

Lake Monticello Owners' Association

PERSONNEL POLICIES
&
PROCEDURES MANUAL

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Introduction

Purpose of Manual

There are several things that are important to keep in mind about this Manual. First, it contains general information and guidelines. It is not intended to be comprehensive or to address all the possible applications of, or exceptions to, the general policies and procedures described. For that reason, if you have any questions concerning eligibility for a particular benefit, or the applicability of a policy or practice to you, you should address your specific questions to the General Manager or his/her designee. The overall administration and interpretation of the policies and procedures for the Lake Monticello Owners' Association (herein after referred to as "Association") rests with the General Manager. Neither this Manual nor any other Association document confers any contractual right, either expressed or implied, to remain in the Association's employ. It does not guarantee any fixed terms or conditions of employment. Employment of an individual is not for any specific time and may be terminated at will, with or without cause, and without prior notice by the Association; the employee may resign for any reason at any time. No employee or other representative of the Association except the General Manager and/or the Board of Directors has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the above.

Secondly, the procedures, practices, policies and benefits described herein may be modified or discontinued from time to time. The Association will inform the employee of any changes in a timely manner.

Finally, some of the subjects described herein are covered in detail in official plan documents. The employee should refer to those documents for specific information, since this Manual only briefly summarizes those benefits. Please note that the terms of the written insurance policies and other benefit plans are controlling.

The responsibility and authority for the enforcement and administration of the policies, rules and regulations set forth herein are delegated to the General Manager.

Organization Overview

Vision, Mission, Ideals and Values

Vision:

Lake Monticello is a premier community for all members and their guests enjoying a high quality of life in excellence and spirit.

Mission:

The Association will protect, preserve and enhance the quality of life for its members through responsible care of association facilities, amenities, and infrastructure and will offer, through skilled individuals, a high standard of services and programs.

Ideals and Values That Guide the Association's Efforts:

The Association is committed to acknowledging and protecting the dignity of every member, volunteer and employee. The Association is committed to treating each one with respect, valuing individuality, having open communications, and working together for the common good.

The Association is dedicated to building a strong and enduring community by establishing and maintaining mutually beneficial relationships through understanding the needs of the community and the importance that each of us provides in the success of the whole. We are honest and ethical in all our business dealings. We believe in and encourage innovation, humility, loyalty, dependability, optimism, passion and teamwork in all our efforts.

General Principles

The Association is committed to building a work environment in which people can enjoy high standards of health, express their needs, and develop and apply their skills productively through meaningful work to achieve Association and personal goals.

Association Management believes employees:

- Want and are entitled to meaningful work and an opportunity to achieve.
- Want and will be recognized based on their performance and potential without discrimination.
- Should be compensated on the basis of performance and results.
- Need and are entitled to feedback on the quality of their performance.
- Should be informed promptly about Association matters which concern them.
- Want to and should be given an opportunity for individual growth and development.
- Want to be a part of a group which works together toward common goals.
- Want to be proud of the Association.

In return, the Association expects employees:

- To contribute to the goals and needs of the Association.
- To produce a high quality product or service in an economical fashion.
- To achieve and maintain effective performance.
- To be responsible for their own job understanding and development.

Administration of Human Resources Management

The Association General Manager has full authority to employ personnel, establish departments and job classifications, and to set salaries. This authority extends to hiring, discharging, promotion, layoff, and training.

The Association can terminate an employee's employment without cause unless there is a written contract with the employee signed by the Association that provides otherwise.

Lake Monticello Owners' Association Personnel Policies & Procedures Manual is provided to define the Association's position on most policy questions managers and employees have. (Should parties have additional questions, please contact the General Manager or designee.)

Employment Policies

Equal Employment Opportunity

Equal Employment Opportunity has been, and will continue to be, a fundamental principle at the Association, where employment is based upon personal capabilities and qualifications without discrimination of race, color, religion, sex, age, national origin, disability, or any other protected characteristic as established by law.

This policy of Equal Employment Opportunity applies to all policies and procedures relating to recruitment and hiring, compensation, benefits, termination and all other terms and conditions of employment.

The General Manager has overall responsibility for this policy and maintains reporting and monitoring procedures. Employees' questions or concerns should be referred to the General Manager. Appropriate disciplinary action may be taken against any employee willfully violating this policy.

Employment "At Will"

The Association to employee relationship is an "at will" relationship. "At will" means that both employees and the Association have the right to terminate employment at any time, with or without advance notice, and with or without cause.

Non-Discrimination and Anti-Harassment

The Association is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Association expects that all relationships among persons in the workplace will be business-like and free of bias, prejudice and harassment.

It is the policy of the Association to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, religion, sex, age, national origin, disability or any other characteristic protected by law. It prohibits and will not tolerate any such discrimination or harassment. Sexual harassment involves (a) making unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature a condition of employment; or (b) making submission to or rejection of such conduct the basis of employment decisions; or (c) creating intimidating, offensive, or hostile working environment by such conduct. Examples of sexual harassment include, but are not limited to:

- Verbal: Sexual innuendo, suggestive comments, insults, threats, jokes about gender-specific traits or sexual propositions;
- Non-verbal: Making suggestive or insulting noises, leering, whistling or obscene gestures;
- Physical: Touching, pinching, brushing the body, coercing sexual intercourse or assault; and
- Graphic: Displaying or circulating in the workplace written or graphic material that denigrates or shows hostility or aversion toward an individual or group (including through e-mail).

