

## WELCOME

This Guide is intended as a general guideline for the exclusive use of Bianco Properties (the “Company”). It has been prepared to provide information about your job, the Company, working conditions and benefits currently provided, and some of our personnel practices. We hope it will answer most of your questions. It will also give you an idea of what you may expect from us and what we expect from you. Because the application of these guidelines may vary, depending on the facts and circumstances of a particular case, you should always consult with your supervisor. The Company reserves the sole right to interpret its policies and guidelines.

The Company’s policies, benefits and practices are reviewed and updated from time to time. In addition, not all of the Company’s policies and procedures are contained in this general guide. Therefore, you should always check with your supervisor regarding the most current policies, benefits and practices.

In order to preserve the Company’s ability to meet its needs under changing conditions, the Company, in its sole discretion, reserves the right to change this Guide and to eliminate, add to or change any of its policies, practices or procedures and benefits at any time, with or without notice. **NOTHING IN THIS GUIDE, HOWEVER, IS INTENDED TO BE CONTRACTUAL NOR HAS THIS GUIDE BEEN GIVEN TO YOU AS AN INDUCEMENT FOR INITIAL OR CONTINUED EMPLOYMENT. ALL EMPLOYMENT AT THE COMPANY IS “AT WILL” AS EXPLAINED IN SECTION 1.1 BELOW.**

## FOR YOUR INFORMATION

Bianco Properties and its investing partners presently own almost 1500 apartments in complexes ranging in size from 50 to 450 units, as well as over 900,000 square feet of commercial, industrial and office space, including nine shopping centers ranging in size from 18,000 to 135,000 square feet and raw land. The properties are located in the metropolitan areas of St. Louis, Missouri; Seattle, Washington; Tulsa, Oklahoma and Indianapolis, Indiana.

Currently the portfolio contains 23 properties with almost 2,300,000 square feet of building area. There are approximately 1,700 tenants.

Bianco Properties was incorporated in Missouri in 1956. Our corporate philosophy is that of investor, syndicator, developer, and manager of high quality business and investment properties of all types. These include freestanding retail structures, shopping centers, industrial buildings, office buildings, raw land, and high-rise and garden apartments. A Seattle office was opened in 1981. On numerous occasions Bianco Properties has turned around and revitalized underutilized properties and what others have called “problem” properties. With apartment communities, this has included vacating, then extensively remodeling, and finally releasing to a new and higher quality tenant. With commercial properties, this has included renegotiating leases, arranging refinancing, and revitalizing the property by renovating the physical facility and adding additional buildings and out lots. Most of the income properties acquired or developed by Bianco Properties over the past thirty-five years are still a part of the portfolio today.

Including management and maintenance personnel at the properties, the total Bianco staff is close to 60. Both the St. Louis and Seattle office manage and develop existing properties and seek to acquire or develop new real estate investments.

## 1.0 GENERAL PROVISIONS

### ***1.1 INTRODUCTION AND AT-WILL EMPLOYMENT POLICY***

This Guide describes many of the policies and procedures of Bianco Properties as they relate to employment and work conditions. All employees of Bianco are employees at-will. As such, either Bianco Properties or its employees are free to terminate the employment relationship at will, with or without cause or notice. The at-will nature of the employment relationship cannot be altered except by written agreement executed by the employee and the President or, in the President’s absence, the CEO of Bianco Properties.

## ***1.2 PURPOSE***

The Guide is intended to help facilitate administration. It is intended also to serve as a useful and convenient reference for most employees' inquiries pertaining to most of the more basic personnel policies of Bianco Properties. It is not intended to, and does not establish, any contractual obligation between Bianco Properties and its employees.

## ***1.3 SCOPE***

Unless specifically indicated otherwise, this guide does not apply to outside contractors or suppliers of service.

## ***1.4 IMMIGRATION ACT REQUIREMENTS***

If you are an employee hired or rehired after November 6, 1986, you will be required to provide certain kinds of documentation to show you are authorized to work in the United States. This obligation is the result of a federal law that applies to all employers, the Immigration Reform and Control Act of 1986. On the day you begin work, you will be required to complete the employee information and verification section of the Immigration and Naturalization Service Form I-9. Before the end of your third day of work you must also present for our inspection certain original documents that verify your identity and your legal right to work. A list of acceptable documents is available from your supervisor.

Failure to comply with the Act or its regulations can result in serious financial penalties and/or imprisonment for employers. Accordingly, if you do not provide the necessary documents (or receipts showing you have applied for them) within three (3) business days after beginning work, we will be required to terminate your employment in most circumstances.

## ***1.5 EQUAL EMPLOYMENT OPPORTUNITY POLICY – DISCRIMINATION PROHIBITED***

Bianco Properties will provide equal opportunity in all areas of employment for all qualified persons and will not discriminate against any individual on the basis of race, color, religion, sex, age, national origin, marital status or disability. However, employment opportunities need not be provided to any person with a disability preventing the individual from performing the essential functions of his/her job either with or without reasonable accommodation.

Our policy of non-discrimination applies equally to the treatment of all employees in employment related matters including but not limited to: upgrading, demotion, promotion, transfer, rates of pay or other forms of compensation. It is our policy to treat each employee with dignity and respect and to comply fully with our equal employment opportunity policy.

Placement decisions are based solely on an individual's qualifications and ability to do the job in the positions being filled.

Any employee who believes he or she is the victim of discrimination in the terms or conditions of employment should bring the matter to the attention of the employee's supervisor. The Company will promptly investigate all complaints and take appropriate corrective action if warranted.

## ***1.6 DISABILITY POLICY***

It is Bianco's policy to comply with all federal, state and local laws concerning the treatment of individuals with disabilities, including the Americans With Disabilities Act. Bianco will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of the individual's physical or mental disability.

If you have, or develop, a disability and you feel you need a reasonable accommodation to enable you to safely and efficiently perform some or all of the essential functions of your job, you should request assistance from the Controller. It is your responsibility to request any reasonable accommodations that you believe may be medically necessary to allow you to perform one or more of the essential functions of your job. In order for Bianco to properly evaluate your request, you must initiate an interactive dialogue with the Controller so that he/she can evaluate your disability and the essential functions of your position to determine if a reasonable accommodation can be made. You may be requested to provide medical information or to submit to a medical examination by a physician to assist Bianco in evaluating and accommodating your disability. It is *your* responsibility to assure that your physician provides the necessary medical information to support the accommodation you are requesting.

If your disability does not impact your ability to perform your job duties, it is not necessary to inform any Bianco employee that you have a disability.

### ***1.7 HARASSMENT PROHIBITED***

1. Bianco Properties seeks to make its workplace as pleasant and professional as possible by creating and maintaining a work environment that is free from all forms of harassment, whether sexual in nature or not. Bianco will not allow any form of harassment or any other improper conduct that has the purpose or effect of interfering with an individual's work performance or that creates an intimidating, hostile or offensive work environment.
2. Harassment based on an individual's race, color, religion, national origin, disability, age, sexual orientation, and/or sex is strictly prohibited. Violations of this policy will result in disciplinary action up to and including termination of employment. Employees of Bianco Properties may not engage in harassment of other employees, or of third parties, such as clients, tenants, agents, suppliers, vendors, and other visitors.
3. Bianco takes allegations of harassment seriously, and will take all steps reasonably required to prevent, investigate and promptly correct any harassment or other improper conduct in the workplace or in settings in which employees may find themselves in connection with their employment.
4. Prohibited Conduct - Under the applicable legal standard, it can be difficult to determine whether particular conduct is unlawful harassment. Bianco's goal is to avoid the risk of unlawful harassment (including sexual harassment) by prohibiting any conduct that may possibly be construed as unlawful harassment, whether it is sexual in nature or not. To achieve this goal, the following conduct is prohibited, regardless of whether it is sufficiently severe or widespread to be unlawful:
5. All sexual assaults, advances, or propositions – whether they involve physical touching or not.
6. Sexually oriented, suggestive, obscene, or insulting comments, language, or jokes, written or oral references to sexual conduct, comments about an individual's body, sexual activities, experiences, deficiencies, or preferences.
7. Displaying or possessing in the workplace sexually suggestive, revealing, or pornographic objects, pictures, graffiti, or cartoons.
8. Physical horseplay, practical joking, leering, unnecessary touching such as patting, pinching, or intentional brushing against another's body, or sexual gestures.
9. Threats, or promises of preferential treatment, designed to induce submission to or toleration of any of the above conduct.
10. Disparaging remarks, epithets, graffiti or other offensive or inflammatory conduct based on an individual's race, religion, national origin, age or disability.
11. Any other conduct, which if unwelcome and sufficiently severe and widespread, may constitute unlawful harassment.
12. Complaints of Discrimination and Harassment - All employees of Bianco Properties have a responsibility to come forward and report offensive, harassing, discriminatory or other improper behavior they believe may constitute discrimination and/or harassment. Most incidents of discrimination and harassment can be effectively addressed with a minimum of disruption to the affected employee and Bianco if promptly reported. Failure to report discrimination and harassment or other improper conduct in a timely manner may make it difficult for Bianco to take effective corrective action.

