if the Employee files for the Arbitration. If the Company files for the Arbitration under this agreement, then the Company shall pay all filing fees. Each party shall pay its own costs for representation and preparation of its case herein. The prevailing party may request the Arbitrator to award costs, including reasonable attorney fees, for representation and preparation of its case herein.

**Note: All costs incurred by The Company associated with this Grievance/Arbitration Procedure will be the responsibility of the managed property. If the employee filing the grievance is not an employee invoiced directly to the managed property, The Company will incur the costs.**

**DISCOVERY.** The Arbitrator may, in his/her discretion, allow the parties to make reasonable disclosure and discovery as to matters which are the subject of the Arbitration and to compel compliance with that disclosure and discovery order. The parties are encouraged to agree upon the extent of discovery and disclosure which shall take place prior to the arbitration hearing. Discovery shall be limited to that which is clearly relevant and material to the dispute and for which the party has a substantial and demonstrable need. Upon request, either party shall be entitled to receive information and copies of documents which meet the criteria for discovery, at least 30 days prior to the hearing. Upon request, the parties shall be entitled to take one deposition each, at least 30 days in advance of the arbitration hearing. The parties will designate the individual whom they wish to depose, but the individual must have direct knowledge of the issues in dispute. Any disputes regarding the discovery process shall be decided by the Arbitrator and the Arbitrator may grant, upon good cause shown, either party’s request for discovery in addition to, or limiting that expressly provided in this agreement.

**LOCATION.** Unless otherwise agreed to by the Employee and the Company, in writing, arbitration will take place at the American Arbitration Association office closest to the place where the dispute arose.

**MEDIATION.** Mediation is neither desired nor requested by the parties.

**ARBITRATOR.** There shall be only one arbitrator and the arbitrator shall be chosen according to the National Rules for the Resolution of Employment Disputes, as amended. The Arbitrator shall be

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knowledgeable in the resolution of Employment Disputes and the Arbitrator shall be an attorney, or retired judge.

**COVENANT NOT TO SUE.** The Company and the Employee covenant that under no conditions will any party to the dispute or any affiliate file an action against the other (except only requests for injunctive or equitable relief) in any forum other than before the American Arbitration Association, and the parties agree that any such action filed, will be dismissed on application and referred for arbitration under this agreement with costs and attorney fees to the prevailing party.

**MEASURE OF DAMAGES.** Under this agreement, the Company and the Employee specifically agree to restrict themselves to claims for compensatory damages and no claims will be made by any party or affiliate for punitive, exemplary or multiple damages. Compensatory Damages may, at the discretion of the Arbitrator, include front pay, and if paid in lump sum, discounted to present day value at the time of award.

**FILING CHARGES OR CLAIMS WITH GOVERNMENT AGENCIES.** Nothing in this agreement is intended to discourage or interfere with the legally protected right of the employee to file administrative claims or charges with appropriate government agencies. However, if the Employee files a charge or claim with any government agency, the Company may request the agency to defer its processing of the charge or claim until the Employee and the Company have completed the dispute resolution process under the American Arbitration Association.

**RIGHT TO REPRESENTATION.** The National Rules of the Resolution of Employment Disputes do not require representation by an attorney. However, each party has the right to be represented by an attorney. The expenses of such representation shall be the sole responsibility of each party and may not be passed or assessed to any other party to the dispute.

**ARBITRATOR'S DECISION.** The decision of the arbitrator shall be final and binding upon both parties to the dispute. The arbitrator shall prepare and publish the decision in accordance with the National Rules for the Resolution of Employment Disputes, as amended, in accordance with the substantive law of the state or federal circuit, or both, in which the claim arose. Judgment upon the award rendered by the arbitrator may be entered in any court having competent jurisdiction. The arbitrator's award shall be kept confidential, except as specifically required by law.

**SEVERABILITY.** If any provision of this agreement shall be determined to be unlawful or improper, or unenforceable for any other reason, that provision shall be struck and the remaining provisions of this agreement shall remain in full force and effect. This agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably and neither more strongly for nor against either party regardless of who drafted the agreement.

**ENTIRE AGREEMENT.** This agreement is the complete and exclusive agreement between the Company and the Employee regarding the dispute resolution process. This agreement shall not be subject to any claim of mistake of fact.

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**SETTLEMENT AND RELEASE AGREEMENT.** If the Company and the Employee reach an agreement to resolve their respective claims prior to the issuance of the Arbitrator's decision, the parties will, within 30 days of such agreement, enter into a signed settlement agreement and release of all claims against the Company and its representatives related to the Employee's employment. Notification of the settlement shall be provided to the arbitrator upon signature of both parties.

**FORMS, RULES & FILING.** When filing a demand for arbitration, the party must serve a copy of the demand upon the other party, in accordance with Rule 4, of the National Rules for the Resolution of Employment Disputes, as amended. The Company maintains a copy of the National Rules for the Resolution of Employment Disputes and copies of Form E2, (Demand for Arbitration) at the offices of APG Services, Inc. 950 Corporate Office Drive, Suite 150, Milford, Mi. 48381. Copies of the Rules, and the Demand for Arbitration Form, shall be made available to any Employee, upon request. Alternatively, an employee may obtain a copy of the Rules and Forms from the American Arbitration Association at its nearest office, or by contacting The American Arbitration Association at their website: [www.adr.org](http://www.adr.org).

## **WORKPLACE VIOLENCE POLICY**

We are committed to providing a safe workplace for all its employees. All employees should review and understand all provisions of this workplace violence policy to promote a safe workplace and to reduce the risk of violence.

### **Prohibited Conduct**

We expressly prohibit any acts of violence or threats of violence by any company employee against any other person in or about company facilities or in connection with the company business elsewhere at any time.

The Company will **not tolerate** any type of workplace violence committed by or against employees. Employees are prohibited from making threats or engaging in violent activities. This list of behaviors, while not all inclusive, provides examples of conduct that is prohibited:

1. Causing physical injury to another person.
2. Making threatening remarks.
3. Aggressive or hostile behavior that creates a reasonable fear of injury to another person or subjects another individual to emotional distress.
4. Intentionally damaging employer property, client property or property of another employee.
5. Possession of a weapon while on company property or while on company business, including any employee licensed to carry a weapon. (Except security personnel).
6. Committing acts motivated by, or related to, sexual harassment or domestic violence.

### **Reporting Procedures**

Any potentially dangerous situations must be reported immediately to a supervisor, your Regional Property Manager/Vice President or the Human Resource Department. If the situation is perceived to place someone in imminent danger, **call the police immediately.**

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## **No Retaliation**

Retaliation in any form against an employee who has, in good faith, reported a violation of this Policy will not be tolerated. Additionally, there will be no retaliation against anyone that has assisted a person making a complaint or provided information during an investigation under this Policy. Violation of this provision will be subject to prompt and severe discipline, which can include termination of employment. The company will attempt to monitor situations after complaints have been investigated to ensure that no such retaliation occurs.

## **Enforcement**

Threats, threatening conduct, or any other acts of aggression or violence in the workplace will not be tolerated. Any violations of the “Workplace Violence Policy” will be subject to disciplinary action, up to and including termination. Non-employees engaged in violent acts on the employer’s premises will be reported to the proper authorities and fully prosecuted

## **NEPOTISM**

Standards for employment and promotion of employees shall consist of ability, qualifications for the position, and performance. Relationship (meaning a person connected by blood or affinity) to another individual employed by the company shall not constitute a bar to hiring or promotion.

Where appropriate, the company will ensure that a relative is not assigned to the same department and/or property as the employee

## **NEW EMPLOYEE ORIENTATION**

Every new regular employee, regardless of previous training or experience, will be given an introduction to the company. Orientation sessions are designed to assist new employees by establishing a sense of belonging and cooperation by creating favorable attitudes; by supplying necessary information that will answer employee questions; and by removing fears or uncertainties that may cause barriers to effective job learning and performance.

## **NONCOMPETE AGREEMENT**

Every employee, as a condition of initial and continued employment must read, understand and execute a separate “Confidentiality and Non-Compete Agreement. An employee who declines to sign the Agreement cannot be employed, or if employed, cannot be retained.