These policies apply to all applicants, employees, and residents; and, prohibit harassment, discrimination and retaliation whether engaged in by fellow employees, a resident, a Supervisor, a Department Head, or by someone not directly connected to the Association (e.g., an outside vendor, consultant or customer).

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings, and business-related social events.

Reporting an Incident of Harassment, Discrimination or Retaliation

The Association strongly urges the reporting of all incidents of discrimination, harassment or retaliation, regardless of the offender's identity or position. Individuals who believe they have experienced conduct that they believe is contrary to Association policy or who have concerns about such matters should file their complaints with their Supervisor immediately. If the staff person's immediate Supervisor is the source of the alleged harassment, the staff person should report the problem to the Director of Business Management or the General Manager. If a harassment situation involves the General Manager or Director of Business Management, the staff person should report the problem to any officer of the Association. Individuals are not obligated to file their complaints with their immediate Supervisor first before bringing the matter to the attention of one of the Association designated representatives identified above.

Employees who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of this complaint procedure. Failure to do so may affect an employee's legal rights.

Early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment. Therefore, while no fixed reporting period has been established, the Association strongly urges the prompt reporting of complaints or concerns so that rapid and constructive action can be taken.

The availability of this complaint procedure does not preclude individuals who believe they are being subjected to harassing conduct from promptly advising the offender that his or her behavior is unwelcome and requesting that it be discontinued.

The Investigation

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge. Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Responsive Action

Misconduct constituting harassment, discrimination or retaliation will be dealt with within the guidelines of the policy. Responsive action may include, for example, training, referral to counseling and/or disciplinary action such as warning, reprimand, withholding of a promotion or pay increase, reassignment, temporary suspension without pay, or termination, as the General Manager believes appropriate under the circumstances.

Americans with Disabilities Act

The Association is committed to complying with all applicable provisions of the Americans with Disabilities Act ("ADA"). It is Association policy not to discriminate against any qualified employee or applicant with regard to any terms or conditions of employment because of such individual's disability or perceived disability so long as the employee can perform the essential functions of the job. Consistent with this policy of nondiscrimination, the Association will provide reasonable accommodations to a qualified individual with a disability, as defined by the ADA, who has made the Association aware of his/her disability, provided that such accommodation does not constitute an undue hardship on the Association.

Employees with a disability who believe they need a reasonable accommodation to perform the essential functions of their job should contact the General Manager. The Association encourages individuals with disabilities to come forward and request reasonable accommodation. An employee or job applicant who has questions regarding this policy or believes that he or she has been discriminated against based on a disability should notify the General Manager. All such inquiries or complaints will be treated as confidential to the extent permissible by law.

Immigration Law Compliance

The Association is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee must complete the Form I-9 Employment Eligibility Verification as a condition of employment. He or she is required to present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with the Association within the past three years or if their previous I-9 is no longer valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact their Supervisor and/or General Manager.

Drug Free Environment

Manufacture, distribution, dispensation, possession, or use of any illegal drug or controlled substance while on Association premises is strictly prohibited. Use of alcohol or condition of being under the influence of alcohol while on duty on Association premises is strictly prohibited. These activities constitute serious violations of Association rules, jeopardize the Association and can create situations that are unsafe or that substantially interfere with job performance. Employees in violation of the policy are subject to appropriate disciplinary action, up to and including termination. Additionally, the Association reserves the right to require an employee to undergo a medical evaluation in accordance with the providers of the State Workers' Compensation guidelines.

Conditions of Employment

Pre-Employment Drug Test

Job offers to applicants are contingent upon successful completion of a pre-employment drug test. The drug test will be provided by an Association selected physician and will be paid for by the Association.

Pre-Employment Physicals

Job offers to applicants applying for certain Association positions are contingent upon successful completion of a pre-employment physical examination to determine if applicants are in acceptable physical condition to complete the essential functions of the job. Job applicants are subject to a medical examination provided by an Association selected physician and paid for by the Association using Association guidelines. All medical information provided the Association will be maintained in confidence in accordance with the ADA.

Employment Practices

Types of Employment

- Full-time Employee: An Association employee who is to be employed in a position for an indefinite time period and has a prescribed working week in excess of 35 hours.
- Part-time Employee: An Association employee who regularly is scheduled to work less than the prescribed work week of 35 hours and who is not eligible for the Association Benefits Program except as specifically noted in the Benefit sections of this Manual.
- Seasonal Employee: An Association employee who is paid an hourly rate with work hours determined by specific job assignments.

Employee Classifications

Exempt employees are classified as such if their job duties are exempt from the overtime provisions of the federal Fair Labor Standards Act (FLSA) and applicable state laws. An exempt employee is expected to fulfill duties and responsibilities of his/her position regardless of the amount of time it takes. Exempt employees are not paid on an hourly basis.

Nonexempt employees are those who meet the criteria for being covered by the overtime provisions of the federal FLSA and applicable state laws. Nonexempt employees working greater than 40 hours in a work week will be paid 1 ½ times their regular rate of pay.

Personnel File

The purpose of this section is to provide appropriate procedures governing the access, dissemination and purging of information contained within personnel files. The Association maintains a personnel file on each employee. The purpose of this file is to allow the Association to make decisions and take actions that are personally important to employees and relevant to their employment.

The personnel file maintained by the Department of Business Management, shall be the only file which is to be considered official and complete in matters related to wage and salary, employee selection, employee relations and problem resolution process.

Information pertaining to any personnel related aspect of the individual's employment (e.g. letters of reprimand, letters of commendation, unemployment compensation requests, etc.) shall be contained within the file. The Association does not keep medical records in employee personnel files. Those are kept separately.