13. If you believe you or another Bianco employee have been subjected to discrimination and/or harassment, you may file a complaint by contacting your supervisor or the Controller. If you fail to file a complaint and fail to take other reasonable steps to avoid being harmed by the discrimination and/or harassment, it will be impossible for you to obtain the protection of this policy.
14. If at any time you feel your complaint has not received prompt and adequate attention, you should immediately contact the President or, in the President's absence, the CEO. While it may take a short time for Bianco to review and investigate your concerns, feel free at any time to inquire about the status of your concerns.
15. Investigation of Discrimination and Harassment Claims - When an employee complains about discrimination, harassment or other improper conduct, Bianco will promptly and thoroughly investigate the employee's concerns. While it will be necessary to discuss the employee's concerns with the alleged offender and possibly other employees, Bianco will attempt to conduct the investigation as confidentially as possible. Upon completion of the investigation, Bianco will inform the person filing the complaint and the alleged offender of the results of the investigation and, to the extent appropriate, any remedial action to be taken.
16. If it is determined that the terms of Bianco's equal employment opportunity and/or harassment policies have been violated, Bianco will take reasonable steps designed to prevent reoccurrence of the offending conduct. Any employee who is determined, after an investigation, to have engaged in discrimination and/or harassment in violation of this policy will be subject to appropriate discipline, up to and including termination of employment.
17. Bianco recognizes that in some cases, despite thorough investigation, it may be impossible to determine whether the alleged violations of the equal employment opportunity and/or harassment policies have, in fact, occurred. In such cases, Bianco may take non-disciplinary action designed to reinforce the effectiveness of these policies and to prevent future violations.
18. Once Bianco has addressed concerns raised with respect to discrimination, harassment or other improper conduct, it will assume that the problem is not continuing in nature unless it is informed otherwise. If you are again the subject of discrimination or harassment, you must report this reoccurrence to your supervisor or the Controller immediately. A prompt and thorough investigation will be conducted.
19. Bianco Properties employs professional people who should know what conduct is, and what is not, appropriate for the workplace. Employees are advised to refrain from questionable statements, jokes, touching, etc.
20. Retaliation Prohibited - Any retaliation against an individual who has complained about or who has participated in an investigation of alleged discrimination or harassment or other improper conduct is strictly prohibited. If you feel that you are being retaliated against in violation of this policy, contact the Controller and your concerns will be promptly and thoroughly reviewed.

### ***1.8 OPEN DOOR POLICY***

The Company maintains an "Open Door Policy" towards any concerns about working relationships and working conditions. We recognize that the fair consideration of each individual's point of view is essential to our success as a company, and we encourage employees to discuss work-related problems with management.

## **2.0 EMPLOYMENT**

### ***2.1 CATEGORIES OF EMPLOYMENT***

Bianco Properties has two (2) categories of employment.

## **2.2 DEFINITIONS OF CATEGORIES OF EMPLOYMENT**

Category “A” Employee: This employee is normally scheduled to work a minimum of forty (40) hours per week. Category “A” Employees may be either “Exempt” or “Non-Exempt”, as those terms are defined below.

Category “B” Employee: This employee is normally scheduled to work less than forty (40) hours per week, or whose work is of a seasonal nature. Category “B” Employees may be either “Exempt” or “Non-Exempt”, as those terms are defined below.

Exempt Employee. Those individuals who are exempt from the wage and hour requirements of the Fair Labor Standards Act (29 U.S.C. § 201 *et seq.*). Exempt employees are not paid overtime for time worked in excess of 40 hours in a workweek. Exempt employees generally include, but are not limited to, individuals employed in a bona fide executive, administrative, or professional capacity or in the capacity of outside salesman, all as defined in the FLSA and the regulations promulgated there under.

Non-Exempt Employee. Those individuals who are subject to the wage and hour requirements of the Fair Labor Standards Act (29 U.S.C. § 201 *et seq.*). Non-exempt employees must be paid overtime for all time worked in excess of 40 hours in a workweek. Overtime pay is paid at a rate of one and one-half times the regular rate of pay.

## **2.3 EMPLOYMENT OF FAMILY MEMBERS**

Because of the risk of favoritism, either perceived or actual, restrictions exist concerning the employment of relatives. Generally, an employee’s immediate family members as determined under Bereavement Leave in Section 3.7b, or a person with whom he/she shares living quarters, will not be employed without the approval of an Officer of the Company.

## **2.4 PERSONNEL FILE**

Bianco Properties maintains a personnel file for each employee, in a confidential and secure manner. During an employee’s employment, the employee will have access to certain sections of his/her file at reasonable times upon request to an Officer of the Company.

Portions of personnel files used for the purpose of professional development containing reference letters or material from outside sources or covering investigative materials are confidential.

An employee shall advise his/her supervisor immediately whenever there is a change in any of the following, so that a status change may be prepared and forwarded to an Officer of the Company.

Name  
Home Address/Telephone Number  
Number of Dependents  
Tax Withholding  
Insurance Beneficiaries

## **2.5 EVALUATIONS**

The employee’s immediate supervisor will normally make evaluations of work performance for all employees annually or more often when desirable.

# **3.0 BENEFITS**

## **3.1 ELIGIBILITY**

Eligibility for most Company benefits is conditional upon both your category of employment and varying “eligibility waiting periods”. Please contact your supervisor if you have questions about your eligibility.

The following employee benefits are available, subject to the eligibility requirements defined in this Guide and/or individual plan documents or policy manuals provided by the insurance providers. In the case of conflict or dispute, the

individual insurance policy or plan document language will prevail over the description in this Guide or the Summary Plan Description.

Worker's Compensation/State Industrial Insurance  
Group Medical and/or Dental Insurance  
Military Leave of Absence  
Medical Leave of Absence  
Paid Vacation Leave  
Paid Voting Leave  
Education of Employee's Children  
Paid Jury Duty  
Paid Emergency Leave

Paid Witness Duty Leave  
Paid Bereavement Leave  
Group Life Insurance  
Paid Holidays  
Paid Sick Leave  
Continuing Education  
Section 125 Cafeteria Benefit Plans  
401K Safe Harbor Plan  
Company Travel Awards

### ***3.2 WORKER'S COMPENSATION/STATE INDUSTRIAL INSURANCE***

If you are injured in a work related accident or occurrence or become ill because of a work-related condition, your medical expenses may be covered through Worker's Compensation/State Industrial Insurance. This benefit is available to all employees, regardless of job category. Worker's Compensation/State Industrial Insurance immediately upon hire covers all employees.

While on a workers compensation leave of absence, Bianco Properties Group Medical and/or Dental Insurance, Life & Accidental Death and Dismemberment Insurance coverage, if applicable, will continue for the first sixty (60) days. During this time, the employee is responsible for self-paying the employee's portion of coverage. An employee's failure to self-pay their portion of coverage may result in a loss of benefits (see Continuation of Health Coverage).

If the workers compensation leave of absence lasts over sixty (60) days, employees will have the opportunity of continuing their benefits for a maximum period of eighteen (18) months by paying the monthly premiums as required by COBRA legislation (see Continuation of Health Coverage).

### ***3.3 GROUP MEDICAL AND/OR DENTAL INSURANCE***

Group Medical and/or Dental Insurance is provided, subject to a monthly employee contribution, by the Company to all Category "A" employees by the date specified in your insurance handbook. An insurance summary and enrollment forms will be supplied to you at the start of your employment. The enrollment forms must be submitted within thirty (30) days after you become eligible.

As of January 1, 2006, employee payroll contribution for medical and dental insurance is \$60.00 per month. A credit toward payroll contribution of (\$20.00) per month will be given to non-smoking employees who are enrolled in both the medical and dental plans. Payroll contributions will be deducted on a pre-tax basis per Section 3.6 below.

Employees waiving coverage will be given a monthly payroll credit. Credits as of January 1, 2006 are (\$80.00) for waiving medical coverage and (\$20.00) for waiving dental coverage. A combined credit of (\$100.00) per month will be given if both coverage types are waived. These credits are taxable as regular income to the employee. In order to be eligible for waiver credits, proof of alternative coverage must be provided annually.

If you are eligible for this insurance and you wish to cover your spouse and dependents, you may elect to do so under the following Company participation program:

1. First year of employment: The Company will pay 10% of your spouse and dependent's insurance. Employee's hired prior to January 1, 2007 will remain at the previous levels.
2. Second year of employment: The Company will pay 25% of your spouse and dependent's insurance. Employee's hired prior to January 1, 2007 will remain at the previous levels.
3. Third and fourth year of employment: The Company will pay 50% of your spouse and dependent's insurance.

4. Fifth year of employment and thereafter: The Company will pay 67% of your spouse and dependent's insurance.

For more information or questions about this coverage, please see your immediate supervisor. We urge you to review your Group Medical and Dental Insurance Handbook thoroughly. ***In the event of any conflict between the provisions of this Employee Handbook or the Summary Plan Descriptions and the Plan Documents, the Plan Documents will govern.***

### **3.4 GROUP LIFE, ACCIDENTAL DEATH & DISMEMBERMENT & LONG TERM DISABILITY INSURANCE**

All Category "A" employees are eligible for Group Life, Accidental Death and Dismemberment and Long Term Disability Insurance according to the date specified in your insurance handbook. The Company provides this insurance to employees in the "A" category at no cost. For further information on this benefit, thoroughly review your Group Insurance Summary Plan Description. If you then have further questions, refer them to your supervisor. ***In the event of any conflict between the provisions of this Employee Handbook or the Summary Plan Descriptions and the Plan Documents, the Plan Documents will govern.***

### **3.5 VOLUNTARY LIFE INSURANCE**

All Category "A" employees may elect additional life insurance coverage for themselves, their spouses and their children under the Voluntary Life Insurance plan. Premium amount will be auto-deducted from employee's paycheck. For further information on this benefit, thoroughly review your Voluntary Life Insurance Summary Plan Description. If you then have further questions, refer them to your supervisor. ***In the event of any conflict between the provisions of this Employee Handbook or the Summary Plan Descriptions and the Plan Documents, the Plan Documents will govern.***

### **3.6 SECTION 125 CAFETERIA BENEFIT PLANS**

Bianco Properties has adopted and put into place two types of Section 125 plans to benefit employees by allowing them to use pre-tax dollars to pay for benefits.

A Premium Only Plan (POP) currently in effect allows employees to pay the employee portion of medical and dental premiums with pretax dollars.

An optional Flexible Spending Account (FSA) is also available for those employees who wish to set aside pretax dollars from their paychecks for reimbursement of medical and dependent care expenses. The plan allows eligible employees to set aside a specific pretax dollar amount for un-reimbursed medical, dental, and dependent care expenses. Anyone who has a predictable out-of-pocket medical, dental, or dependent care expenses should consider opening an FSA. Additional information is available from your Supervisor. ***In the event of any conflict between the provisions of this Employee Handbook or the Summary Plan Descriptions and the Plan Documents, the Plan Documents will govern.***

### **3.7 401 (K) SAFE HARBOR PLAN**

The Company has a 401(k) Safe Harbor retirement plan. This is a retirement plan in which our employees are allowed to contribute money before taxes to a retirement plan. Contributions are auto-deducted from your paycheck and placed into your retirement account. This plan is for the benefit of all eligible employees (both Category "A" and "B" Employees). We encourage you to take full advantage of this opportunity.