## **WORK OR INTERESTS OUTSIDE THE COMPANY**

All employees have a fiduciary duty to the company and our clients to be free from the influence of any conflicting interest when they represent the company in negotiations or make recommendations with respect to dealings with third parties. They are expected to deal with suppliers, customers, and all others doing business with the company on the sole basis of what is in the best interest of the company without favor or preference to third parties based on personal considerations.

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Work outside the company is not prohibited, but it must not interfere with the performance of duties and responsibilities of the person's position, nor may it create a conflict of interest for the company. Company resources, information or equipment must not be used in connection with outside work. It is prohibited for any employee to solicit or perform work in competition with the company.

Employees must disclose any and all associations with contractors, suppliers, vendors and other companies that perform work or bid for work for any of our properties or the company. If an association of this type creates, or potentially creates, a conflict of interest:

1. The company involved may be forbidden to perform, bid, work at our properties and the company, or
2. The company involved may be required to disclose the identity of interest or relationship.

An employee who fails to report or disclose an association may be terminated.

Employees doing work on their own time as independent contractors at the sites must obtain written approval beforehand from an officer of the company.

## **NONRENTAL UNITS**

An employee may be provided with a non-rental unit in addition to their normal compensation. The following guidelines apply to the use of non-rental units:

1. Separately metered utilities are paid by the employee.
2. All rules and regulations of the property must be adhered to by the employee.
3. If an employee moves from the non-rental unit:
  - A. Any damage and unusual cleaning costs will be paid by the employee.
  - B. Adjustments to the employee's pay for the value of the unit may or may not be made depending on the purpose of the non-rental unit and the reason for the move-out. This decision is at the sole discretion of the company.
4. If the employee leaves the company's service, the employee will vacate the unit within 30 days. The full market or contract rent for the period following employment separation will be paid by the former employee.
5. If the employee is transferred from the property, the employee will be expected to become a normal renter, complete all necessary rental paperwork, and begin paying the appropriate rent for the unit.
6. The employee is required to obtain insurance coverage on his/her personal property and liability as a requirement for residing on a property. The policy is required to contain provision(s) to cover the property's deductible amount as provided in the property's insurance policy.
7. The employee will pay a security deposit no less than the amount of the monthly rent. Upon employee separation, the employee agrees to immediately increase the security deposit equal to the market rent.

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## **PROMOTIONS AND TRANSFERS**

It is the policy of the company to fill vacancies, whenever appropriate, by promotion within the company. It is sometimes necessary or desirable to employ persons from outside the company for positions that require special experience or skills. Transfers and promotions are based on many factors, including the ability to do the work.

## **SEPARATE EMPLOYMENT AGREEMENTS**

At some properties, separate agreements may exist which alter, modify or eliminate individual (or all) policies and benefits described in this material.

## **CONFLICT OF INTEREST POLICY**

It is the policy to require its employees to devote their loyalties to the interests of the company and to keep themselves free of influences that might conflict or appear to conflict with their representing the company to the best of the company's interests. Any employee who violates this policy will be subject to discipline, up to and including termination. The types of activities, interests, and relationships that typically create or appear to create a conflict of interest are set forth below. This list is intended for guidance purposes only and does not specify every situation that could constitute a conflict of interest.

It is in conflict with the company's interests:

1. For an employee to accept, directly or through any member of the employee's immediate family, any gift of more than nominal value, any loans, services, payments, money, excessive entertainment, vacation, pleasure trips, or promotional favors from any person or entity that is a competitor of, or that is doing or seeking to do business with, the company.
2. For an employee to perform any services, either as an officer, director, employee, or consultant for another person or entity that is a competitor of, or is doing or seeking to do business with, the company, except in each case with the knowledge and consent of the company in written form signed by its President or a designated officer.
3. For an employee to purchase or lease goods or equipment on behalf of the company from persons or entities with which he or she is related or in which he or she has an interest.
4. For an employee to use or reveal, without proper authorization, to a third party any confidential information that might be prejudicial to the interests of the company.
5. For an employee to speculate or compete with the company in the products, properties, or services sold, purchased, or leased by the company.
6. For an employee to acquire an interest in any entity that he or she knows is being considered for acquisition by the company.

## **CLIENT RELATIONSHIPS**

The company is a service orientated organization that depends on its clients for continued growth and profitability. The support of our client relationships is an important function of each of our employees. Actions detrimental and/or damaging to the company's client relationships will lead to discipline up to, and including, discharge, but nothing herein shall be construed to alter the at will employment relationship between the employer and the employee

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## **LEGAL DEFENSE**

The company and its clients will support its officers and employees when acting in the performance of assigned duties on behalf of the company or the clients. The company/client will defend, save harmless, and indemnify such persons against any suit or proceeding, wherever brought, premised upon the fact he/she is or was an officer or employee of the company/client and the officer/employee's actions are covered by the company/property's insurance coverage.

As a condition of indemnification, the officer and/or employee is required to cooperate fully on a continuous basis with the attorney selected to represent the company/client.

## **ONCALL SERVICE**

Depending on the specific property and property location, some form of on-call maintenance service will be provided for emergency maintenance. The employee can determine the specific requirements for their property from the supervisor. In all cases, the employee involved with on-call service will be compensated at a rate to insure compliance with any and all existing overtime laws or regulations.

## **PERFORMANCE APPRAISALS**

The company does not prepare performance appraisals except as requested by a property owner or when deemed appropriate by the company.

This review process provides an opportunity for the employee and their supervisor to discuss the employee's progress and determine various means to improve employee performance. This procedure can be a successful communication tool when both the employee and supervisor actively and constructively take part.

When prepared, the written appraisal will become a permanent part of the employee's personnel file. The employee will be expected to sign the appraisal as acknowledgment of having the appraisal reviewed with them. If the employee disagrees or disputes the appraisal, they may put their position in writing and this will also become part of their file. If an employee does not wish to sign the appraisal, their supervisor and an executive or officer of the company must sign a statement indicating the circumstances surrounding the employee's refusal. This statement and the appraisal will then become part of the employee's file.

## **PRIVACY RIGHTS**

An officer of the company has the right to investigate an employee's desk, locker, etc. if there is a substantial belief that there are alcohol or controlled substance violations, stolen company property, or the need to obtain employment-related information about an employee, or any work-related information. Please remember that desks, lockers and other equipment, including computers, are company property and are provided to employees for their use in pursuing company business. An employee, consequently, does not have any expectation of privacy in such items or property.

The same policy holds true for email. Employees have no expectation of privacy in email. As with all company assets, email is intended for authorized business uses only. Authorized company personnel will have unrestricted access to information stored in the email system. The company cannot guarantee the privacy of documents and messages stored in company-owned files, desks, storage areas or

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electronic media. As such, you must provide your password to all company programs **immediately** upon the request of your manager, Regional Manager, or Officer of the Company.

## **TRAVEL**

In general, travel at company or property expense may be authorized for company business. All travel must be approved in advance by the employee's supervisor. Parking violations issued while the employee is on company business may be paid if approved by the Regional Property Manager, officer of the company, and/or the client.

### **Use of Personal Vehicles**

No managerial personnel will be reimbursed for use of their personal vehicle on company business. Managerial personnel will be reimbursed only for that travel that consists of "out-of-town" travel (i.e., from the Grand Rapids area to the Lansing area), or a distance greater than 20 miles. Travel within "town" is considered to be a normal part of their job and will not be reimbursed.

If you use your own vehicle for Company business, you **may be** required to provide a certificate of insurance indicating you have liability coverage along with the coverage limit.

To receive reimbursement, the employee must complete a trip voucher. The rate of reimbursement will be set by the company. Regional Property Managers and executives will not be reimbursed for use of their personal vehicle unless a special arrangement has been made in advance.