Confidentiality and Access

Because the information in personnel files is personal, the Association keeps the files as confidential as possible. Access to personnel files is limited to those on a need-to-know basis. The General Manager and the following individuals shall be designated as having approved access to the official personnel files through and in the presence of the General Manager or his/her designee.

- Department Heads and Supervisors, to the extent that employees are under their direct authority.

Representative(s) from the Department of Business Management responsible for maintaining personnel files.

- Federal, state, or local law enforcement agencies during the investigation of a violation or potential violation of the law.
- Others when so personally authorized such as the Association's outside auditors and workers' compensation auditors.

Current employees who wish to inspect their personnel files must make an appointment with a Department of Business Management representative and the review must take place in the presence of the representative. Removal of the personnel file from the Department is not allowed. The Association allows current but not former employees to photocopy documents from their personnel file.

Dissemination of Personnel File Information

There shall be no dissemination of any personnel information contained within the official personnel file to any individual or organization not having approved access unless a Voluntary Release of Information Form has been completed and signed by both the employee and the requesting individual or agency. Association information released to any such individual and/or agency shall be strictly limited to employment verification information, that is: (1) Date of Hire; (2) Date of Termination; (3) Job Title; and/or (4) Ending Salary. Evaluative information is not for release. All Association letters of reference are specifically covered by this policy and shall be approved by the General Manager prior to release.

Employee Reference Requests

Under no circumstances should any Association employee release any information about any current or former Association employee over the telephone. All inquiries regarding any current or former employee must be received in writing. Requests for information other than Date of Hire, Date of Termination, Job Title, and/or Ending Salary should be referred to the General Manager.

Personal Data Changes

Because the Association uses the information in an employee's personnel file to take actions on their behalf, it is important that the information in that file be accurate. Employees should notify the Department of Business Management whenever any of the following changes:

- Employee name, mailing address and/or phone number;
- Employee dependents;
- Number of dependents the employee is designating for income tax withholding;
- Employee marital status;
- Name and phone number of the individual to whom the Association should notify in case of an emergency; or
- Restrictions on employee driver's license.

Compensation Plan Policies, Objectives and Scope

Policy

It shall be the policy of the Association that:

- Just and equitable incentives and conditions of employment are established and maintained.
- A sound and equitable salary structure is maintained to provide the financial incentive needed for maximum employee productivity and job satisfaction while assuring a financially sound expenditure for the Association.

Objectives and Scope

- Establish and maintain a sound salary structure that will attract and retain qualified employees.
- Establish and maintain a comprehensive compensation plan that will assure internal equity of compensation based on systematic evaluation of each job.
- Maintain the salary structure in proper relation to competitive pay practices in the local market in which the Association competes.
- Assure each Association employee an appropriate performance and salary review annually.
- Provide an effective control of salary payments on a uniform basis.
- Furnish the Association's Management with a consistent and effective means of recognizing and rewarding improved and outstanding performance.

In the event that this personnel policy does not provide guidelines for specific situations that arise, the General Manager shall have the discretion to determine what procedures or provisions, if any, apply to such situations.

Compensation Plan Definitions and Interpretations

The Compensation Plan is the approved system of grouping job positions into equitable job classifications. The official Compensation Plan for the Association shall consist of schedules showing established Job Classification Specifications, the job classification (grade level) and title of all positions (Job Classification Chart), and job classification pay ranges (Job Classification Pay Range Chart).

The Job Classification Specifications are descriptions and not restrictive. The use of a particular description as to duties, qualifications or other factors shall not be held to exclude others of a similar kind or quality. Descriptions are intended to indicate the kinds of positions that shall be allocated to the job classifications established.

A Job Classification is a group of positions (or one position) with similar duties and responsibilities, requiring like qualifications, which can be compensated equitably by the same job classification pay range. All positions will have a Position Description and the Job Classification shall be used on all personnel records and actions.

Job Classification Pay Ranges are reviewed annually to ensure they are competitive with the labor market and in accordance with employee compensation-wage surveys. Changes to the Salary Range Chart will not affect any employee's pay unless such change causes an employee's current compensation rate to fall below the minimum of the new Salary Range. Changes to the Salary Range Chart require a recommendation by the General Manager and Board of Directors approval.

The Job Classification Specifications and the Job Classification Chart are advisory for purposes of management only and individual and/or collective salary adjustments, job classification changes and merit increases may be denied or modified at the discretion of the General Manager.

Pay Rates

The rates of pay of Association employees shall be in accordance with the approved job classification pay ranges and job classifications.

Allocation of Positions

When establishment of a new position is recommended by the General Manager (and/or a Department Head), a complete position description covering the duties and responsibilities of each proposed position shall be developed. The General Manager shall allocate the position to one of the job classifications in the Compensation Plan.

Administration of the Compensation Plan

- Each Department Head is to submit to the General Manager new position descriptions for all affected positions each time a department or division under his/her jurisdiction is permanently or substantially reorganized or changed.
- The General Manager will periodically conduct a general review of the Compensation Plan to ensure compliance with Plan objectives and that the spirit of the Association desires are being implemented.

Compensation Plan in Force

The Compensation Plan shall be considered a part of this section and have the same force and effect as these personnel regulations.