To be eligible for this plan, you must be 21 years of age and have completed at least 1 year of service of at least 1,000 hours. For the current plan year, the Company will provide a safe harbor matching contribution as follows:

Your salary % contribution	Company match per your % contribution
Up to 3%	100% match
3% to 5%	50% match
Above 5%	0% match

Safe harbor contributions are 100% vested at all times. A complete package and explanation of benefits is available by contacting your immediate supervisor. To the extent, there is a discrepancy, between the description of the Plan contained

herein and the Plan Documents, the Plan Documents will prevail. *In the event of any conflict between the provisions of this Employee Handbook or the Summary Plan Descriptions and the Plan Documents, the Plan Documents will govern.*

### **3.8 CONTINUATION OF HEALTH COVERAGE**

Under Federal law, the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Bianco Properties health plan when a “qualifying event” would normally result in the loss of eligibility. Some common qualifying events are resignation,, termination of employment (for reasons other than gross misconduct), death of an employee, a reduction in an employee’s hours or a leave of absence, an employee’s divorce or legal separation, or a dependent child no longer meeting eligibility requirements.

Bianco Properties provides each employee a written notice describing rights granted under COBRA when employees become eligible for coverage under Bianco Properties health plan. The notice contains important information about employees’ rights and obligations. You will have sixty (60) days from the date you lose coverage, or sixty (60) days from the date you receive such information, whichever is later, to elect to continue coverage.

Under COBRA, the employee or beneficiary pays the full cost of coverage at Bianco Properties group rate, plus an administration fee. Coverage will end if any of the following events occur: Bianco Properties no longer provides group health coverage to any of its employees; the premium for continued coverage is not paid; you become covered as an employee or otherwise under another group health plan; or you become eligible for Medicare.

### **3.9 HOLIDAYS**

Category “A” Employees are entitled to eight (8) paid holidays each year, which includes six (6) paid specified holidays and two (2) paid personal holidays that are as follows:

- New Year’s Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day
- Two Personal Holidays

If the holiday falls on a weekend, the holiday will be observed on the preceding Friday or the following Monday, at the discretion of the Company. Employees are not eligible for holiday pay during an unpaid leave of absence. Paid holidays that fall during vacation leave will not be charged to vacation leave. You will be eligible for paid holidays after completion of sixty (60) calendar days of employment.

You will be eligible for paid Personal Holidays under the following schedule: Following six (6) months employment one (1) personal holiday and following twelve (12) months employment two (2) personal holidays. The Personal Holiday will be calculated on a January to December calendar year basis. If you earn a personal holiday in your first calendar year, it is to be taken in the same year it was earned. Depending on your hire date you will either earn one Personal Holiday or no personal holiday in your first year. For example, if you are hired on February 3rd you will earn one Personal Holiday on August 3rd of that same year. If you are hired on July 1st or later you will not be eligible for a Personal Holiday in that year. The personal holidays may be used for any day of your choice such as, by example: Christmas Eve, Yom Kippur, New Year’s Eve, the day following Thanksgiving, Martin Luther King Jr. Day, Presidents Day, Veterans Day or your birthday or anniversary. In order to receive holiday pay, you must work both your last scheduled work day prior to and the first scheduled work day following the scheduled holiday, unless these days have been pre-approved as vacation days.

Personal Holidays must be taken in full day increments in all months except December when they may be taken in one-half (1/2) day increments. Employees are requested to schedule these Personal Holidays by April 1st of each year. Seniority & position will be used to determine priority of choice, as offices will remain open on these Personal Holidays, and it is possible that you may not receive the Personal Holidays of your choice, although an attempt will be made to accommodate employee requests whenever possible.

Personal Holidays must be used in the calendar year in which they are granted and cannot be accumulated from year to year. Pay will not be given in lieu of Personal Holidays, and terminating employees are not eligible for pay for unused Personal Holidays.

If you are required to work on a holiday to meet the Company's operational needs, at the Company's discretion, you will receive pay for any hours that you work and either a) a day's pay for the holiday, or b) a subsequent day off with pay mutually agreed upon with your supervisor.

### **3.10 PAID ABSENCE**

Paid absences are to be used for Sick Leave, Bereavement Leave, Witness Duty, Jury Duty and Emergency Leave. You should avoid any unnecessary absences, so that you may be eligible for payment of absences that are unavoidable. Extended illness periods and bereavement situations are often unanticipated, and the accumulation of unused days is strongly recommended.

Category "A" employees become eligible for Paid Absences after completion of ninety (90) days of employment. From that date forward, you will earn two-thirds (2/3) of a day per month at the end of each calendar month, and up to eight (8) days per year. Up to ninety (90) days of earned Paid Absences may be accrued as a contingency for major illness, Bereavement Leave, Witness Duty, Jury Duty or Emergency Leave. Paid absence days do not accumulate during unpaid leaves of absence.

When an employee has accrued a minimum of twenty (20) Paid Absence days, that employee may elect to convert sick leave to vacation days at the rate of four (4) accrued Paid Absence days per one (1) vacation day. The conversion election must be done in writing and must be delivered to your supervisor during the first ten (10) days of the calendar year. There will be no exceptions to the limitation of the conversion election period to the first ten (10) days of the calendar year. A maximum of sixteen (16) accrued Paid Absences may be converted during any calendar year.

Upon termination employees are not paid for accrued Paid Absence days provided under this section.

#### **3.10a SICK LEAVE**

Sick Leave shall be allowed for the necessity and sickness of the employee and needs of an employee's spouse, employee's parent or child (natural, adopted, or stepchild) under the age of eighteen (18) years old with a health condition that requires supervision. To qualify for paid Sick Leave, you must telephone and speak with your immediate supervisor at or prior to the beginning of your workday on each day of your illness unless your supervisor instructs you to report on a less frequent basis. A minimum two (2) hours sick leave will be deducted for any illness resulting in your missing work. (For the purpose of calculating sick leave available herein, earned sick leave will be rounded to the nearest two (2) hours). Unless waived by the Property Manager or an Officer of the Company, you are required to submit a letter from your physician satisfactory to the Company describing the nature of your illness, or the illness of your spouse, parent or child, the probable period of your absence, and any conditions upon your return.

Medical and dental appointments for all staff may be scheduled during working hours by authorization of the immediate supervisor. Such time must be made up within the current week or will be deducted from Sick Leave. If used as Sick Leave, a minimum of two (2) hours will be deducted. Non-emergency medical and dental appointment requests need to be submitted for approval with a minimum of fourteen (14) days notice.

Sick leave may be used for illness or injury of the employee; to care for a child with a health condition requiring treatment or supervision; to care for a spouse, parent, or parent-in-law, or grandparent with a serious health condition or an emergency health condition; or a child 18 years and older with disabilities.

#### **3.10b ATTENDANCE AND PUNCTUALITY**

Regular, predictable attendance is an essential function of every position Bianco Properties offers. Absenteeism and tardiness are costly and often cause problems for employees who cover for or depend on the work of the absent or late employee. Unauthorized absences or patterns of absenteeism or tardiness, which includes both arriving late and leaving early, will affect performance evaluation and will result in disciplinary action, up to and including discharge. Absences

may still be considered excessive where some, or all, of the employee's absences are approved and/or the employee still has more accrued time available.

Employees are expected to notify his or her immediate supervisor not less than two (2) hours before the employee's schedule shift starting each day he or she is going to be absent from or late to work. Absence without appropriate notification will result in disciplinary action up to and including discharge. If an employee is absent without notifying his or her supervisor for three (3) working days, the employee will be treated as having voluntarily resigned. In addition, if an employee is denied permission to take a day off and proceeds to be absent, he or she will be discharged for insubordination.

### ***3.10c HEALTH CARE PROVIDER STATEMENT***

In accordance with federal and state law, Bianco Properties may require a healthcare provider's statement or other proof of medical necessity for any absence for which sick leave is used by the employee for the employee's illness or injury, or when sick leave is used for a family member's serious health condition. When an employee has been absent four (4) consecutive, scheduled work days, Bianco Properties may require a healthcare provider statement that the employee may return to duty after any absence for which sick leave is used for the employee's illness or injury, including whether there are any conditions on the employee's return to work.

### ***3.10d BEREAVEMENT LEAVE***

Bereavement Leave will be granted to Category "A" employees for necessary absence from work due to a death in the immediate family. You may take up to four (4) days bereavement leave. Bereavement leave shall be charged against the employee's accrued Paid Absence. If you have no Paid Absences left, it will be considered an unpaid Leave of Absence. It is the desire of the Company to be there for you at your time of loss. If your circumstances require additional time or special-considerations, please let us know as special arrangements may be granted at the discretion of an Officer of the Company.

For purposes of administering this benefit, we consider the immediate family to be an employee's spouse, children, parents, brothers, brother's spouse, sisters, sister's spouse, grandparents and grandchildren and spouses' siblings, stepchildren, parents and grandparents. See your supervisor if you have any questions.

### ***3.10e WITNESS DUTY LEAVE***

Witness Duty Leave will be granted to Category "A" employees (up to two (2) days per calendar year) for hours scheduled to work when subpoenaed to a deposition, administrative proceeding, or court as a witness. Witness Duty Leave shall be charged against the employee's accrued Paid Absence. If you have no Paid Absences left, it will be considered an unpaid Leave of Absence. Please show your Supervisor your summons at least one (1) week prior to the time you are scheduled to appear to testify. After you are excused from your deposition, hearing or court, please furnish your Supervisor with evidence of the time required. This benefit is not available to parties to a lawsuit or other legal proceeding; in those instances, Vacation Leave or unpaid Leave of Absence is available to you. Any money received by the employee for witness duty will be deducted from the employee's salary.