### **Use of Company Vehicles**

Company owned vehicles are an asset of the company and should be respected and cared for as you would your own. Only company employees or other authorized individuals will ride in company vehicles. Absolutely no hitchhikers or other riders are allowed. Traffic violations will not be paid or defended by the company. If a vehicle is damaged due to negligence on the part of the employee, he/she may be obligated to reimburse the full amount of any and all damages, including insurance deductible. All company vehicles must remain on the property when not in use for company business.

A person driving a company or property owned vehicle must have an appropriate driver's license; must be experienced in handling the kind of vehicle being used; must have a satisfactory driving record; must meet the state law age requirement of 18 years of age for operating a vehicle; and must be insurable. A person not meeting any of the above criteria will not be allowed to operate the company or property vehicle. If the employee's position requires use of the company or property vehicle, and the employee does not meet the required criteria for operating the vehicle, the employee may be terminated or transferred at the company's discretion.

### **Motor Vehicle Report**

A Motor Vehicle Report (MVR) will be run on all new employees that may drive a company/property vehicle. This will be generated by the company office and will be an expense of the property/company.

An MVR will be run annually on all employees that drive company/property vehicles. Reports with seven (7) or more points, impaired driving, driving under the influence, or license suspension will be distributed to the appropriate Regional Property Manager and the company officers. I acknowledge and

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authorize the company as a condition of continuing my employment, to annually obtain a motor vehicle report(s) regarding my driving or other vehicle record.

Employees with seven (7) or more points on their MVR or with a suspended license will be immediately suspended from driving company/property vehicles. MVR's with impaired driving or DUT's will be reviewed with the insurance company and final determination made on the basis of insurance.

Immediate termination will result from any cases where the employee had his/her driver's license suspended and did not inform the company/property of this fact while still driving a company/property vehicle.

## IV. EMPLOYEE CONDUCT

By accepting employment with us, you have a responsibility to the Company and its affiliates, our clients and to your fellow employees, to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what conduct is expected and necessary to help everyone work together efficiently, effectively and harmoniously.

Generally speaking, we expect each person to act in a mature and responsible way at all times. However, to avoid any possible confusion, some of the more obvious unacceptable activities are noted below. Your avoidance of these activities will be to your benefit as well as the benefit of the Company, clients, and its affiliates. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed, please see your immediate supervisor or contact Human Resources.

Occurrences of any of the following activities, as well as violations of the Company policies and/or its affiliate's rules or policies, may be subject to disciplinary action, including possible immediate dismissal. This list is not all-inclusive and, notwithstanding this list, all employees remain employed "at will."

### CODE OF ETHICS

1. Willful violation of any company rule; any deliberate action that is extreme in nature and is obviously detrimental to the Company and its affiliates' efforts to operate profitably.
2. Negligence or any careless action, which endangers the life or safety of another person.
3. Insubordination or refusing to obey properly issued instructions pertaining to your work.
4. Threatening, intimidating or coercing fellow employees on or off the premises, at any time, for any purpose.
5. Engaging in an act of sabotage; willfully or with gross negligence causing the destruction or damage of company property, or the property of fellow employees, clients or visitors in any manner.
6. Theft of company property or the property of fellow employees; unauthorized possession or removal of any company property, including documents (both paper and/or electronic files), from the premises without prior permission from management; unauthorized use of company equipment or property for personal reasons; using company equipment for profit.

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7. Dishonesty; willful falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by the Company or its affiliates; alteration of company records or other company documents.
8. Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another employee on the job; willfully restricting work output or encouraging others to do the same.
9. Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of the Office Administrator.
10. Failure to report an absence or late arrival; excessive absence or lateness.
11. Obscene or abusive language toward any employee or client; indifference or rudeness towards a client or fellow employee; any disorderly/antagonistic conduct on company premises.
12. Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on company premises.
13. Each employee shall demonstrate professional behavior that supports team effort and enhances team behavior, performance and productivity.

Rules of personal conduct for employees are intended to promote the orderly and efficient operations of the company, as well as to protect the rights of all employees. Violations, therefore, shall be regarded as cause for disciplinary action, up to and including discharge. Discharge may result from an accumulation of minor infractions as well as for a single infraction of a serious nature. This statement of personal conduct for employees does not preclude the establishment of additional rules that are necessary for the effective operation of the company.

Disciplinary actions under these rules do not free an employee from possible criminal liabilities, nor preclude sanctions established for violations of state or federal laws. Nothing herein shall be construed to alter the At-Will employment relationship between the employer and employee

## **DEFAMATION**

The company upholds the belief that each individual has an interest and right in his or her good name and reputation and does not tolerate any communication of false statements, or communicating information to a person who has no right to know the subject matter.

## **POLICY AGAINST HARASSMENT**

The Company is committed to providing a work environment that is free of unlawful harassment. In keeping with this commitment, Midwest Management Company and APG Services expressly prohibits harassment based on sex, race, color, religion, national origin, age, disability, military or veteran status, or any other category protected by applicable federal, state, or local law. Unreasonable interference with an individual's work performance or creation of a hostile, intimidating or offensive working environment will not be tolerated. All Company employees must act responsibly to help establish a comfortable working environment free from harassment. The Company strongly disapproves of and will not tolerate harassment of employees by managers, supervisors or co-workers, clients or vendors.

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This policy prohibits unlawful harassment in any form, including verbal, physical, or visual harassment. This policy applies to workplace conduct, conduct at Company functions or while on Company business, and to employees at all levels and positions within the Company.

Generally, sexual harassment is unwelcome behavior that may or may not include sexual conduct. Both males and females can be victims of sexual harassment by persons of the same or opposite gender. In particular sexual harassment includes unwelcome sexual advances or propositions, sexual flirtations, leering, verbal abuse of a sexual nature, subtle pressure or requests for sexual favors or acts, unwanted touching or intimacy, insulting or degrading sexual remarks or conduct, epithets, derogatory remarks or negative stereotyping based on gender, sexually explicit or offensive jokes, and the posting or display in the workplace of sexually offensive or degrading materials, electronic or otherwise.

A few examples of conduct that can be harassment (for illustrative purposes only) include the following:

- A. Making unsolicited and unwelcome written, verbal, physical and/or visual contact with sexual overtones (Written examples: suggestive or obscene letters, notes, invitations.
- B. Verbal examples: derogatory comments, slurs, jokes, and epithets.
- C. Physical examples: leering, gestures, display of sexually suggestive objects or pictures, cartoons, posters, or magazines.)
- D. Continuing to express sexual interest after being informed that the interest is unwelcome (Reciprocal attraction is not considered sexual harassment.)
- E. Making reprisals, threats of reprisals or implied threats of reprisal following a negative response. For example, either implying or actually withholding support for an appointment, promotion or change of assignment or suggesting that a poor performance report will be given.
- F. Engaging in implicit or explicit coercive sexual behavior, which is used to control, influence, or affect the career, salary, and/or work environment of another employee.
- G. Offering favors or employment benefits, such as promotions, favorable performance evaluations, favorable assigned duties, recommendations, reclassifications, etc., in exchange for sexual favors.

Any form of unlawful harassment creates an unprofessional and unacceptable atmosphere. The Company will take reasonable steps to prevent harassing conduct by supervisory or non-supervisory employees, coworkers, clients, or vendors.

The Company strictly prohibits its managers, supervisors and other employees from implying or suggesting that an applicant's or employee's submission to or refusal to submit to sexual advances or participation in such conduct is a condition of continued employment or receipt of any job benefit (including job assignment, compensation advancement, career development, or any other term or condition of employment).

## **Harassment Complaint Procedure**

Employees are expected to treat co-workers with respect and to refrain from any conduct that may be construed as harassment. If you experience or observe any job-related harassment by employees, clients, or other third parties based on sex, race, or any other factor, or if you believe that you have been treated in an unlawful, discriminatory manner, **it is your duty to promptly report the incident to your supervisor and the Human Resources Department.**

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You are not required to complain first to the person who is harassing you. However, advising that person that you find their conduct offensive is often effective in stopping the conduct. If for any reason you are not comfortable reporting the incident to the Human Resources Department, then you should bring the situation to the attention of any senior officer including the President. It is then the officer's responsibility to report the complaint to Human Resources. While your initial complaint may be made verbally, the Company may require a written statement of your complaint to facilitate investigation.