Employment-Related Definitions

- Original employment shall be defined as an employee's initial period of continuous employment with the Association. An individual beginning employment with the Association for the first time shall usually be placed at the minimum of the pay range established for the job classification in which employed. Occasionally, however, based on a new employee's prior experience and proficiency in the same or related capacity, initial placement may be at any salary up to the midpoint of the pay range for the job classification as approved by the General Manager.
- Orientation Evaluation Period: The initial six calendar months of employment following an original employment or re-employment. All Association employees are included.
- Promotion shall be defined as advancement to a higher job classification granted to an employee in conjunction with increased job duties and responsibilities. When an employee is promoted, his/her salary shall, as a minimum, be increased to the minimum of the pay range of the job classification to which he/she is promoted. The effective date of all promotions will be the first day of the ensuing pay period. The Orientation Evaluation Period shall be used in connection with promotional appointments in the same manner as it is used for original employment.
- Demotion shall be defined as a reduction in the job classification of an employee in conjunction with a change in job duties and responsibilities. When an employee is reduced to a lower job classification, his/her salary within the new job classification shall be determined by the General Manager.
- Transfer is the lateral move within the same job classification or from one job to another job of like value and importance. A transfer is a movement from one job to another, with changes in duties, supervision, work conditions, but not necessarily salary.
- Merit increases are awarded based upon job performance. Employees are evaluated for merit increases annually. Such pay increases shall become effective at the beginning of the first full pay period in July. Merit increases shall only be awarded to employees that meet performance criteria.

- Reclassification shall be defined as a reassignment of an appropriate job title or job classification to an employee whose current job classification does not accurately reflect the actual duties performed, education and/or experience required. When such a position cannot be accurately described or compensated by assignment to an existing job classification, the General Manager shall establish a new job classification with an appropriate classification specification. Reclassification differs from promotion in that the actual duties of the employee have not changed. A reclassification is usually to provide an accurate description of duties and assignment to an appropriate job classification. Reclassification does not adjust the employee's salary if the reclassification does not increase degree of responsibility or job value.
- Resignations shall be defined as voluntary separation of employment through notification to the Association initiated by the employee. Written notification shall indicate the actual date and hour the resignation is to become effective and should be signed by the employee. Supervisory staff is expected to provide a minimum of 28 days notice of separation. Non supervisory staff should provide a minimum of 14 days separation notice.

Orientation Evaluation Period

Orientation Evaluation Periods are regarded as an integral part of the examination process during which an employee's performance shall be closely evaluated and the employee coached in his/her job duties, to ensure the most effective adjustment of a new employee to his/her position and for ending employment for any employee whose job performance does not meet expectations. The Orientation Evaluation Period shall be six calendar months of employment following an original employment or re-employment with the Association. The Orientation Evaluation Period shall be used in connection with promotional appointments in the same manner as it is used for original appointments.

Before the end of the Orientation Evaluation Period, the Supervisor shall complete an Orientation Period Performance Evaluation Form. Areas for evaluation include:

- Job Knowledge and Productivity;
- Communication;
- Cooperation and Teamwork;
- Problem Solving; and
- Change Management.

Payment of Salary

Paydays and Pay Periods

A work week is defined as Monday, 12:01 a. m., through Sunday 12:00 p. m. midnight. A pay period is 2 (two) work weeks. Payment is made on the Thursday following each pay period end date. If the normal payday falls on an Association-recognized holiday, paychecks will be distributed the day worked before the regularly scheduled payday. Under certain circumstances, the Association may release any paychecks prior to the announced schedule. New employees who begin work after the payroll has been processed will receive their first paycheck on the next regularly scheduled payday. The amount of money paid to salaried positions will be determined by dividing the annual salary by 26 pay periods in a year.

Distribution of Paychecks

It is Association policy that employee paychecks will only be given personally to that employee by the Department Head or their designee. All other arrangements for mailing or pick-up must be made in advance and in writing with the Department of Business Management.

Lost Paycheck

In the event of a lost paycheck, a Department of Business Management representative, must be notified before a replacement check can be issued. In the event the lost paycheck is recovered and the Association identifies the endorsement as that of the employee, the employee must remit the amount of the replacement check to the Association within 24 hours of the time it is demanded.

Statement of Earnings and Deductions

A statement of earnings is given each pay period to employees indicating: gross pay; statutory deductions; and voluntary deductions. The amount of Federal withholding is affected by the number of exemptions claimed on Form W-4, Employee's Withholding Allowance Certificate. If an employee's marital status changes, name changes or the number of exemptions previously claimed increases or decreases, a new Form W-4 must be submitted to a Department of Business Management representative.

Pay Advances

The Association does not provide pay advances or private loans.

Administrative Pay Corrections

The Association takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the event that there is an error in the amount of pay, promptly bring the discrepancy to the attention of a Department of Business Management representative so that corrections can be made as quickly as possible.

Time Records

Attendance records are Association records, and care must be exercised in recording the hours worked, overtime hours, and absences. Employees are not to clock or sign in or out for other employees. Violations of this policy may result in appropriate disciplinary action, up to and including immediate termination.

Each employee is responsible for their own recordkeeping. Once an employee clocks or signs in, work is to commence immediately. Failure to do so is considered falsification of timekeeping records.

Employees may not submit any annual leave pay, holiday pay, sick pay, or bereavement pay to their time worked in a week that would add to more than 40 hours per week time paid. The exception to this rule is when an employee physically works 40 hours in a week during which a holiday is observed. See Holidays.

Overtime

Eligibility and Rate

Nonexempt employees are eligible to receive overtime compensation for all hours worked in excess of 40 hours a week at the rate of one and one-half times the hourly rate of pay. The workweek begins at 12:01 a.m. on Monday and ends at midnight on Sunday for purposes of calculating how many hours an employee has worked in a week. Time off for sick leave, vacation leave, personal leave, holiday, or any other paid time off will not be considered hours worked for purposes of calculating overtime pay. Employees are responsible for documenting their own hours on a daily basis, which is subject to Supervisor approval.