An employee will receive his or her full rate of pay for any time spent at a deposition, administrative proceeding, or court as a witness in connection with Company litigation.

### ***3.10f JURY DUTY LEAVE***

Jury Duty Leave will be granted to Category "A" employees for a period up to ten (10) working days, when an employee is called to jury duty and assumes the duty. Jury duty leave shall be charged against the employee's accrued Paid Absence. If you have no Paid Absences left, it will be considered an unpaid Leave of Absence. Please show your supervisor your summons at least two (2) weeks prior to the time you are scheduled to serve. After you are released from your jury duty, please furnish your supervisor with evidence of the time you served. Any money received by the employee for jury duty will be deducted from the employee's salary.

### **3.10g EMERGENCY LEAVE**

An Officer of the Company must approve emergency Leave. The Company realizes that there may be times when a legitimate emergency may make it necessary for you to be absent. Emergency Leaves of Absence are granted at the sole discretion of the Company.

### **3.11 VACATION LEAVE**

The Company recognizes the need for employees to have time away from work to rest and relax. Paid vacations are provided to Category "A" employees for this purpose.

TENURE	PAID VACATION PERIOD
1 <sup>st</sup> year of employment	Following six (6) months employment, employees will be eligible for one (1) vacation day per month for the next six (6) months of employment
2 - 5 years employment	Employee will be eligible for one (1) vacation day per month up to ten (10) days per year for the first ten (10) months each year in the second through fifth year of employment
6 - 12 years employment	Employee will be eligible for one and one-quarter (1-1/4) vacation days per month up to fifteen (15) days each year, in the sixth through twelfth year of employment
Over 12 years employment	Employee will be eligible for two (2) vacation days per month up to twenty (20) days each year starting in the thirteenth year of employment

For the purpose of calculating vacations herein, one (1) year is considered to be one consecutive twelve (12) month period. If an employee's commencement date is other than the first (1st) day of the month, then calculations for employee's vacation days shall commence on the first (1st) day of the month immediately following the month employee reports to work. (Example: Employee starts work on June 3; calculations for his vacation days would commence on July 1). Vacation days do not accumulate during unpaid Leaves of Absence.

After you have completed your first six (6) consecutive months of employment, you may use any credited Vacation Leave at any time, provided your supervisor and an Officer of the Company have approved your vacation request. You should discuss your vacation plans with your supervisor well in advance. In order to give everyone a chance to schedule a vacation some time during the preferred vacation months, we require all employees to submit their summer vacation schedule by April 1st of each year.

Normally, employees are expected to:

1. Take their vacation in minimum increments of one full day, and;
2. To schedule not more than seven vacation periods per calendar year, and;
3. To submit your request for vacation and non-emergency sick leave with a minimum of fourteen (14) days notice.

Exceptions to the rules in this paragraph will normally be granted where appropriate, provided the continued use of these exceptions by individual employees is not excessive.

To maintain adequate staffing and to minimize the impact on Company operations, some departments may request that Vacation Leave be taken in one (1) week increments. Your supervisor will always consider your preference when scheduling your vacation, but consideration must also be given to department needs. Employees with the most seniority

will be given first choice as to vacation dates, provided adequate notice is given. Requests for vacation leave during holiday weekends or certain short weeks or popular events may be rotated from time to time to give all employees the opportunity to schedule time off during popular periods.

Up to forty (40) days of vacation may be accrued and rolled over from year to year; employees have the option of taking payment for up to one-half (½) the total vacation days accrued in December of that year at their current rate of employment, in lieu of any vacation time not taken.

The Company will pay an employee for accrued but unused vacation days upon termination. However, an employee will forfeit payment for accrued but unused vacation leave if the employee does not give proper notice or is terminated for cause as defined in section 8.2a and 8.2b of this guide. If an employee's final employment day with the Company is other than the last day of a month, then calculations for employee's vacation days shall end on the last day of the month in which employee's employment with the Company terminates. (Example: An employee's last day of work was August 10; calculations for employee's vacation day would be through August 31.

Provided that the employee has no Paid Absence days remaining, and at the discretion of the General Manager or Senior Property Manager, vacation days may be used as absent days. Sick leave may be used for illness or injury of the employee; to care for a child with a health condition requiring treatment or supervision; to care for a spouse, parent, or parent-in-law, or grandparent with a serious health condition or an emergency health condition; or a child 18 years and older with disabilities.

### ***3.12 LEAVE OF ABSENCE***

Leave of Absence without pay may be granted to Category "A" employees as follows:

1. General Personal Leave. Bianco Properties may provide an unpaid personal leave of absence to an employee who has completed at least one (1) year of continuous service, should a situation arise that temporarily prevents the employee from working. A leave of absence under this policy is purely discretionary and will be granted at the sole discretion of Bianco Properties. Employment reinstatement is not guaranteed following a personal leave of absence. Unemployment Insurance benefits cannot be collected while on a leave of absence without pay.
2. Bianco Properties generally limits total personal leave to sixty (60) days in any twelve (12) month period. However, in the case of disabilities that qualifies for protection under federal, state, or local disability discrimination laws, Bianco Properties will provide greater periods of leave when doing so is required to provide reasonable accommodation and will not impose an undue hardship on Bianco Properties business.
3. Requests for Leave. Requests for leave must be submitted in writing to the employee's immediate supervisor or an approved Officer of the Company as far in advance of the anticipated leave date as possible and will be reviewed on a case-by-case basis. If circumstances prevent the employee from submitting an advance written request, the employee must orally inform his/her supervisor as soon as possible and follow the oral notification with a written request. All requests must include the date the employee anticipates returning to work. The decision to approve or deny a request is based on the circumstances, length of time requested, the employee's job performance, the employee's attendance and punctuality record, reasons for the leave, the effect the employee's absence will have on the department, and the expectation that the employee will return to work when the leave expires.
4. An unpaid, personal leave of absence will be considered only after all paid time off has been exhausted. The duration of the leave of absence, if granted, cannot extend more than sixty (60) days regardless if part or all of the leave is paid or unpaid.
5. Pregnancy Leave. As part of its medical leave policy, Bianco Properties provides pregnancy leave to all female employees for the period of actual disability associated with pregnancy and childbirth. Pregnancy leave is treated the same as medical leave for any other short-term disability, except that leave will be granted for the entire period of any disability associated with pregnancy and childbirth. Pregnancy leave

is for the period of disability only, and not for child rearing after the disability ends. Like any other medical leave, Bianco Properties may require medical certification to support a request for leave.

### **3.12a PERIODIC REPORTING**

During all periods of leave, employees are expected to keep their supervisors apprised of the status of their condition and any changes in their anticipated date of return. Bianco Properties may require that employees report their status to Bianco Properties on a fixed, regular basis, and a failure to do so may lead to disciplinary action, up to and including discharge.

### **3.12b RETURNING FROM LEAVE**

Bianco Properties complies with all applicable federal and state laws related to reinstating employees after periods of leave.

When an employee has been absent four (4) consecutive, scheduled work days, Bianco Properties may require a healthcare provider statement that the employee may return to duty after any absence for which sick leave is used for the employee's illness or injury, including whether there are any conditions on the employee's return to work.

An unauthorized failure to promptly return to work at the conclusion of a leave of absence, acceptance of any other employment during a leave, or an application for unemployment compensation while on leave (which would indicate availability for work), may be treated as a voluntary resignation.

### **3.12c CONTINUATION OF BENEFITS DURING LEAVE**

All employee benefits continue during periods of paid leave. During all periods of unpaid leave:

1. Employee benefits that operate on an accrual basis (such as vacation and sick leave) do not continue to accrue.
2. While on an approved, unpaid leave of absence, Group Medical and/or Dental Insurance, Life & Accidental Death and Dismemberment Insurance coverage, if applicable, will continue during the granted Leave of Absence for sixty (60) days. During this time, the employee is responsible for self-paying the employee's portion of coverage. An employee's failure to self-pay their portion of coverage may result in a loss of benefits (see Continuation of Health Coverage).
3. If on an approved, unpaid leave of absence over sixty (60) days (such as a leave related to a workers compensation injury), employees will have the opportunity of continuing their benefits for a maximum period of eighteen (18) months by paying the monthly premiums as required by COBRA legislation (see Continuation of Health Coverage).
4. No other benefits are provided.

All periods of authorized leave, whether paid or not, are included when calculating an employees length of service with Bianco Properties.

### **3.12d MILITARY LEAVE OF ABSENCE**

Bianco's policy is to provide military leave for all Category "A" Employees. The following policies and procedures are intended to comply with, not expand, the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994.

Please realize that it is possible that Bianco's circumstances will have changed to make reemployment impossible or unreasonable because it might cause undue hardship in the form of requiring significant duty or expense. However, Bianco will attempt to minimize the disruption to the lives of members of the uniformed services through the following policy.

1. Benefit Rights During Military Leave - In general, a person who is reemployed under this policy will receive benefits that are as similar as can be provided by Bianco to those that would have been in place on the day of reinstatement had the person been continuously employed during the military service. Any benefits that require the employee to contribute funds will be funded only if the employee makes such

contributions. If you miss making contributions to any plans sponsored by Bianco, you must begin making contributions on your date of reemployment and must make all missed contributions within three times the amount of time you spent in uniformed service, not to exceed five years.

Any estimates of plan earnings and wage increases will be made by management of Bianco. Employees on military leave may elect to continue health coverage for 18 months or until the first day after the employee failed to apply for reemployment whichever is shortest. This coverage depends on the employee paying normal cost if the leave is less than 31 days and 100 percent of the cost if the leave is 31 days or longer. Upon reemployment, vesting and contributions for employer-paid benefits will be treated as if there were no break in service.