Managers at all levels are responsible to act immediately if they know of harassment by or of any employee, client or vendor.

We will investigate any claims of harassment promptly, impartially, thoroughly and, to the extent possible, confidentially. The manner and extent of investigation and confidentiality is at the discretion of the Human Resources Department, as it deems necessary. All employees are expected to cooperate in investigations of harassment complaints by providing truthful information in response to any inquiry.

After an appropriate investigation, any employee who is found to have violated this policy will be subject to disciplinary measures, as determined by The Company up to and including termination. Appropriate written documentation will be placed in his/her personnel file.

The Company prohibits any form of retaliation against any employee for filing a truthful complaint under this policy or for assisting in a complaint investigation. Retaliation may result in disciplinary action, up to and including termination.

If, after investigating any complaint of harassment, the Company determines that the complaint was untruthful or that an employee has provided false information regarding the complaint, disciplinary action, up to and including termination, may be taken against an individual who knowingly filed an untruthful complaint or gave false information.

## **DRUG AND ALCOHOL POLICY**

**Introduction:** The Company believes that the misuse of drugs or alcohol impairs employee health, performance, and creates unsafe working conditions. The Company is committed to maintaining a productive, safe and healthy work environment free of unauthorized drugs and alcohol use.

**Policy:** The possession, use, distribution, sale of unauthorized, non-prescribed drugs by employees while engaged in business is prohibited. Further, the consumption, use, possession or being under the influence of any alcoholic beverages on any premise is prohibited.

**Medication Reporting:** It is the employee's responsibility to notify his/her supervisor, in writing, when he/she is taking any prescription or nonprescription medicine or substance which may impair his/her judgment or performance or otherwise adversely affect normal functions of his/her mental facilities and/or physical abilities.

**Employee Assistance/Rehabilitation:** Employees who feel they need assistance with a drug or an alcohol problem are encouraged to volunteer for rehabilitation assistance before the problem

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leads to a situation which could jeopardize their employment. An employee who volunteers for such assistance before they have performance problems or before the Company is aware of such problems will not be subject to discipline solely on the basis of their voluntary request for rehabilitation. The Company reserves the right to take action regarding performance and/or safety issues.

**Searches:** The Company reserves the right to authorize local police departments to conduct unannounced personal searches of employees, including, but not limited to their personal effects, desks, purses, clothing and parcels located on premises and their private vehicles if parked on said premises. However, no such search shall be permissible unless at least two supervisory staff members have verified a reasonable suspicion that the employee has possession of alcohol, unauthorized drugs, or contraband contrary to this policy.

**Testing:** The Company will use laboratory testing to detect or confirm violations of this policy. Laboratory testing includes, but is not limited to, urinalysis, breath analysis and blood analysis. Reasonable suspicion laboratory testing may be initially undertaken when two or more supervisory staff members have a reasonable suspicion that the policies may have been violated by the employee. In some instances, one supervisory staff member, with reasonable suspicion and approval of the Regional Property Manager, may send an employee for a drug screen. Refusal to consent to personal searches and laboratory testing will subject the employee to termination.

Such reasonable suspicion may be based on, among other things:

- A. Observable phenomena, such as direct observation of drug or alcohol use or possession and/or the physical symptoms of being under the influence of a drug or alcohol.
- B. A pattern of abnormal conduct or erratic behavior.
- C. Conviction for a drug related offense.
- D. Information provided either by reliable and credible sources or independently corroborated.
- E. Having discovered evidence that an employee has tampered with a previous drug test.
- F. A may be requested as a result of an on the job injury. Nothing herein shall be construed to alter the at will employment relationship between the employer and employee.

Laboratory testing may also be required in the event of a motor vehicle collision while going to, from, or in the course of employment.

Laboratory test results shall be interpreted by executive officers or their designees and any consultants they may hire for such purpose and shall remain confidential, except as may be necessary for disciplinary purposes; for referral for employee assistance or medical treatment; or as may be ordered by a court of competent jurisdiction. The employee shall have access to their testing results.

Should employees have an initial positive test indicating a violation of this policy and remain in the Company's employment, the employee may be subject to unannounced follow up laboratory testing for a period of two (2) years from the completion of any approved rehabilitation program.

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All applicants for employment will submit to such laboratory testing prior to employment and any positive results shall be grounds for withdrawing any offer of employment.

The Drug and Alcohol Policy shall not be construed to limit the Company's right to take other appropriate and immediate action when deemed necessary in dealing with drug, alcohol or health related employee matters, provided such other actions are in accordance with the law.

## **DRESS CODE**

Employees shall present a clean, neat, professional and businesslike appearance. The following are considered inappropriate apparel:

1. T-shirts with iron-ons and/or printed messages, unless used to promote or advertise the company.
2. Jeans - pants/shirts or skirts with studs, double-stitched seams, etc. An exception is provided for maintenance, janitorial and grounds personnel.
3. Casual or jean-like corduroy pants. An exception is provided for maintenance, janitorial and grounds personnel.
4. Bib overalls and painter's pants. An exception is provided for maintenance, janitorial and grounds personnel.
5. Thongs and "flip-flop" sandals.
6. Bare legs and feet (shoes and hosiery must always be worn).
7. Bare shoulders, backs and midriiffs.

Exceptions will be allowed based on the employee's job requirements (i.e., pool attendants). Exceptions to this dress code, other than those already specified, will be allowed for cleanup days. For every exception, prior permission must be obtained.

Hair style and length must be clean, neat and present a professional image. Inappropriate dress, hair and grooming will be discussed with the employee and appropriate adjustments made.

## **UNIFORMS**

Some properties and job positions may require employees to wear uniforms for purposes of safety, health, or identification. The supervisor should inform each employee of any uniform requirements, including any responsibility for purchase, cleaning, and maintaining.

## **SMOKING**

Smoking is hereby prohibited:

1. In and adjacent to all buildings where combustible materials and/or flammable liquids are stored or maintained.
2. In residential units where property work is being performed.
3. In the company's corporate offices.

If an employee smokes, it is his/her responsibility to ask the supervisor the location, if any, of smoking areas. Smoking and nonsmoking areas will be designated or approved by an officer of the company or the client.

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## **GIFTS AND GRATUITIES**

Employees shall not seek or accept payments, loans, services, excessive entertainment (exceeding a \$15 value), travel, or gifts of more than nominal value (exceeding \$10 value) from any individual or from the representative of any business concern doing, or seeking to do, business with the company.

### **Exceptions:**

1. Exceptions, other than those specified below, must be approved in writing by an officer of the company.
2. Positions normally considered to include gratuities (i.e., waitress) may be allowed an exception if that is the individual property's written policy.
3. Gifts provided for company sponsored events (i.e., picnics, parties).

The offer or acceptance of any gifts or gratuities (except for Exception #2) must be reported to an officer of the company.

## **SOLICITATION OF FUNDS**

Canvassing/solicitation are limited to nonworking time and in nonworking areas. Collections among employees are allowed only for campaigns approved by an officer of the company or for personal issues such as birthdays, weddings, etc.

Employees should refrain from fundraising for a charity without prior approval of an officer of the company.

## **COOPERATIVE MEMBERSHIPS**

It is considered to be a potential conflict of interest for our employees to be a member in any cooperative managed by the company. Employees are forbidden from seeking or applying for a membership at any cooperative currently managed by the company.

## **SALVAGE**

Salvage is defined as items of potential value that are: 1) left by vacating residents, or, 2) no longer used or useable by the property.

- A. Items left by evicted residents are to be left at the "Curbside." No items are to be kept by the staff of the property.
- B. Items left by former residents are to be disposed of as trash or inventoried and kept at the property for ten (10) days.
- C. All items left by former residents and kept by the property for later disposal (i.e., taken by staff) are to be fully inventoried. The inventory will include the resident's name, move-out date, date of storage, and full description of the items.
- D. Property equipment, supplies, or materials treated as salvage will be sold by the property to other properties or outside sources. Remaining property salvage can be sold to property staff. Any property salvage that cannot be sold will be treated as trash. Any and all property salvage sold, will be documented in the management report and the funds received will be deposited in the properties bank account.
- E. The Property Manager and/or Regional Property Manager have full authority to decide the disposition of salvaged items.