Management of Overtime

The authorization and management of all overtime work is the direct responsibility of the Supervisor. Working overtime without authorization violates Association policy and may result in disciplinary action.

Nonexempt employees are not eligible for compensatory time.

Time off Benefits

Holidays

The Association shall observe the following holidays:

- | | |
|-------------------------------|-----------------------------|
| 1. New Year's Day | January 1 |
| 2. Memorial Day | Last Monday in May |
| 3. Independence Day | July 4 |
| 4. Labor Day | First Monday in September |
| 5. Thanksgiving Day | Fourth Thursday in November |
| 6. Day after Thanksgiving Day | Fourth Friday in November |
| 7. Christmas Eve | December 24 |
| 8. Christmas Day | December 25 |

When a holiday falls on a weekend, the General Manager shall assign the day on which the holiday shall be observed. Generally, when a holiday falls on a Saturday, the preceding Friday shall be observed; when the holiday falls on a Sunday, the following Monday shall be observed.

All full-time employees of the Association shall be entitled to holiday benefits as outlined in this policy.

Nonexempt employees required to work on a holiday shall be given equivalent leave within the same pay period or shall receive compensation for the holiday hours worked when this is not feasible. This may be in addition to pay for time actually worked during the pay period.

Annual Leave

All full-time employees of the Association shall accrue annual leave as follows based on years of continuous employment:

< 1 year:

An employee accrues annual leave beginning the first full month of employment and until the end of the first anniversary year = 10 days (6.67 hours per month). Employees are not eligible to take annual leave until completion of 3 (three) full calendar months of employment.

1 – 5 years:

During the first full month of the employees first anniversary date and through the fifth year = 10 days per year (6.67 hours per month).

Accumulation limited to 15 days per calendar year.

6 – 14 years:

During the first full month of the employee's sixth anniversary date and through the fourteenth year = 15 days per year (10 hours per month).

Accumulation limited to 20 days per calendar year.

15 – 24 years:

During the first full month of the employee's 15th anniversary date and through the 24th year = 20 days per year (13.33 hours per month).

Accumulation limited to 25 days per calendar year beginning with the employee's fifteenth anniversary date and thereafter.

25 years = 21 days per year
26 years = 22 days per year
27 years = 23 days per year
28 years = 24 days per year
29 years and greater = 25 days per year

*Accrued leave in excess of the maximum established by this policy shall be lost.

Employees on vacation leave shall be paid their prevailing wage based on the prevailing scheduled work week not to exceed 40 hours paid annual leave per week. During the first 90 days of the Orientation Evaluation Period, annual leave will not be granted. Employees are eligible to use vacation after the 90 day Orientation Evaluation Period.

Annual leave must be approved in advance by the employee's Supervisor.

Upon termination, employees shall be paid for accrued annual leave.

Sick Leave

Sick leave shall be defined as leave with pay granted for:

- An illness;
- Bodily injury resulting in temporary disability;
- Medically required confinement;
- Medical and dental appointments; and
- The serious health condition of a spouse, son, daughter, or parent of the employee.

A physician's certificate may be required as evidence of illness before compensation for such absence is allowed, but in any case a certificate certifying the reason for sick leave request shall be signed by the employee.

In cases of illness, an employee must promptly notify his/her Supervisor as far in advance as possible of the scheduled work time and in accordance with any reporting requirements set by the Supervisor or Department Head.

Full-time employees are eligible to begin accruing sick leave after the sixth month of employment at the rate of 8 (eight) hours per calendar month. Employees in the Orientation Evaluation Period do not accrue sick leave. Consequently, any absences due to sickness for nonexempt employees during this period are not compensated.

Sick leave, if not fully used in the year in which it accrues, may be carried over from year to year. Employees continue to accrue time off benefits and retain seniority while on approved sick leave. Accrued sick leave is not payable to an employee in the event of separation from the Association.

Once an employee's sick leave accrual is depleted, the employee may use accrued annual leave or take Leave Without Pay.

Absence for a job related injury shall be recorded as injury leave. Refer to the Workers' Compensation section to review this policy.

An employee's abuse of sick leave may result in the employee's immediate termination from employment by the Association.

Employees on sick leave shall be paid their prevailing wage based on the prevailing scheduled work week not to exceed 40 hours paid sick leave per week.

Family and Medical Leave

The Family and Medical Leave Act (FMLA) requires covered employers to provide up to 12 weeks of job protected leave to "eligible" employees for certain family and medical reasons. Employees are required to use any accrued Sick Leave prior to going on a Leave Without Pay status. Annual Leave may also be used before going on Leave Without Pay, but it is not required. Employees are eligible for Family and Medical Leave if they have worked for the Association for at least 1 (one) year and have worked a minimum of 1,250 hours during the preceding 12 months. The Association will follow the guidelines for Family and Medical Leave if there are at least 50 employees within 75 miles.

A husband and wife both employed by the Association who are eligible for FMLA leave are limited to a combined total of twelve weeks during any 12-month period if the leave is taken for the birth or placement of a child or to care for a sick parent. For his or her own serious health condition, or to care for his or her spouse or child, each spouse is entitled to 12 weeks of leave during any 12-month period.