2. Reemployment Rights Following an Approved Leave of Absence - When an employee takes an approved leave of absence (as defined herein), that employee will be eligible for reemployment following the leave of absence, provided a suitable position is available. In the event an employee chooses to return to work following an approved leave of absence, Bianco will offer the employee the first available position for which the person is qualified under the following conditions:
  - A. The employee's return to work will not cause an undue hardship on Bianco;
  - B. There is an available position that is as similar as is practicable to the prior position and, if possible, a position that is estimated to be similar to the position that might have been reasonably achieved (in management's judgment), had the employee remained in the continuous employment of Bianco for the duration of the uniformed service; and
  - C. If the returning employee suffers from a "disability" as defined by state and federal law, the employee is able to perform the essential functions of his/her new position, either with or without reasonable accommodation, without imposing undue hardship on Bianco.

The employee's failure to report for employment on the first workday within 24 hours following the expiration of an approved leave of absence will be considered job abandonment and will result in termination of employment.

### ***3.13 EMPLOYEE CONTINUING EDUCATION***

Bianco Properties believes that employees wishing to better themselves through further education should have the opportunity to do so. To that end, the Company may, at its discretion, reimburse up to seventy-five percent (75%) of the cost of any courses, including required books and mandatory fees pre-approved by the Company as being beneficial to the Company for any employee with a minimum of one (1) year tenure. The employee must be continuously employed by the Company during the period of education. Tuition is to be submitted for reimbursement within thirty (30) days after completion of the course(s). The employee must notify the Company prior to the start of the educational period for the Company to evaluate the employee's eligibility for reimbursement. To obtain reimbursement, the employee must show evidence of the completion of the course with a "B" or better grade average, if a grade is offered, or satisfactory completion of the course if no grade is offered. Such evidence must accompany the request for reimbursement. If the employee discontinues employment with the Company within one (1) year of completing a particular course or courses, then the employee will be required to refund employer's reimbursement for said course work. Employee authorizes the Company to deduct said refund from employee's final paycheck.

### ***3.14 EDUCATION OF EMPLOYEE'S CHILDREN***

Bianco Properties also believes that the Company should assist in what is often one of the most burdensome obligations of a parent, the college education of his/her children. To that end, the Company may, at its discretion, reimburse up to seventy-five percent (75%) of that portion of the cost of college tuition, required books, mandatory fees, room, and board not covered by non-family sources such as scholarships or grants. This tuition assistance is available for attendance at any accredited college or university by any employee's child under the age of twenty-five (25). This is available to any Category "A" employee with five (5) years or more employment with the Company.

Housing accommodations other than that college or university sponsored student housing must be pre-approved by the Company. Tuition, books, fees, room, & board are provided for two years for students pursuing a two-year associate

degree program, and four years for an undergraduate degree. Tuition, books, & fees may be paid for a longer term, provided employee submits evidence that the total cost does not exceed the amount that would have been paid for the two or four year program described above.

The maximum aggregate reimbursement available to any employee, for the employee's education and/or that of the employee's children, in any calendar year shall be an amount not greater than twenty percent (20%) of the employee's annual base salary. To obtain reimbursement, the employee or the child of the employee must show evidence of the completion of the course(s) with a "B" (3.0) or better grade average, and in the case of an employee's child, that the student has completed sufficient courses for the period to have been considered a full time student by the educational institution. If a grade is not offered for a given course, funding for that course is not available except with prior written approval.

The grade average may be calculated in one of two ways. Either the grades of all courses taken during the quarter or semester may be combined for an overall grade point average (GPA) of "B" (3.0) or better, or the reimbursement may be sought only for those courses in which a "B" (3.0) was achieved (e.g.: Employee only requests reimbursement for costs associated with 50% of attendance where student took four courses and received grades of two "Bs" and two "Cs"). Evidence of grades received must accompany the request for reimbursement. The Company must continuously employ the employee during the period of education. Tuition is to be submitted for reimbursement within thirty (30) days after completion of the course(s). Housing accommodations will be paid at the same percentage of reimbursement as tuition. The employee must notify the Company at the start of the educational period, and as early as possible, so that funds can be set aside for future reimbursement.

Trade, Career and Technical Schools may be considered on a case-by-case basis. The employee should notify their supervisor and submit their request for review. The Company, at its sole discretion will approve or disapprove the request.

### ***3.15 EMPLOYEES LIVING IN BIANCO PROPERTIES APARTMENTS***

Almost all on-site positions at apartment communities require employees to make their homes on Company property. The Company is very liberal in granting exemptions to this policy provided the employee continually demonstrates the ability to be on the job under all weather conditions and other emergency circumstances (see Section 6.8, Snow & Inclement Weather Policy). If the exemption is granted, it is the employee's responsibility to plan accordingly so that they will be as accessible to their job as if they lived on-site. Any inability of the employee to comply will result in automatic cancellation of the exemption.

Employees who choose or who are required as a part of their job to make their homes on Company property will observe property policies. It is to be recognized that the outlined policies below are "privileges", not automatic "rights" of all employees. The Property Manager, General Manager or an Officer of the Company must approve all move-ins/transfers.

1. Employees will be required to observe the same leasing requirements that ordinary residents observe, including community rules and regulations and the completion of a Move-Out Inspection Report.
2. All full time employees (Category "A" Employees) will be eligible for a rent discount which will be adjusted annually in the month of March (utilizing the current Schedule of Rent and Policy) with an effective date of April 1 of each year, except that there will be no increase if an employee has lived on the property less than six months. The following discounts will apply. Category B employees will be eligible for a discount to be determined with the approval of an officer of the Company.
  - A. Rent due during the first (1st) year of employment: 40% Discount
  - B. Rent due during the second (2nd) year of employment: 45% Discount
  - C. Rent due during the third (3rd) year of employment and thereafter: 50% Discount.

The employee's rent shall be deducted on a pro-rated basis from each paycheck prior to deduction of taxes, thus providing an additional benefit of using tax-free dollars.

3. Employees will pay all applicable miscellaneous charges such as carport fees, late payment charges, N.S.F. charges, etc. as required of other residents. A full security deposit is required.

4. Employees are required to sign a thirty (30) day lease agreement establishing the legal conditions of a month-to-month tenancy; (this condition may vary depending upon the location of the property). Upon termination of employment, for any reason, the employee must agree both to vacate and surrender possession of the apartment within seventy-two (72) hours of termination, and to authorize the Company to withhold the employee's final paycheck until the unit has been vacated. In addition, the employee authorizes the Company to deduct from the employee's final paycheck any rent due or any monies required to repair damages to the apartment.

The Seattle Office of the Company owns a small moving van for the use of new residents moving onto a Company owned property. Any employee moving onto a Bianco property may reserve the van for this purpose with the same precedence as other new move-ins. For any other use, or to keep the van overnight, requires the approval of the General Manager or an Officer of the Company. In such event, the van must be driven by the employee or a member of the employee's immediate family. The driver must have a valid driver's license and auto insurance.

### ***3.16 EXCEPTIONAL PERFORMANCE AWARDS***

Exceptional Performance Awards are given to employees for the combination of both exceptional and consistent accomplishment above and beyond the normal expectation of job performance. They are given solely at the Company's discretion and are not directly related to length of service, although initial consideration is not normally given until after 3 - 5 years of service. The offer of an Exceptional Performance Award remains open for eighteen months from the date of the offer and may be renewed at the Company's option. It expires when the employee leaves the Company for any reason.

This Special Performance Award, is worth a total of \$2,500.00 towards vacation travel expenses. You may also elect to take all or a portion of the Award as cash bonus and spend as you please.

## **4.0 COMPENSATION**

### ***4.1 AUTOMATIC DEPOSIT PAYROLL SYSTEM***

Bianco Properties uses an automatic deposit payroll system that places your earnings directly into your personal checking or savings account. These funds are transferred on the Thursday evening prior to the Friday payday to ensure that your earnings are in your account when your bank opens on Friday morning. This system is mandatory--it is not optional.

An Authorization Agreement for Automatic Deposit must be completed for new employees or employees who change their checking or savings accounts. If a new employee does not have a checking or savings account, it is required that one be established. Until your bank account number has been verified for automatic deposit, a payroll check will be mailed to you. Depending upon U.S. mail delivery, you may receive this check as late as Tuesday following the normal Friday payday.

### ***4.2 PAYROLL DEDUCTIONS***

Your earnings and payroll deductions are shown on your earnings record. Deductions required by law are listed, as well as deductions you have authorized the Company to make.

1. Federal, state and local income tax withholding.
2. Social Security.
3. Worker's Compensation / State Industrial Insurance is provided in accordance with state law.

### ***4.3 PAYROLL CLASSIFICATIONS***

Bianco Properties' payroll is based on a biweekly schedule; the schedule converts your monthly wage rate to an hourly rate of pay.

Non-Exempt Employees (as defined herein) are entitled to overtime compensation for all hours actually worked in excess of 40 in a regular workweek. Exempt Employees (as defined herein) do not receive compensation for additional hours they may work. If you have any questions as to whether or not you qualify for overtime pay, please contact your supervisor.

#### **4.4 WORKING HOURS**

The standard workweek for Category “A” employees consists of forty (40) hours. Employees may, on occasion, be requested to work in excess of 40 hours in a workweek. Non-Exempt Employees will be paid overtime compensation for all hours worked in excess of 40. However, the employee’s supervisor must approve all overtime in advance. All Non-Exempt Employees have an unpaid lunch period as determined by their supervisor. Your supervisor will advise you of the working days and hours applicable to you and your location.

#### **4.5 OVERTIME**

The Company pays overtime in accordance with applicable Federal and State law. Time and a half is paid to all Non-Exempt Employees (which includes all “hourly” employees) for all work in excess of forty (40) hours in any one week. An employee must actually work forty (40) hours before overtime pay begins. For example, Paid Leave, Holidays, Vacation Time and Sick Time do not count toward hours actually worked. Non-Exempt Employees are not to work overtime unless such overtime is approved in advance by your supervisor.

#### **4.6 REPORTING OF IMPROPER DEDUCTIONS**

If you are an Exempt Employee, as defined by the Fair Labor Standards Act, and you believe that Bianco has improperly deducted amounts from your salary that should not have been deducted, you should immediately contact the Controller. If it is determined that the deduction was improper, you will be reimbursed for the deduction on your next regular paycheck. Unless you alert Bianco to deductions that you believe are improper, Bianco will assume that the deduction is proper.