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## V. LEAVE OF ABSENCE

Leaves of absence may be granted to eligible employees for such reasons as:

1. Personal Leave.
2. Military Leave
3. Qualifying conditions under the Family Leave Act.

Applications for leaves must be submitted for approval to an officer of the company. Approval of leaves may need additional approval of the client directly affected. Leaves do not constitute a break in service, and employees retain all previously earned or accrued benefits upon their return (i.e., vacation, sick leave, retirement eligibility). Benefits normally granted to employees while actively employed do not accrue during leaves of absence.

### PERSONAL LEAVE

Regular employees may be granted personal leaves without pay for such reasons as:

1. Settlement of an estate.
2. Personal needs of the employee.

Employees must obtain prior approval for all personal leaves. Employees on personal leave for periods of two (2) weeks or less may be returned to the position held at commencement of the leave. Employees on personal leave for periods greater than two (2) weeks may be offered the first available position comparable in responsibility, pay and location.

The company reserves the right to restrict the use of personal leaves if the company would be seriously inconvenienced.

### MILITARY LEAVE

If you are called to active military duty or to Reserve or National Guard training, or if you volunteer for the same, you should submit copies of your military orders to the Office Administrator as soon as is practicable. You will be granted a military leave of absence without pay for the period of military service, in accordance with applicable federal and state laws. Your eligibility for reinstatement after your military duty or training is completed is determined in accordance with applicable federal and state laws.

### FAMILY MEDICAL LEAVE (FMLA)

Eligible employees will be allowed up to 12 weeks of unpaid leave per employee household during any 12 month period for qualified family or medical emergencies.

**Eligibility:** To be eligible, an employee must have worked at least 1,250 hours during the prior 12 months.

**Qualifying Conditions:** This policy will apply to those circumstances that create a need for continuing care and the inability to perform one's job, or the need to care for an ill family

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member. This includes the birth or adoption of a child (within 12 months for birth or adoption), caring for a seriously ill family member, or an employee's own major illness.

***Doctor's Certification:*** A doctor's certification must be provided to verify a serious illness. When deemed necessary, the company may, at its discretion, require a second doctor's opinion paid for by the employer. Once the employee is on leave, the company may require the employee provide subsequent medical certifications on a reasonable basis; but not more than every 30 days unless the employee requests a leave extension, there are changed circumstances regarding the illness/injury, or the company obtains information that casts doubt on the validity of the employee's previous certification.

***Employee Notification:*** Employees must provide a 30 day notice for foreseeable leaves (i.e., birth, adoption, or planned medical treatment). If the employee fails to provide notice to the company, and the employee's leave date was clearly foreseeable, the company has the right to deny leave until 30 days after proper notice is received from the employee.

***Length of Leave:*** A total of 12 weeks of leave will be allowed per employee family during any 12 month period measured forward from date of employees first FMLA begins. Effective date of the commencement of the leave is the first day of leave taken. The right to take leave under FMLA applies equally to male and female employees. Spouses employed by the company, however, may be limited to a ***combined*** total of 12 work weeks of family leave for the following reasons: 1) birth and care of a child; 2) for the placement of a child for adoption or foster care, and to care for the newly placed child; and, 3) to care for an employee's parent who has a serious health condition. This limitation does not apply to leave taken to care for an ill spouse, child or parent. If the company approves, an employee may work an intermittent or reduced schedule basis due to the birth, adoption or foster care of a child. If intermittent or reduced schedule leave is due to a family member's or the employee's own illness, this type of leave may be taken whenever medically necessary. Unless required by law, an employee granted a leave of absence under these provisions, or any other provision, who fails to return to work upon expiration of the leave granted shall be classified as "voluntarily terminated".

***Health Care Coverage:*** For employees with health care coverage, the company will maintain the coverage during the leave period. Any amounts normally paid by the employee (i.e., family coverage amounts) will remain the responsibility of the employee. If an employee on leave fails to pay a required premium within 30 days after it is due, the company may discontinue the employee's benefits. If coverage is ceased, it will be reinstated once the employee returns to work. The company may recover any premiums paid by the company (both the company's share and the employee's share) if the employee fails to return to work after his leave has expired, unless the employee does not return due to: 1) a serious health condition; or 2) other circumstances beyond the employee's control.

***Sick/Vacation Time:*** Any earned unused sick and vacation accruals will be used and paid during the leave to the extent of the leave period and accrued sick/vacation time. Sick and vacation time will not be accrued during the period of the unpaid leave. Employees will not be paid for holidays during the employee's leave period.

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**Job Guarantee:** The Company will guarantee the employee will be restored to their position or be offered an equivalent job.

## VI. BOOKS AND RECORDS

False or artificial entries shall not be made in the books or records of the Company for any reason; to do so may result in criminal and/or civil penalties to the Company and/or the employee involved. No employee may engage in any arrangement that in any way may be interpreted or construed as misstating or otherwise concealing the nature or purpose of any entry in the books and records of the Company. No payment or receipt on behalf of the Company may be approved or made with the intention or understanding that any part of the payment or receipt is to be used for a purpose other than that described in the documents supporting the transaction.

### PAYROLL HOURS – TIME CARDS

All non-exempt employees must utilize the onsite time clock. It is your responsibility to punch in at your scheduled time and punch out for unpaid breaks and at the end of the day. If your site does not utilize a time clock, follow these guidelines when completing your time card. For purposes of payroll, time is paid in 15-minute increments, rounded to the nearest 15-minutes. The chart below is example of how payroll is calculated:

Employee punches in at 8:06 am	Paid from 8:00 am
Employee punches in at 8:07 am	Paid from 8:15 am
Employee punches out at 4:20 pm	Paid through 4:15 pm
Employee punches out at 4:22 pm	Paid through 4:30 pm

Remember, it is your responsibility to punch in at your starting time and punch out when your shift ends. Providing false information on your time card will result in disciplinary action up to and including termination. The following are examples of false information:

- A. Employees not punching their own time cards when reporting to and leaving work
- B. Making entries on time cards that do not accurately reflect actual time worked.
- C. Reporting false information to secure a sickness leave or other leaves of absence.

### ABSENTEEISM/TARDINESS

It should be noted that absenteeism and tardiness are burdens on fellow workers, the management and the company as a whole. Absenteeism must be reported by the employee, by phone, in a timely manner on a daily basis, and tardiness known in advance should also be reported by phone. If an employee is not able to make the call due to severe illness or hospitalization, a family member or friend may contact his/her supervisor. Resident Managers should contact their respective main office receptionist (i.e., Lansing, Kalamazoo, Detroit, and Chicago). All other employees should contact their site office, or as a last resort, the office where their time is recorded.

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Excessive absenteeism or absence from work, including tardiness.

- A. Improper use of sick leave or funeral leave to cover an absence.
- B. Failure to properly report the reason(s) for being absent, if no previous arrangements were made with the respective supervisor.
- C. Failure to receive prior approval from an employee's supervisor to participate in sport/social activities on company/property time.

An employee who fails to report to work without notification to his or her supervisor for a period of three days or more will be considered to have voluntarily resigned their employment with the Company

## **PAYDAYS**

Employment compensation is provided every two (2) weeks on Friday. Salary and Hourly employees are paid through the Friday prior to pay day. The workweek for payroll purposes is considered to run from Saturday to Friday. Problems or concerns regarding pay should be brought to the supervisor's attention immediately. Unresolved problems should be brought to the attention of an officer of the company.

A fee is charged for any stop payment put on employee payroll checks. If it is necessary to place a stop payment and reissue an employee's payroll check that has been lost or destroyed after it has been in the possession of the employee, the employee must reimburse the charge to the company. The amount of this fee will be set by the payroll company.