Reasons for Taking Leave

Requests for taking Family and Medical Leave should be made for absences of more than 5 (five) days. Unpaid leave must be granted for any of the following reasons:

1. The birth of a son or daughter of the employee and in order to care for such son or daughter;
2. The placement of a son or daughter with the employee for adoption or foster care;
3. The employee must care for the spouse, son, daughter, or parent of the employee who has a serious health condition;
4. The employee has a serious health condition that makes the employee unable to perform the functions of the position held by the employee.

Advance Notice and Medical Certification

The Association requires that employees provide advance leave notice and medical certification. Taking of leave may be denied if requirements are not met.

- The employee must provide 30 days advance notice when the leave is "foreseeable."
- Employees requesting a leave to care for a covered family member with a serious health condition may be required to provide medical certification from the family member's physician attesting to the nature of the serious health condition, probable length of time treatment will be required, and the reasons that the employee is required to care for this family member. Employees may also be required to provide additional physician's statement at the Association's request at reasonable intervals.
- Any time an employee expects to be or is absent for more than 5 (five) days as a result of his/her own serious health condition (including pregnancy), he/she will be required to submit appropriate medical certification from his/her physician using the medical certification form. Such certification must include, at a minimum, the date the disability began, a diagnosis, and the probable date of his/her return to work.

Job Benefits and Protection

- For the duration of Family and Medical Leave, the Association will maintain the premium portion of the payment of the employee's health coverage under the "group health plan."
- The use of Family and Medical Leave cannot result in the loss of any employment benefits that accrued prior to the start of an employee's leave.

Returning from a Family and Medical Leave of Absence:

- When an employee returns to work from a leave of absence that qualifies under Family and Medical Leave, an employee will be placed in the position he or she held when the leave began, or in an equivalent position with equivalent pay and benefits and other terms and conditions of employment.
- Exceptions to this provision may apply if business circumstances have changed (i.e. the employee's position is no longer available due to a job elimination). Exceptions may also apply for certain highly compensated employees under certain conditions.
- Benefits coverage will be determined based upon the benefit plan documents in effect for the date of return.

Unlawful Acts by Employers: Interference with Rights

- It shall be unlawful for any employer to interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under FMLA.
- It shall be unlawful for any employer to discharge or in any other manner discriminate against any individual for opposing any practice made unlawful by FMLA.

Before taking this leave, discuss this policy and how it applies to your individual situation with a representative from the Department of Business Management.

Bereavement Leave

Each employee employed on a full-time or part-time basis at least 25 hours per week shall be allowed a maximum of 3 (three) working days of leave with pay for each death of the employee's parent, spouse, child, brother, sister, grandparent, parent-in-law, stepchild, stepbrother, stepsister, stepparent, or other individual residing with the employee, subject to the approval of the employee's Supervisor.

This policy is not applicable to persons employed on a seasonal basis.

Court Leave

An employee's absence from work for jury duty or for appearing in court in a non-official capacity as a witness shall be defined as "court leave". Court leave shall be approved by the Supervisor.

Before court leave is granted, the employee must submit a copy of the official summons for jury duty or witness service to the Supervisor prior to the beginning date of such service.

Any employee appearing in court either as a defendant or plaintiff in a case is not entitled to this leave.

An employee having been granted court leave shall be compensated at the regular rate of pay for his jury duty time or for his court appearances.

Employees summoned by a court for the purpose of qualifying for jury duty are entitled to court leave for the actual period of absence, whether or not they are selected to serve. If the employee's presence is required for less than a full work day, the employee is required to return to work to complete their regularly scheduled work day. Any nonexempt employee who fails to contact his Supervisor risks the loss of pay that day.

Military Leave

Employees who have military service obligations including reserve obligations, will be treated in accordance with applicable law, including but not limited to the Uniformed Services Employment and Re-employment Rights Act (USERRA). This policy is intended to comply with USERRA. Any provision herein that conflicts with USERRA shall be deemed void and the provisions of USERRA shall govern. Employees whose absence is necessitated by reason of service in the uniformed services shall give written or verbal notice of such service causing the absence, unless such notice is precluded by military necessity or the giving of such notice is otherwise impossible or unreasonable.

The term "uniformed services" means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty of training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or national emergency.

An employee who is a member of the uniformed services will be granted unpaid leave of absence for military service, training or related obligations in accordance with USERRA. Employees on military leave may substitute their accrued paid leave time for unpaid leave. At the conclusion of the leave, upon the satisfaction of certain conditions, an employee generally has a right to return to the same position he/she held prior to the leave or to a position with seniority, status, and benefits that the employee would have attained if the employee had remained continuously employed.

The rights of a member of the uniformed services to reemployment and to the continuation of health-coverage and other benefits, and the responsibilities of a member of the uniformed services to give notice of intent to return to work following service are extensive. Employees are encouraged to consult with their commanding officers or military lawyers regarding their rights and obligations. The Association will enforce compliance with USERRA and other applicable law strictly.

Protection from Discrimination and Retaliation

An employee who is a member of, applies to be a member of, performs, has performed, applies to perform, or has an obligation to perform service in a uniformed service will not be denied initial employment, reemployment, retention in employment, promotion, or any benefit of employment by the Association on the basis of that membership, application for membership, performance of service, application for service, or obligation.

The Association will not discriminate in employment or take any adverse employment action against any employee who took any action to enforce USERRA or testified or assisted another person under the Act or otherwise participated in an investigation or exercised his or her rights under the Act.

An employee who is reemployed pursuant to USERRA shall not be terminated, except for cause, within 1 (one) year of the date of such reemployment, if the person's period of service before the reemployment was more than 180 days; or within 180 days after the date of such reemployment, if the person's period of service before the reemployment was more than 30 days but less than 181 days.