1. Bianco prohibits the making of improper deductions from the salaries of exempt employees. Improper deductions from the salary of an exempt employee include deductions for:
  - A. Quality or quantity of work.
  - B. Absences of less than a full workweek occasioned by Bianco or by the operating requirements of the business.
  - C. Absences of less than a full workweek caused by jury duty, or attendance as a witness in a judicial proceeding (Bianco may offset against the regular salary any amount paid as jury or witness pay).
  - D. Absences of less than a full workweek caused by temporary military leave (Bianco may offset against the regular salary any amount paid as military pay).
  - E. Partial day absences for personal reasons or because of sickness or disability.
2. Deductions from the salary of an exempt employee are permitted in a number of circumstances, including the following:
  - A. For work less than a full workweek in the initial or final week of employment.
  - B. Full day absences caused by sickness or disability taken in accordance with Bianco’s other policies providing pay for those absences.
  - C. Full day absences caused by sickness or disability, even if unpaid, if the employee is not yet eligible for pay or pay has been exhausted under Bianco’s other policies providing pay for those absences.
  - D. Full day absences for personal reasons other than sickness or disability.
  - E. Disciplinary suspensions of one or more full days for serious infractions of safety rules of major significance.

- F. Disciplinary suspensions of one or more full days for infractions of workplace conduct rules.

Any exempt employee who believes that his/her salary has been subjected to improper deductions should promptly report such concern to the Controller. The Controller will undertake an investigation. Any improper deductions will be reimbursed, and there will be no retaliation against any employee who raises any good faith concern regarding deductions from salary.

## **5.0 EXPENSES AND REIMBURSEMENT**

### **5.1 TRANSPORTATION EXPENSES**

If an employee is authorized to use his/her personal automobile in connection with his/her work, it will be the responsibility of his/her supervisor to require proof that the employee possesses a valid driver's license and that he/she has adequate personal liability and property damage insurance. In such event, the employee will receive payment of mileage at the rate established by the Company.

### **5.2 OTHER EXPENSES**

Bianco Properties will reimburse its employees for out-of-pocket expenses incurred while conducting business. However, no reimbursement will be given without proper documentation. The supervisor for an employee to incur expenses exceeding \$50.00 must give prior approval.

## **6.0 MISCELLANEOUS POLICIES**

### **6.1 ETHICAL STANDARDS**

Whenever possible, we encourage competition and seek competitive bids on goods and services to be purchased. When we ask a company for a bid, we expect that bid to be arrived at independently and without consultation with others who may also be asked to bid.

You are instructed to purchase goods and services principally on the basis of (1) quality, (2) services and (3) price. Likewise, we expect suppliers to solicit our business on the basis of those factors. You must avoid conflicts of interest and must report them when they arise. For example, a conflict of interest may exist when an employee (or a relative) directly or indirectly has a financial interest in, has a personal relationship with, or receives any personal benefit from, a supplier of goods or services.

Bianco Properties' employees (and relatives of employees) may not accept gifts, discounts, benefits or gratuities, or make personal purchases from Company suppliers without the specific consent of the employee's supervisor. Examples of gifts that may not be accepted without specific consent include free meals, tickets to sporting events, or discounts on the suppliers' services, or other products. You should notify suppliers that any attempt to influence our employees to purchase goods or services other than on the basis of quality, service, and competitive pricing may result in the loss of future business between a supplier and Bianco Properties.

It is forbidden to do business with any company providing goods or services that is owned by or employs any person directly or indirectly related to an employee without prior written approval of an Officer of the Company. In addition, it is forbidden to lease to or from any person or organization related to an employee without the written approval of an Officer of the Company.

### **6.2 FRAUD**

1. Background - The corporate fraud policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against Bianco. It is the intent of the Company to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

2. Scope of Policy - This policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies and/or other parties with a business relationship with Bianco. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.
3. Policy - Management is responsible for the detection and prevention of fraud, misappropriation, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication or irregularity.

Any irregularity that is detected or suspected must be reported immediately to the President or, in the President's absence, the CEO. All investigations are coordinated with legal counsel and other affected areas, both internal and external.

4. Actions Constituting Fraud - The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:
  - A. Any dishonest or fraudulent act
  - B. Misappropriation of funds, securities, supplies, or other assets
  - C. Impropriety in the handling or reporting of money or financial transactions
  - D. Profiteering as a result of insider knowledge of Company activities
  - E. Disclosing confidential and proprietary information to outside parties
  - F. Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
  - G. Any similar or related irregularity
5. Other Irregularities - Irregularities concerning an employee's moral, ethical or behavioral conduct should be resolved by departmental management and the President or, in the President's absence, the CEO.

If there are any questions as to whether an action constitutes fraud, you may contact the President or, in the President's absence, the CEO for guidance.

6. Investigation Responsibilities - The President has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the President or, in the President's absence, the CEO will issue reports to appropriate designated personnel.

A decision to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigations will be made in conjunction with legal counsel and the President or, in the President's absence, the CEO, as will final decisions on disposition of the case.

7. Authorization for Investigating Suspected Fraud - Members of an Investigation Unit will have:
  - A. Free and unrestricted access to all Company records and premises, whether owned or rented; and
  - B. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any

individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

8. Confidentiality - Bianco treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the President or, in the President's absence the CEO immediately, and *should not attempt to personally conduct investigations or interviews/interrogations* related to any suspected fraudulent act.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Bianco from potential civil liability.

9. Reporting Procedures - Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the President or, in the President's absence, the CEO immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the President or, in the President's absence, the CEO. No information concerning the status of an investigation will be given out. The proper response to any inquiry is: "I am not at liberty to discuss this matter." *Under no circumstances should* any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- A. Do not contact the suspected individual in an effort to determine facts or demand restitution.
  - B. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by Bianco.
10. Termination - If an investigation results in a recommendation to terminate an individual, the recommendation will be by the Controller and/or Legal Counsel before any such action is taken. The decision to terminate an employee will be made by the President or, in the President's absence, the CEO.
  11. Retaliation Prohibited - Any employee who reports any incidents of suspected fraud or other wrongdoing shall not be subject to any form of retaliation by Bianco or any of its employees. Prohibited forms of retaliation include, but are not limited to: adverse employment actions (*i.e.* demotion, termination, reduction in pay or benefits), harassment, threats, or any other retaliatory action meant to punish or otherwise deter employees from reporting conduct covered by this Policy.

### **6.3 DRUG AND ALCOHOL POLICY**

As you are aware, the problem of drug use and alcohol abuse is pervasive throughout society and business. We believe that as a responsible business we must address this issue in order to have a safe and productive work environment for all of our employees. Thus, Bianco Properties has adopted the following policy and procedures with respect to drug and alcohol. These apply to all of our employees.

1. Impairment Prohibited - No employee will report to work with any alcohol or illegal drug in his system. An employee who is on any prescribed medication must report same to management if the prescribed drug may interfere with the employee's safe and efficient performance of his/her job.
2. Possession Prohibited - No illegal drugs shall be permitted on Company property at any time. Alcohol will only be permitted for Company related social occasions approved by an Officer of the Company, or in the privacy of an employee's apartment.

3. Right to Inspect - The Company reserves the right at any time to inspect an employee's apartment or an employee's personal property when on Company property. In addition, the Company reserves the right to inspect the person of any employee whom it reasonably believes to be in violation of this policy. The Company also reserves the right at any time to inspect any vehicle on Company property.
4. Substance Screening - The Company has adopted a policy of testing newly hired employees for the presence of drugs and/or alcohol in their system and reserves the right to require all current employees to be tested whenever the Company has reason to believe that the employee has drugs or alcohol present in his/her system. Such screening will follow established clinical procedures and is mandatory; an employee's failure to comply with an instruction to be tested will result in the employee's termination with the Company. Examples of the circumstances constituting reasons for testing include, but are not limited to:
  - A. An employee with a past history of drug use or alcohol abuse.
  - B. An employee exhibiting abnormal behavior.
  - C. An employee exhibiting behavior normally associated with persons under the influence of drugs or alcohol.
  - D. An employee's involvement in an on-the-job accident.
  - E. An employee performing negligent or improper work.
  - F. Testing is requested by a customer or contractor.
5. Handling of an Employee with a Drug/Alcohol Problem - An employee who voluntarily admits to management that he/she has a drug or alcohol problem and requests medical treatment will be granted a leave of absence for a reasonable time to participate in a rehabilitation program. Such leave of absence will be available to an employee only one time and the employee's resumption of employment with the Company will be conditional on the employee's compliance with the terms of the rehabilitation program. No disciplinary action (for drug or alcohol abuse) will be taken in cases where the employee initially comes forward and voluntarily admits his problem prior to the Company identifying that the employee has a drug/alcohol problem; this no-discipline policy shall apply to the employee one time only.

## **6.4 VIOLENCE IN THE WORKPLACE**

1. Zero Tolerance - Bianco has a policy of zero tolerance for violence. If you engage in any violence in the workplace, or threaten violence in the workplace, your employment will be terminated immediately for cause. No talk of violence or joking about violence will be tolerated.

“Violence” includes physically harming another, shoving, pushing, harassing, intimidating, coercing, brandishing weapons, and threatening or talking of engaging in those activities. It is the intent of this policy to ensure that no one associated with this business, including employees and customers, ever feels threatened by any employee's actions or conduct.
2. Workplace Security Measures - In an effort to fulfill this commitment to a safe work environment for employees, customers, and visitors, all doors at Company properties generally remain locked, excluding those at the main office and those that need to remain open for the general public.
3. All Weapons Banned - Bianco specifically prohibits the possession of weapons by any employee while on Company property. This ban includes keeping or transporting a weapon in a vehicle in a parking area, whether public or private. Employees are also prohibited from carrying a weapon while performing services off Bianco's business premises. This ban expressly includes all guns, whether the employee has a valid permit to carry the weapon or not.

Weapons include guns, knives, explosives, and other items with the potential to inflict harm. Appropriate disciplinary action, up to and including termination, will be taken against any employee who violates this policy.