## **PAYROLL DEDUCTIONS**

Payroll deductions are allowed for a variety of purposes including insurance premiums, 401K contributions, etc. All deductions benefiting the employee or the company must be approved in writing by both the employee and the company.

Certain deductions, such as child support, garnishments, tax liability, etc., may be mandated by law or the court system and are made automatically. In these cases, the employee is copied on the pertinent information and every effort is made to provide advance notice of the amount being withheld. In Michigan, the law does not allow a fee for child support deductions; however, Ohio, Indiana and Illinois residents are charged a fee per pay.

## **PAYROLL ERRORS**

It is the responsibility of both the company and the employee to assure that employee compensation is accurate. In the event an error occurs in the employee's compensation, it is the responsibility of whoever discovers the error to report to APG Services, Inc. so that the error can be corrected. If an employee has been underpaid due to an error, the company will compensate the employee the amount due that had been previously unpaid due to an error, on the payday following the resolution of the error. If an employee has been overpaid due to an error, the employee agrees to reimburse the company the amount erroneously overpaid to the employee through payroll deduction.

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## **PAYROLL FORMS**

It is the responsibility of both the company and the employee to assure that employee compensation is accurate. In the event an error occurs in the employee's compensation, it is the responsibility of whoever discovers the error to report to Human Resources so that the error can be correct. If an employee has been underpaid due to an error, the company will compensate the employee the amount due, on the payday following the resolution of the error. If an employee has been overpaid due to an error, the employee agrees to reimburse the company the amount erroneously overpaid to the employee through a payroll deduction.

## **OVERTIME**

All employees, except those exempted by law, are covered by the company's overtime policy.

### **Exempt Employees**

Employees exempt under the Wage and Hour Act will not normally receive overtime pay. Regional Property Managers and officers of the company may give reasonable compensatory time off to those exempt employees who have been required to work an excessive number of hours.

### **Non-Exempt Employees**

Employees working in excess of 40 hours in a work week shall be given overtime pay at the rate of one and a half (1 ½) times the employee's regular rate of pay. Overtime is calculated only on time actually worked. Holidays, sick time, vacation time, and leaves of absence are not considered in computation of overtime. If the employee receives a salary, the overtime rate will be based on the salary pay converted to hourly.

An employee's supervisor **must authorize** all overtime in advance. Overtime may be a requirement of your position in the company. The Company will make every effort to provide advance notice of overtime assignments.

## **MINIMUM WAGE**

All employees, except those exempted by law, are covered by the company's minimum wage policy. The company adheres to all state and federal minimum wage laws. In the event that state or federal law changes, the minimum wage policy will be considered to be changed to a level equal to the new law.

## **SOCIAL SECURITY**

The company contributes and participates in the United States Government Social Security program. Governmental guidelines determine the amount contributed by the company and deducted from employee paychecks.

## **MINOR WORK PERMIT**

State law usually mandates certain requirements and procedures for employees less than 18 years of age. Normally, these requirements relate to the minimum age a minor must be to obtain employment, the minimum age to operate power equipment, and at what age an employable minor must have a work permit. The company adheres to the requirements of the particular state where the employee works.

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## VII. BENEFITS

The Company offers a competitive benefits package. The Company offers Health, Dental, Vision, Life Insurance and Disability benefits to all Regular Employees consistently working at least 30 hours per week. Provided you meet the eligibility requirements, these benefits are effective on the 61<sup>st</sup> day of employment. If you enrolled for these benefits, you will receive specific plan benefit information in a separate Benefit Plan book. The Company also offers a 401K retirement plan. See the Benefits Book for specific plan benefits.

### PAID TIME OFF

The company offers generous paid time off benefits. All regular employees are eligible for paid time off; however, those employees working less than 40 hours per week will receive pro-rated benefits.

### Vacation

Vacation pay will be paid at the employee's current base rate of pay, prorated based on time actually worked. Vacation time will not accrue during a leave of absence without pay, while on worker's compensation, while on layoff, during a vacation within 30 days of termination and during disciplinary suspensions.

**Administration** It is the company intent to administer vacations on a basis that is both fair to the employee and meet the needs of our client. With this goal in mind, vacation time will be administered as follows:

- Vacation time should be scheduled as early in the calendar year as is practical.
- The scheduling of vacation time requires the approval of the employee's supervisor. Requests must be submitted at least two weeks prior to the requested time off.
- Vacation must be taken in full hour increments.
- Paid holidays falling within a vacation period will not be charged to accrued vacation.
- Vacation time may be paid in advance of accruing the time and is subject to supervisor approval. However, should an employee leave the company, all time paid in advance will be taken from the employee's final paycheck.

**Accrual.** Below is the vacation accrual schedule for full-time, regular employees. The rate will be pro-rated for those employees not working 40 hours per week. Vacation time accrues on a monthly basis based on the annual vacation time listed below. This chart is based on an employee working 40 hours per week. Any employee working less than 40 hours will accrue based on actual hours worked.

Length of Service	Annual Vacation Eligibility	Hourly Accrual Rate
Less than 5 years	12 days	0.04615 / hour
Greater than 5 years but less than 10 years	17 days	0.06538 / hour
Greater than 10 years but less than 20 years	22 days	0.08462 / hour
Greater than 20 years	27 days	0.10385 / hour

*The length of service at 5, 10 and 20 will be effective the first full month following an employee's employment anniversary date.*

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Vacation time is determined on a calendar year basis and time earned in one year must be taken in that same calendar year. Vacation time not taken by year end will be forfeited. **Exception:** employees hired after October 31<sup>st</sup> may defer vacation until the next year.

**Exceptions** There may be a time when an employee is not able to take vacation all accrued vacation by the end of the year. In this case, an employee may request to carry over vacation time to the next calendar year. All requests must be approved by a Company Officer.

In certain instances, an employee may be paid additional pay in lieu of accrued vacation time. Employees must request to convert vacation time to cash and these requests must be approved in advance by a Company Officer. Vacation time will be converted to cash on a one-to-one basis (one hour of pay for one hour of vacation). When converting vacation time to cash, the payment will be taxed as supplemental wages or 25%. This may be higher than your normal tax withholdings.

## **Sick Time**

All regular employees are eligible for sick pay based on the employee's current base rate of pay and is based on the time actually worked.

**Administration** Only time missed due to illness or medical appointments can be charged to sick time. Sick time cannot be taken in advance. Sick time must be taken in full hour increments. Employees who have three (3) consecutive days of excused absences because of illness or injury may be required to provide proof of physician's care to their supervisor.

**Accrual** Sick pay is accumulated at the rate of 0.02308/hour for each hour worked during the calendar year. Sick time may be accumulated from year to year; however, the maximum amount of sick time an employee can accrue is 200 hours.

**Exception – Sick Leave Conversion** Employees accruing over 144 hours of sick leave are allowed the option of converting the time in excess of 144 to vacation time or cashing the time in for additional pay.

- A. Conversion to Vacation: Sick time can be exchanged on a one-to-one basis (8 hours of sick time to 8 hours of vacation time). An employee must obtain prior written approval from a Company Officer and is limited to no more than 40 hours of conversion per year.
- B. Conversion to Cash: Sick time can be exchanged for cash on a 50% basis (8 hours of sick time equals 4 hours of pay). An employee must obtain prior written approval from a Company Officer and is limited to 40 hours of sick time converted to cash. These wages are taxed as supplemental pay. Supplemental pay is taxed at a rate of 25%, which may be higher than your normal withholdings.

## **Holiday Time**

**Administration** All regular employees active on the date of the holiday will be entitled to receive holiday pay. Holidays will be paid at the employee's current base rate of pay. Employees not working 40 hours per week will receive prorated pay based on regular scheduled

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hours worked. For example, if an employee normally works 30 hours per week, they are entitled to six (6) hours of pay for one holiday.

***Special Considerations*** Employees required to work on a holiday will receive either holiday pay in addition to normal pay or compensating time off, based on local practice. If a holiday falls on a non-work day and no other day is normally observed, an alternate day will be selected by the Company. An employee who is on vacation or using sick time when a holiday occurs will be paid for the holiday and no charge will be made against accrued vacation time. Employees receiving Short Term Disability benefits will not be eligible for holiday pay.