Leave Without Pay

Leave without pay except as covered in the Family and Medical Leave section will be reviewed on a case by case basis. Employees should complete the Request for Leave Form. Approval by the employee's Supervisor and 30 day notice are required.

Benefits

Disclaimer

The Association established several benefit programs designed to assist employees in meeting the financial burdens that result from illness and disability and to help them plan for retirement. Other benefits in place are the Benefits Plus Program, the Service Awards Program, and the Professional Development Program. This portion of the Manual contains a very general description of the benefits to which employees of the Association may be entitled. Please understand that this general explanation is not intended to, and does not, provide all the details of these benefits. Therefore, this Manual does not change or otherwise interpret the terms of the official plan documents. Employee rights can be determined only by referring to the full text of the official plan documents, which are available for examination from the Department of Business Management. To the extent that any of the information contained in this Manual is inconsistent with the official plan documents, the provisions of the official documents govern in all cases.

Please note that nothing contained in the benefit plans described herein shall be held or construed to create a promise of employment or future benefits, or a binding contract between the Association and its employees, retirees or their dependents, for benefits or for any other purpose. All employees shall remain subject to termination or discipline to the same extent as if these plans had not been put into effect.

As in the past, the Association reserves the right, in its sole and absolute discretion, to amend, modify or terminate, in whole or in part, any or all of the provisions of the benefit plans described herein, including any health benefits that may be extended to retirees and their dependents. Further, the Association reserves the exclusive right, power and authority, in its sole and absolute discretion, to administer, apply and interpret the benefit plans described herein, and to decide all matters arising in connection with the operation or administration of such plans.

For more complete information regarding any of the benefit programs available, the employee should refer to the Summary Plan Descriptions, which were provided separately or contact the Department of Business Management. If the employee has lost or misplaced those descriptions, he/she should contact the Department of Business Management for another copy.

Health Insurance

Employees are covered by a comprehensive health insurance program. The premium for each employee's coverage is paid by the Association up to an amount established by the Board of Directors.

The employee's family also may be covered under the plan with the cost borne by the employee. A detailed brochure describing the insurance plan is distributed to each employee upon employment.

The Association does not provide health insurance payments to employees in lieu of the decision not to participate in the plan offered by the Association.

Life Insurance

Life insurance premium costs of employees are paid by the Association and provide insurance coverage in an amount matching an employee's annual salary up to a maximum of \$50,000.

An additional program of employee-funded, optional individual life insurance benefits beyond Association coverage is available to those Association employees wishing to participate.

401(k) Savings Plan

The 401(k) Savings Plan is a way for employees to save on a tax-deferred basis for retirement by investing in qualified investments under the Plan. The Association contributes 2% (two percent) of the eligible employees' gross salary. Employees do not have to contribute to the Plan but may contribute up to the annual maximum amount allowed by the IRS.

Employees are eligible to participate in the 401(k) Plan beginning with the first of the month following completion of 1 (one) full year of employment having worked 1,000 hours or more and are at least 18 years of age.

Short Term and Long Term Disability

In the event of any disability or illness which precludes an employee's ability to perform the essential functions of the job, that employee shall automatically be terminated after 6 (six) months of continued absence.

Benefits Plus Program

The Association provides a facility-use benefits program for all full-time and part-time employees. Eligibility to participate starts the first day of employment. The Benefits Plus Program is calculated on a calendar year basis and is prorated for the year.

Annual Credit and Food Discount Rates:

	<u>Credit</u>	<u>Food Discount</u>
Full-time Employees (35 hours/week)	\$ 200	50%
Part-time Employees (15-34 hours/week)	\$ 100	50%

Eligible employees may obtain a Benefits Plus Card from a Department of Business Management representative. Employees are responsible for monitoring their own credit balances and will be charged by payroll deduction for claims and discounts over their allotted totals.

Service Awards

Full-time employees who deserve recognition for meritorious or length of service may receive such recognition in the "Lake Monticello News" and/or the local media.

To recognize employees for long and dedicated service, the Association honors employees based on recognition for completion of 5, 10, 15, 20 and 25-plus years of service.

Years of service must be continuous. Approved leaves of absence will be treated as uninterrupted service.

Reimbursement of Personal Vehicle Expense

Reimbursement for mileage incurred while on business shall be available to Association employees, upon approval of the General Manager or his/her designee, for use of the employee's personal vehicle for approved

Association business. Reimbursement will be at the rate currently applicable under IRS guidelines. The current rate is available from the Office of Business Management.

Workers' Compensation

The Association is covered under statutory state Workers' Compensation Laws. In the case of an emergency, the employee should go to the nearest emergency facility for treatment. Should the employee sustain a work-related injury, he/she must immediately notify a Department of Business Management representative who will notify the General Manager. Should the injury require the attention of a doctor, the employee can obtain a list of approved physicians by calling the Workers' Compensation Carrier's Physician Network Referral Unit.

Professional Development

Performance Evaluation

Policy and Objective

It is the policy of the Association that a fair and uniform personnel management system be established and maintained. The purpose of the employee performance evaluation shall be primarily to inform employees about how well they are performing their work and how they can improve their performance. The performance evaluation also may be used in determining salary increments; as a factor in determining order of lay-off; as a basis for training, promotion, demotions, transfer or termination; and for such other purposes as set forth in these regulations.