4. Inspections - Desks, telephones, and computers are the property of the business. We reserve the right to enter or inspect your work area including, but not limited to, desks and computer storage disks, with or without notice.

The fax, copier, and mail systems, including e-mail, are intended for business use. Personal business should not be conducted through these systems. Under conditions approved by management, telephone conversations may be monitored and voice mail messages may be retrieved in the process of monitoring customer service.

Any private conversations overheard during such monitoring, or private messages retrieved, constituting threats against other individuals can and will be used as the basis for termination for cause.

5. Reporting Violence - It is everyone's business to prevent violence in the workplace. You can help by reporting what you see in the workplace that could indicate that a co-worker is in trouble. You may be in a better position than management to know what is happening with those with whom you work.

You are encouraged to report any incident that may involve a violation of any of the Bianco's policies that are designed to provide a comfortable workplace environment. Concerns may be presented to your supervisor.

All reports will be investigated and information will be kept confidential.

If you have suggestions for ways to improve the safety and security at work, please pass them along to a member of management.

## **6.5 SAFETY**

The Company is dedicated to providing a safe and healthy environment for all employees. The following guidelines have been established:

1. You will be advised by your supervisor in the safe usage of equipment and supplies required in the performance of your duties. It is your responsibility to use supplies and equipment in accordance with the directions outlined in the training sessions.
2. Special precautions should be taken in potentially hazardous working conditions such as the lifting of heavy objects; operating or working in the vicinity of heavy construction equipment; using ladders and sharp tools; and working with chemical products.
3. Only equipment that is in safe operating condition may be used in the performance of your duties. Follow established procedures for requesting equipment repair or replacement.
4. You are expected to wear appropriate clothing to safely perform your assigned duties. The Company provides protective garments for your safety in performing some specific, potentially hazardous procedures.
5. It is the responsibility of any employee who orders supplies to request a Material Safety Data Sheet from the supplier or manufacturer for each chemical ordered. The site manager shall post in a central location a list of any hazardous chemical(s) present in the work place, and a file of Material Safety Data Sheets shall be maintained on site for all employees to use at any time during the work shift. A Material Safety Data Sheet is required for chemicals falling into the following categories:
  - A. Products which are hazardous only when used improperly;
  - B. Products which are hazardous upon skin contact;

- C. Flammable products;
- D. Products whose chemical compositions rapidly change or which become self-reactive under conditions of shock, pressure or temperature.
  - 1. All supplies must be stored in properly labeled original containers, except those which will be used in a single work shift.
  - 2. Site managers are responsible for maintaining first aid kits and fire extinguishers on the site.
  - 3. If you are injured on the job, report it at once to your supervisor. Your supervisor will investigate the accident to help prevent similar accidents in the future, and to validate your claim for Worker's Compensation Insurance benefits.
  - 4. The Company relies on employees to promptly report any condition in the work place which might pose a hazardous condition. Suggestions for improved safety are always encouraged.

## **6.6 NON-SMOKING POLICY**

- 1. Smoking by all employees is prohibited in the offices operated by the Company. Smoking by Bianco employees is not allowed within, or on any Company owned or operated building, vehicle, or property. Smoking in the presence of a prospect or tenant at any time is not permitted.
- 2. Smoking by employees will be allowed during their lunch period only. Smoking will be prohibited at all other times during the workday.
- 3. For employees wishing to "kick the habit," the Company will participate in a portion of the costs determined to be reasonable by management to help you reach this goal. The Company realizes that it is very difficult to quit smoking and it may take more than one attempt to quit. To this means if an employee needs to try various programs to find the one that works, the Company will also work with that employee in order to achieve the end result. Please do not hesitate to contact your supervisor or an Officer of the Company for details.
- 4. Because of the long term effects both on productivity and for the well being of our personnel, it is the policy of the Company that all new hires shall be non-smokers, except where an Officer of the Company determines that the list of available candidates for the position will be significantly affected by this limitation. In the case where a non-smoker and smoker are being considered for the same position, the non-smoker will be given preference. This change in hiring policy was effective January 1, 1995. The policy applies to all new hires except to the extent prohibited by state and local laws.

## **6.7 DRIVING POLICY**

At Bianco, some employees are required to drive an automobile in order to perform the functions of their job. For some employees, driving will be a larger part of their job than for others. Some employees will be provided a company vehicle. No one other than the employee to whom the vehicle is provided may drive the company vehicle. Bianco wants to assure that its employees exercise reasonable care when operating a vehicle while performing duties for Bianco.

Unsafe drivers pose a safety risk to the public, other employees, and themselves. Additionally, employees who operate their vehicles in an unsafe manner while performing their duties for Bianco pose a financial risk to the Company. The purpose of this policy is to reduce and alleviate any safety and financial risks posed by Bianco employees employed in "driving positions."

For the purpose of this Policy, an employee is considered to have a "driving position" if he/she is required to drive a vehicle (either company or personal) as a part of his/her job (other than traveling to/from work). This would include traveling to/from meetings or Bianco properties, running errands on behalf of Bianco, or any other job function that

requires an employee to travel outside of the office using a personal or company automobile. This Driving Policy applies to all employees who have a “driving position” with Bianco, as the term is defined herein.

When operating a vehicle during the course and scope of employment with Bianco, all employees are expected to use reasonable care and abide by all applicable federal, state and local laws. All employees having a “driving position” are responsible for reporting the following incidents to Bianco not later than the first full workday following the incident (hereinafter referred to as “reportable incidents”):

1. The employee’s driving privileges are revoked or suspended for any reason;
2. The employee is charged or convicted of driving while under the influence of alcohol or drugs;
3. The employee is involved in a motor vehicle accident while driving a company vehicle (should be reported immediately to Bianco);
4. The employee is involved in a motor vehicle accident while performing duties in the course and scope of his/her employment (should be reported immediately to Bianco);
5. The employee is involved in a motor vehicle accident in which he/she received a citation for violating one or more federal, state or local statutes or ordinances;
6. The employee’s car insurance (on the vehicle he/she uses for company business) has been cancelled or suspended for any reason; or
7. The employee has received three or more moving violations within a three-year period of time.

Bianco reserves the right to periodically check an employee’s driving record maintained by the State that issued the employee’s license to drive. Upon request, employees may be required to give written consent to allow Bianco to inspect the employee’s driving record, including all personal information contained therein. Any employee, who fails to cooperate with Bianco by providing the necessary consent to obtain his/her driving records, may be subject to discipline up to and including suspension of job responsibilities and/or termination.

If, in the sole discretion of Bianco, it is determined that an employee in a driving position creates a safety risk or financial risk to Bianco, then that employee may be removed from his/her driving position. If a non-driving position is available and the employee is qualified for that position, he/she may apply for a transfer to the non-driving job. If a non-driving job is not available, then the employee may be discharged.

### ***6.8 SNOW & INCLEMENT WEATHER POLICY***

We are in a service business. Our tenants and their family, guests, employees, and customers depend on our being there to make their property safe and accessible during snow and inclement weather. Therefore, we have an extra responsibility to “be there” in conditions when others might not. Accordingly, all locations are open for business in inclement weather and all employees are expected to work unless the location at which they work is closed at the direction of an Officer of the Company.

### ***6.9 OUTSIDE EMPLOYMENT***

Category “A” employees may not engage in additional employment of any kind (including but not limited to part time work or work performed outside of the Company’s business for another employee of the Company) without the prior written agreement of the General Manager or an Officer of the Company. Additional employment is defined as acts performed for which payment is received (as defined as income by the Internal Revenue Service). It is the general policy of the Company to grant such consent when the work is not considered by management to conflict with the employee’s job performance. Notwithstanding the general policy of granting consent, it is absolutely essential that such consent be obtained before beginning any additional employment.

### ***6.10 PERSONAL APPEARANCE***

Your appearance helps to create the image you project and the impression that others receive of the Company. Common sense rules of personal hygiene, neatness and appropriate attire must be observed. During the months of May through

September walking shorts may be appropriate. Your supervisor will inform you of any guidelines concerning your department.

### ***6.11 PERSONNEL SCHEDULES***

Your monthly work schedule may vary at the discretion of your supervisor. Prior approval will be required from your supervisor for any changes to your regular monthly work schedule.

### ***6.12 COMPUTERS AND SOFTWARE***

All Company computers, software, e-mail systems and data installed on the computers are the property of the Company and are to be used for business purposes only. Only Company approved software may be installed and used on Company computers.

E-mail correspondence is to be utilized for intra-company as well as appropriate outside business-related communication. It is strongly recommended that you copy your immediate supervisor on all e-mail; however, it is not mandatory. The intent of copying your supervisor is to keep everyone informed at minimum effort and to contribute to our team management approach.

The use of Company computers for both transmitting and receiving personal e-mail (except in the case of a scheduling problem, urgent communication or bona fide emergency) and personal use of the Internet is not permitted. Computer communications must be consistent with conventional standards of ethical and proper conduct, behavior and manners, and are not to be used to create, forward, or display any offensive or disruptive messages, including photographs, graphics and audio materials. The Company has the right to monitor, at its discretion, the operation of the computer, all related software and e-mail transmissions.

Members of the Executive Staff and key designated individuals are expected to have ten-finger proficiency in the operation of a computer keyboard. Staff members without proficiency will be given a reasonable time to attain proficiency, and the Company will pay the costs of training.

Those employees who receive a laptop computer from the Company may use the laptop for personal use.

### ***6.13 PERSONAL USE OF COMPANY TELEPHONES & FACSIMILE TRANSMISSIONS***

Personal use of Company telephones or facsimile transmission facilities should be limited to essential calls or messages. Please explain to your family and friends that you are responsible for limiting your telephone conversations and messages from Company phones and facsimile transmission facilities.

The Company has the right to monitor, at its discretion; all telephone conversations on Company phones and all facsimile transmissions using Company equipment.

### ***6.14 PERSONAL USE OF COMPANY OWNED PROPERTY OR SUPPLIES***

The personal use of any Company owned property (including but not limited to copy machines, postage meters, vehicles, equipment, or tools) or supplies is not allowed without prior approval from the General Manager or an Officer of the Company.