***Exceptions*** To be paid for a holiday which falls within the work week, the employee must be present on the normally scheduled work day immediately before and after the holiday, unless he or she is on an authorized absence or leave.

There will be no holiday paid when:

- A. A holiday falls during a vacation period preceding separation from the Company,
- B. An employee is not able to work due to illness or disability, including Worker's Compensation, and FMLA. *If an employee is on an approved FMLA and is taking vacation or sick time, they would be eligible to receive holiday pay.*
- C. An employee on a leave of absence without pay, or on a layoff,
- D. An employee is on disciplinary suspension.

**Holiday Schedule** The holiday schedule will be determined at the beginning of each calendar year. The following days will normally be observed:

New Years Day	Labor Day
Martin Luther King's Birthday	Thanksgiving Day
Memorial Day	Friday after Thanksgiving
Independence Day	Christmas Day

## **Funeral Time**

All regular full-time employees are eligible to take up to three (3) workdays with pay to attend the funeral and take care of personal matters related to the death of a member of your immediate family. Immediate family is defined as: spouse, child, parent, spouse's parents, grandparents, spouse's grandparents, siblings and legal dependents. You are eligible for one (1) workday with pay for the death of your spouse's sibling.

If an employee works less than 40 hours per week, time will be a prorated based on the actual time the employee is scheduled to work. Employees not working 40 hours per week will receive pay based on their normal work schedule. For example, if an employee normally works 30 hours per week and request a leave for 3 days, they would receive 18 hours of pay or six (6) hours of pay for each of the three (3) days.

## **Jury Time**

Regular employees called to serve on jury duty will be compensated for the difference between pay for jury duty and their regular pay for up to ten (10) days of jury duty. Employees not

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working 40 hours per week will receive pay based on their normal work schedule. For example, if an employee normally works 30 hours per week and is called to jury duty for 3 days, they would receive 18 hours of pay or six (6) hours of pay for each of the three (3) days.

Time in excess of ten days will normally not be reimbursed, however, exceptions might be made based on local practice.

## NONPUBLIC PERSONAL INFORMATION

From time to time, the Company will need to share your Nonpublic Personal Information (NPI) to carriers and their affiliates for the purposes of Annual Enrollments or obtaining quotes from carriers for company sponsored benefit plans. Nonpublic Personal Information may include telephone number, address, date of birth, occupation, income and health history. Outlined below are the permitted uses for NPI:

- (A) Permitted Uses and Disclosures. The Plan Sponsor (APG Services, Inc.) is and shall be entitled to use and disclose any protected health information or NPI regardless of the source of such information, that comes into the possession of the Plan Sponsor, only for the following purposes:
- (i) to provide and conduct administrative functions related to payment and health care operations for and on behalf of the Plan;
  - (ii) to audit payments for claims incurred under the Plan;
  - (iii) to request proposals for services to be provided to or on behalf of the Plan; and to investigate fraud or other unlawful acts related to the Plan and committed or reasonably suspected to have been committed by a Plan participant

## VIII. EDUCATION AND CERTIFICATIONS

All Property Managers are required to obtain and maintain a property management certification. For all other positions, the company supports employee desires to improve their education and professionalism through obtaining certifications.

New employees, or employees promoted to a Property Manager position, must obtain a certification within two (2) years of their employment or promotion.

For approved certifications, the company will pay the annual dues required to maintain the certification. If an employee holds more than one certification from the same organization, the company reserves the right to pay annual dues for only one certification. If applicable, application fees, candidate dues and meeting fees are considered to be employee expenses. The company/property will pay for candidacy dues for a period of three (3) years. Cost of education requirements may be covered with the "Education Policy."

If an employee does not receive a certification within the two year period, he/she must show the attempts they have made, and will continue to make, to obtain the certification. If little or no effort is

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made to achieve the certification, the supervisor or officer of the company will review and make a decision regarding the situation.

The company supports, but does not limit their approval to, the following organizations and their goal of promoting professionalism in property management:

***Institute of Real Estate Management (IREM®)***

Accredited Resident Manager (ARM®)

Certified Property Manager (CPM®)

***National Apartment Association***

Certified Apartment Manager

***National Center for Housing Management (NCHM)***

Certified Occupancy Specialist (COS)

Senior Housing Specialist (SHS)

Registered Housing Manager (RHM)

***National Association of Housing Redevelopment Officials (NAHRO)***

Senior Professional Housing Manager (SPHM)

Public Housing Manager (PHM)

***Quadel***

Assisted Housing Manager (AHM®)

***National Association of Housing Cooperatives (NAHC)***

Registered Cooperative Manager (RCM)

***Affiliated Compliance & Consulting, Inc.***

Housing Credit Certified Professional (HCCP)

***Spectrum Seminars, Inc.***

C3P Tax Credit Designation

## **REAL ESTATE SALES LICENSE**

All Leasing Agents, Office Managers, Property Managers, Regional Property Managers and officers of the company are required to obtain and maintain a Real Estate Sales License. New employees or employees promoted to a covered position must have or obtain a sales license within six (6) months of their employment or promotion.

The cost of any course fees and books is covered under the education policy. Test fees are the responsibility of the employee. The course fees for any required continuing education will be covered by the company up to a maximum amount equal to the amount charged by Holloway Real Estate. License renewal fees will be paid by the company.

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If an employee does not receive the real estate license within the six month time period, he/she must show a positive attempt by continuing to study and test. If little or no effort is made to achieve the license, the supervisor or an officer of the company will review and make a decision regarding the employee's continued employment.

All real estate licenses held by employees of the company must be kept under the company's broker's license.

## **EDUCATION ASSISTANCE PLAN**

Regular employees working an average of 20 hours per week or more may obtain assistance in attending approved educational courses, seminars, and workshops. Assistance will consist of reimbursement for tuition and books in an amount equal to 75 percent of the cost (with a maximum of \$1,000 for courses and/or materials per year). Reimbursement is made after a non-failing grade is obtained or proof of attendance is provided (for non-graded studies).

Approval for any assistance must be obtained from an officer of the company prior to attending the course. Certain clients may also require their prior approval.

Assistance will be restricted to:

1. Education studies that relate to business, property management, the employee's job, and/or areas deemed important by the company or client.
2. Educational studies approved in advance by the company or client.
3. Typical studies that have been approved in the past are:

- Accounting
- Personnel
- Time Management
- IREM Courses
- Bookkeeping
- Grounds/Landscaping Maintenance
- Dale Carnegie
- Management
- Writing Courses
- Typing Courses
- Supervision
- General Maintenance
- IREM/ARM Seminars

Employees may be eligible for paid time off to study or take an exam. Time off must be approved in advance by an officer of the company. If an educational reimbursement is approved, the employee must continue employment with the company for at least six (6) months following the end of the class. If you voluntarily leave employment, you will agree to pay an amount equal to the reimbursement received for classes.

## **EMPLOYEE DEPENDENT STUDENT GRANT**

In an effort to assist those employees with dependents entering schools of higher education, the company offers two (2) year grants to help defray the cost of tuition and books. At least one new grant will be offered each year.

**Eligible Employees** - regular employees with two (2) or more years of service with the company.

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**Eligible Dependents** Non-spouse (i.e., children, stepchildren, other tax defined dependents) dependents of eligible employees who are scheduled to attend their first year at an institution of higher education and will carry a course load equal to, or greater than, a three quarter course load (as defined by the school).

**Types of Higher Education** - two and four year colleges/universities.

**Selection Procedures** - applications for the student grant must be submitted to an officer of the company by June 1. Applications may be obtained from the Lansing office. The student grant will be awarded on the following basis:

1. Only completed applications will be considered.
2. The eligible dependents with the highest cumulative total of composite test score on the ACT test will be selected.
3. Verification of the selected dependent's acceptance at the school must be submitted prior to release of the grant.
4. In the event that there are no eligible applicants for the grant from incoming freshmen, qualified non-winning dependents who previously applied for the grant may reapply. The grant will be awarded to the dependent reapplying based on the highest cumulative total of composite ACT score. Applications are due by July 1.

**Grant** - The grant currently consists of an award of \$1,200, renewable for a second year if a minimum academic level of 2.0 on a 4.0 maximum scale is maintained and proof of three quarter course load is provided. The grant will be paid in one lump sum to the school attended or paid to the grant recipient upon receipt of proof of enrollment.

## **EXECUTIVE EDUCATION REQUIREMENT**

All executive staff members are required to take at least one college level course every calendar year. For purposes of this requirement, executive staff members includes officers, Regional Property Managers, corporate Trainers, corporate marketing personnel, Controllers and other staff members as specified by the President or Vice President of the company.

The college level course will be designated by officers of the company. This course will be related to the field of property management, marketing, finance, accounting, training, personnel management, and/or general management. Whenever possible, one course will be selected for all executive staff members. It is understood that an alternate course may be selected, with the approval of an officer of the company, if the selected course does not relate to the staff member's current or potential job function. An alternate may also be approved when the staff member has already taken a comparable course.

The cost of tuition and books is covered by the current education policy. Registration and other general college fees are the responsibility of the staff member. Course times can also be covered under the current education policy. Approval for time off from work must be approved in advance.

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## **Corporate Training**

All employees of the Company will be required to attend Sexual Harassment and Fair Housing Training **annually**. This training is paid 100% by the company and will be provided during business hours.

## **IX. COMPANY PROPERTY**

Company equipment is to be used only for company activities. Personal use or use for private gain is forbidden. Equipment cannot be taken from company premises without prior approval from the employee's supervisor

Company and property telephones must be kept free for business use. Use of telephones for personal business is acknowledged but not condoned. Long distance or extra phone charges incurred for personal business must be reported and reimbursed to the company or property. Voice mail passwords must be provided **immediately** upon the request of your manager, Regional Manager, or Officer of the Company.

## **INTERNET POLICY AND COMPANY COMPUTERS**

During office hours any Internet browsing should be directly related to your role and duties as an employee; the Internet should be viewed as just another tool for your use. The confidentiality of your usage of the Internet should not be assumed. In addition there must be:

- A. No accessing of offensive websites;
- B. No streaming video, stock/shares tickers;
- C. No downloading of software onto your PC or the network;
- D. No maintenance of a personal website;
- E. No storing personal files (e.g., those that are downloaded from the Internet);
- F. No use of the Internet that could disrupt business or threaten the Company's reputation or interests.

There are a number of legal issues linked with the provision of an Internet link by an employer; these guidelines are an attempt to cover the major ones. These guidelines are for everyone's benefit – it only takes one or two inconsiderate uses to affect the response for an office.

Unauthorized use of or tampering with computers will be regarded as gross misconduct. Employees must not under any circumstances load a program or data onto one of the Company's computers, unless:

- a. The program or data originate from within the Company;
- b. The program or data have been tested for viruses in advance and have been approved by the office IT staff.

Additionally, it is understood that the company's computers are to be used for business purposes and the company prohibits the use of property/company computers for the display and transmission of offensive messages, defined as anything sexually explicit or that may be construed as harassment or disparagement of others

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## EMPLOYEE OCCUPIED UNITS

Employees who live in one of the company's properties must adhere to all rules and regulations of that property and will not receive any kind of special considerations because they are an employee of the company.

## X. WORKER'S COMPENSATION

The company provides benefits if an employee should suffer a work-related injury or illness. The Company pays the entire cost of this protection which is governed by state law. If you experience any work-related injury or illness, you should report it **immediately or a least within 24 hours** to your supervisor. Your supervisor will help you file a claim. The state workers' compensation law will govern approved leaves caused by work-related injury or illness.

All injuries must be reported, even if medical treatment is not immediately necessary. Your supervisor will see that you receive medical attention. After your medical treatment, you will be required to furnish your supervisor and Human Resources with written statements regarding what, where, when and how the on-the-job accident occurred, so that they may accurately document the incident, and so you can receive all the benefits to which you are entitled. ***Failure to do this could result in delayed payment or loss of benefits.*** The company will not retaliate against an employee exercising his or her rights under the applicable state law on worker's compensation.

## SAFETY

Employees are expected to comply with company health and safety rules, regulations and procedures. The company or property may provide protective clothing and equipment when necessary to fulfill job requirements.

If an on the job injury or illness occurs or if an unsafe condition exists, it should be immediately reported to the supervisor for appropriate action. General questions regarding health and safety should be referred to an executive or officer of the company. Additional information and specific guidelines regarding safety and chemicals (MSDS) are included in the Safety Handbook.

Concerns regarding safety and work conditions should be discussed with the employee's supervisor. Continued concerns should be discussed with an officer of the company.

**Any injury or accident incurred while on the job, regardless of the extent, must be reported to your supervisor immediately - NO EXCEPTIONS !!!**

## XI. EMPLOYMENT SEPARATION

There are three (3) methods of employment separation (termination):

1. Voluntary Separation - employee quits.

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2. Involuntary Separation - company discharges the employee.
3. Lay-Off - The Company is unable to continue the employee's job due to lack of work, for financial reasons, or as a result of non-renewal of the management agreement on the property the employee works at.

## CONTINUATION OF HEALTH INSURANCE

Employers sponsoring health plans offer employees and their families the opportunity for a temporary extension of health care coverage at group rates in certain instance where coverage under the plan would otherwise end. It is the responsibility of the former employee and/or dependent to exercise this option. Contact APG Services for additional information and rates.

## VACATION TIME

An employee who is laid off, an employee who provides a two-week notice to quit, or an employee who is involuntarily separated **will** be paid for any accrued, unpaid vacation time at the time of the separation. An employee who voluntarily separates (quits) and fails to provide a two-week notice **will not** be paid for accrued, unpaid vacation at the time of separation.

## SICK TIME

Regardless of the method of employment separation, it is the Company's policy that accrued, unpaid sick time **will not** be paid to an employee at the time of separation. **Accrued sick time is forfeited and will not be paid out upon separation.**

## FINAL PAYCHECK

The former employee will be paid for all time worked through their last day of employment. Employees who voluntarily quit their employment, or are laid off, or are discharged will receive their last paycheck on the next normal pay day. It is understood and agreed that any outstanding monies or assets owed to the company will be deducted from that person's final paycheck if not returned before final hours are submitted. Any vacation time paid in advance will be deducted from the employee's final check.

## REHIRE

If the Company rehires an employee within a year, the employee will be eligible for full reinstatement of vacation and sick time benefits, provided they were eligible for these benefits on their last day of work.

Employees rehired within ninety days (90) from their last day of work to be reinstated with full benefits, if they were eligible for these benefits as of their last day of work. A new drug test and criminal background check will not be required for employees who rehire within 90 days.

Employees hired after ninety days (90) must wait the 61 day waiting period for medical, dental, vision, life and disability benefits. Employees rehired after ninety (90) days will be subject to a drug test and criminal background check. For rehire provisions under the 401k plan, refer to the Summary Plan Description.

## NON-RENEWAL OF MANAGEMENT AGREEMENT

It is understood that the company may not renew the management agreement on the property where the employee works. The resulting options will depend on the specific circumstances of the management

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closeout. It is understood and agreed that in the case of non-renewal, the company has no responsibility other than that specified in the sections covering layoff. The confidentiality of personnel records precludes the company from giving copies of employee files to other management companies when a property is given up, other than basic factual information that would affect pay (i.e., rate of pay, payroll deductions, insurance).

## **EMPLOYMENT REFERENCE**

It is understood that the company's policy regarding employment references for former employees is to provide dates of employment and position held only. Additional information will only be provided to the IRS, state plans where an employee is requesting assistance and court orders. Information will only be provided with a signed release from the employee.

## **UNEMPLOYMENT COMPENSATION**

The company is covered by state unemployment rates and benefit costs are paid by the company. Legally eligible former employees may be paid unemployment compensation. For specific information, contact the Employment Security Commission.