### ***6.15 EFFECTIVE USE OF THE INTERNET***

Given the rapidly expanding use of the Internet and the need for communicating quickly and effectively, the Executive Staff and key designated individuals are expected to check their Company e-mails at least once per night during the work week and once per day on weekends and holidays. The individual is not expected to spend a lot of time, but to just respond to any email that requires only a quick answer or comment. If individuals will not have access to e-mail during a specific period of time because of travel or other reasons, then they should endeavor to notify others with whom they communicate regularly that they will be out of contact. The Company will reimburse the home and travel costs of broadband access.

### ***6.16 MAINTENANCE OF COMPANY PROPERTY***

Employees are responsible for the general maintenance of their assigned work area and equipment. Repairs and replacements should be reported to their supervisor. General attentiveness to overall appearance of the Company's premises is also the responsibility of each employee.

## **6.17 VOTING**

The Company encourages all employees to vote in all Local, Municipal, State and Federal elections. In the event that you are unable to vote outside of normal working hours, you may take time from your work schedule to vote in each such election. In most circumstances one (1) hour should be sufficient. Such time off must be pre-approved by your supervisor and shall be made up during the current workweek, if possible, or shall be deducted from your pay.

## **6.18 SUPERVISORY APPROVALS**

No individual may grant approval in a situation that would create a personal conflict of interest.

## **6.19 CELL PHONE USAGE**

Whenever operating a cell phone and a motor vehicle at the same time, employees must employ a phone that allows for “hands-free” usage, and must use the phone in its hands-free capacity at all times while operating said vehicle. Furthermore, it is the responsibility of each employee to decide when operating a phone while driving creates a risk of harm to any person or property, and to avoid using a phone when such danger exists.

The use of personal cell phones during business hours is prohibited, with the limited exception that employees may use cell phones during breaks and over lunch. Personal cell phones shall remain off during work hours. Employees should provide family members and others their office number to call in the event of an emergency.

# **7.0 EMPLOYEE CONDUCT**

Please read the following carefully. Listed below are acts of employee misconduct committed by any employee, will result in appropriate disciplinary action up to and including discharge from employment. This is not meant to be an all-inclusive list, but a guideline for behavior.

1. Absence from work and tardiness:
  - A. In the event of tardiness or an absence from work, you must notify the Company in advance or as promptly as practical. Call-ins are to be made prior to your starting time and must be reported on the same day whenever possible. Absence from work without reporting or calling in will be treated as a quit.
  - B. In general, the employee must call in personally for the excuse to be given consideration. You must attempt to speak directly to your supervisor. Information should not be given to the switchboard unless your supervisor cannot be reached.
  - C. Leaving work during work hours without prior permission from your supervisor.
  - D. Leaving work prior to quitting time.
  - E. Failure to start work at starting times or stopping work before break, lunch, or quitting times.
  - F. An employee absent because of claimed illness or injury may be required to furnish a satisfactory medical doctor’s excuse or release of his/her medical records, and may be examined by a Company-designated physician at Company expense before returning to work.
  - G. Excessive or chronic absenteeism or tardiness.
2. Regular attendance is an obligation for every employee and is considered an essential function of your job. Absenteeism causes disruptions and adjustments in staffing. An employee expecting to be late or absent has the responsibility to notify their supervisor as soon as possible prior to the scheduled starting time. A satisfactory explanation of the reason for lateness or absence is required. Employees are expected to report to work in time to commence work at the scheduled time. Repeated absenteeism or tardiness will result in disciplinary action, up to and including termination of employment.

3. Deliberate disobedience or any other form of insubordination.
4. Fraud, illegal act(s) or providing false information in any application for employment or in any record, report or statement in connection with the employee's file or the Company's business.
5. Ringing or marking another employee's time card or attendance records or requesting or permitting another employee to mark or ring someone else's time card.
6. Failure to comply with the Drug and Alcohol Policy Section 6.3.
7. Gambling, including participation in any games of chance, lotteries, or athletic pools on Company property.
8. Fighting with or attempting bodily injury to a person on Company property.
9. Having possession of any weapon either upon the person or in personal lockers or clothing. Use of any tool or object in a threatening, intimidating or injurious manner on Company property.
10. Stealing or intentionally defacing or damaging Company property or equipment or another person's property located on Company property.
11. Immoral conduct on Company property.
12. Sleeping during working hours.
13. Misuse or unauthorized use of any machinery, tools, or equipment.
14. Negligence resulting in excessive scrap, defective or poor quality work, damage to machinery, tools, equipment, or waste of materials or supplies.
15. Unsatisfactory work, carelessness, repeated mistakes, failure to maintain reasonable standards of performance, or deliberately restricting output or urging another employee to do so.
16. Horseplay, scuffling, wrestling, or throwing objects on Company property.
17. Visiting, discussing or gathering in groups during working hours, or leaving one's assigned work area except for reasons directly connected with Company business.
18. Posting of notices or other written material on Company property without prior written approval of your supervisor, circulation or distribution of written material of any type in working areas or when required to be working, and solicitation of employees for any purpose when required to be working.
19. Threatening, intimidating, coercing or interfering with employees or supervisors at any time, including any attempt to do so.
20. Failure to comply with established safety rules.
21. Failure to comply with the Company's ethical standard policy.
22. Failure to report job injuries to your supervisor as promptly as possible.
23. Creating or contributing to unsanitary or unsafe conditions, or failure to perform assigned housekeeping duties.
24. Smoking in violation of prohibitions herein.

25. Personal work on Company time or accepting fees for the performance of any employee's assigned duties, unless waived by an Officer of the Company.
26. Using abusive language or making false or malicious statement concerning any employee, the Company or its business.
27. Failure to notify the Company of any change of address or telephone number. In addition to discipline, an employee bears the consequences of failure to receive actual notice due to such failure to keep the Company advised of his/her current address and telephone number.
28. Working for another employer without advance written permission of the Company.
29. Failure to report for work when a leave of absence expires or after a layoff for a definite period.
30. Failure to report for work within three (3) calendar days after a proper notice of recall from an indefinite layoff except upon prompt presentation of an excuse satisfactory to the Company.
31. Discussing Company salaries or any other form of compensation with another employee.
32. Any action or failure to act in circumstances where any reasonably prudent employee would know that he was expected either to take action or not to take such action (i.e. failure to use common sense and observe generally accepted standards of behavior) or any other conduct detrimental to the Company or its reputation.
33. The phrase "on Company property" as used above also includes conduct occurring off Company property which is connected with or arises out of Company business or which reflects on the Company.
34. Carrying or using personal cell phones or pagers for personal business during working hours. Employees may use their personal cell phones and pagers during breaks and over lunch. Personal cell phones shall remain off during work hours. Employees should provide family members and others with their office number to call in the event of an emergency.

## **8.0 DISCIPLINARY ACTION AND TERMINATION**

### ***8.1 DISCIPLINARY ACTION***

Appropriate disciplinary action in any case may range from an oral reprimand or warning to termination depending on the seriousness, frequency, nature and context of the violation.

### ***8.2 TERMINATION AT WILL***

NOTWITHSTANDING ANY OTHER SECTION OF THIS GUIDE, EMPLOYMENT IS BASED ON MUTUAL CONSENT AND EITHER THE EMPLOYEE OR BIANCO PROPERTIES MAY TERMINATE THE EMPLOYMENT RELATIONSHIP AT WILL AT ANY TIME, FOR ANY REASON OR FOR NO REASON AT ALL.

### ***8.2a VOLUNTARY TERMINATION***

An employee desiring to terminate his or her employment relationship with the Company is urged to notify the Company at least two (2) weeks in advance of his or her intended termination. Failure to provide a two (2) week notice will result in the employee's forfeiture of payment for accrued but unused vacation leave.

### ***8.2b TERMINATION FOR CAUSE***

An employee may be terminated for cause for insubordination, repeated violations of regulations, dishonesty, fraud, theft or other illegal acts. Termination for cause will result in the employee's forfeiture of payment for accrued but unused vacation leave.

### ***8.3 LAY-OFF***

An employee may be laid off for lack of available work. When practical, Bianco Properties will give at least two (2) weeks advance notice.

## EMPLOYEE AND OPERATIONS GUIDE ACKNOWLEDGMENT

I have received a copy of Bianco Properties Employee and Operations Guide. I understand it is my responsibility to read it and become familiar with its entire contents. Any questions I have will be addressed to the President or, in the President's absence, the CEO.

I understand this Guide is not all-inclusive and that Bianco Properties' policies will vary from time to time at its sole discretion, as individual circumstances require.

I further understand that I am at-will employee of Bianco Properties. This Guide does not constitute a contract of employment. Either the Company or I will always retain the right to terminate our employment relationship at will at any time and for any reason or no reason at all, either with or without notice.

Upon termination, I agree that the Company shall deduct from my paycheck and I shall be liable for any charges for which I am responsible including, but not limited to, equipment, tools, furnishings or uniforms not returned to the Company for which I have assumed responsibility.

In consideration of any reimbursement by the Company to me of the cost of continuing education, I authorize the Company to deduct from my final paycheck, and I shall be liable for, any costs reimbursed for courses completed within one year of my discontinuation of employment.

In consideration of any rental rate discounts offered by the Company, I authorize the Company to deduct from my final paycheck, and I shall be liable for, any rent due or monies required to repair damages to the rental property which I occupied during my employment.

I accept the terms of employment as stated in the Employee and Operations Guide, as revised, effective January 1, 2007.

In accordance with Section 3.3 of this manual, for verification of non-smoking credit, by initialing the box below I certify I have not smoked for the last three months, and agree to notify my supervisor at such time in the future that I start smoking. If box below is not initialed, you will not be eligible for credit.

\_\_\_\_\_  
EMPLOYEE

I am a non-smoker \_\_\_\_\_

\_\_\_\_\_  
(PRINT NAME)

\_\_\_\_\_  
DATE

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**BIANCO PROPERTIES**

**EMPLOYEE AND OPERATIONS**

**GUIDE**

Revised Effective: January 1, 2007