Period of Evaluation

From the date of original employment or promotion, full-time and part-time employees shall be evaluated at the end of the six-month Orientation Evaluation Period. All employees are evaluated once each year and seasonal employees at the end of their employment. An employee shall not be eligible for a merit pay increase until the performance evaluation form has been completely processed.

Evaluation

Evaluations shall be prepared by the immediate Supervisor of each employee and reviewed by the appropriate Department Head and General Manager following the review meeting. An employee in a supervisory position who is leaving a position is expected to submit a performance evaluation form on all employees under his supervision who have not been evaluated within the previous six months period.

Review with Employee

Each employee shall have the chance to review every evaluation made of him/her. Upon review of the evaluation, the employee shall note in writing that he/she has reviewed the evaluation and make comments if he/she has any. Should an employee disagree with the performance evaluation rating and/or content or wish to discuss it further, they are encouraged to follow the Problem Resolution Process contained in this Manual.

Education and Vocational Training

The Association encourages employees to increase skills and knowledge and encourages them to take advantage of professional development opportunities and to seek higher-level positions with the organization which will increase their efficiency and skills in their jobs. Education and vocational training is available to assist eligible Association employees develop their skills and upgrade their performance. All full-time employees who have completed the Orientation Evaluation Period and are in good standing with the Association are eligible for this benefit.

Educational assistance is provided for courses offered by approved institutions of learning, including accredited colleges, universities, and trade schools. Courses must be directly or reasonably related to your present job or part of a degree program, or in line with a position that the Association believes the employee can reasonably achieve.

The employee is required to provide an outline of the course work, the costs, dates of meetings, and receive prior approval from the Supervisor and Department Head. Reimbursement covers actual costs of tuition, registration fees and required text books, and is limited to a maximum of six credits per semester for approved courses, based on the following schedule:

- Passing grade – 100% reimbursement of approved costs
- Failing grade/Incomplete – no reimbursement
- Employees eligible for reimbursement from any other source (scholarship, government-sponsored program) may seek assistance under our educational assistance program but will be reimbursed only for the difference between the amount received from the other funding source and the actual course cost up to the maximum reimbursement allowable under this policy based on the grade achieved.

To be eligible for reimbursement, employees must submit a Tuition Reimbursement Form to their Department Head prior to the scheduled commencement of the course, receive written approval from their Department Head and the Department of Business Management in advance, be actively employed by the Association at the time of course completion, and receive a passing grade. On completion of the course, the employee must submit an official transcript from the school, indicating the grade received, and a receipt or other official proof of payment to the Department of Business Management.

The Association is not obligated to pay for or provide leave time for professional development or preparation for advancement. Participating in such activities should in no way detract from the employee's performance or reputation as an employee of the Association. Nor should the employee participate in the activities during scheduled work hours unless the employee's Supervisor or Department Head grants written approval.

The Association may require that an employee reimburse some or all tuition expense for certain training/education courses/workshops/seminars should they leave the Association's employment. These provisions will be established in writing between the employee and the Association prior to the commencement of the course.

General Business Practices

Attendance and Punctuality

Because the Association depends heavily upon its employees, it is important that employees attend work as scheduled. Dependability, attendance, punctuality, and a commitment to do the job right are essential at all times. As such, employees are expected to be at work on all scheduled workdays, during all scheduled work hours and to report to work on time. In addition, an employee should notify his/her Supervisor or the General Manager as far in advance as possible as determined on a department by department basis if he/she expects to be late or absent. This policy applies for each day of his/her absence. An employee who fails to contact his/her immediate Supervisor or General Manager may be considered as having voluntarily resigned. A careful record of absenteeism and lateness is kept by the Department of Business Management and becomes part of the personnel record. To the extent permitted by law, absenteeism and lateness lessen an employee's chances for advancement and may result in termination. This policy does not apply to absences that are protected by the FLMA, the USERRA, or any other Federal or state law.

Conflict of Interest

Association employees and members of their household are prohibited from engaging in or having a financial interest in any business or professional activity that would or appears to be in conflict with their job responsibilities or that would tend to impair independence of judgment or action in the performance of their duties.

Occasionally, full-time Association employees may be required to work beyond their normally scheduled hours. Employees are expected to perform this work for the Association when requested. In cases of conflict with an outside activity, the employee's obligations to the Association job must be given priority. Employees are hired and continue in the Association employ with the understanding that the Association is their primary employer and that other employment or commercial involvement that is in conflict with the business interests of the Association is prohibited.

Acceptance of Gifts

Individual employees are prohibited from accepting gifts (monies, materials, discounts, kickbacks, etc.) of value (in excess of \$50) from persons or companies doing business or hopeful of doing business with the Association.

Hiring of Relatives

With regard to relatives, the Association maintains the policy to treat each individual applicant on an individual, non-discriminatory basis. For purposes of this provision, those relatives are:

Spouse	Grandchild	Mother-in-Law
Mother	Stepmother	Father-in-Law
Father	Stepfather	Son-in-Law
Son	Stepson	Daughter-in-Law
Daughter	Stepdaughter	Brother-in-Law
Brother	Natural Grandmother	Sister-in-Law
Sister	Natural Grandfather	

Relatives of employees and the Board of Directors may be hired by the Association. However, it is the position of the LMOA Board of Directors that the employment of relatives in the same chain of command is not encouraged, but may be permitted on a case by case basis. The General Manager is charged with the responsibility to review each case and make the employment decision in the best interest of LMOA.

Emergency Closing of Association Offices, Facilities and Amenities

In the event of an emergency closing of Association work areas, the General Manager or his designee(s) will notify the radio stations WWV (Charlottesville, VA) and WLSA (Louisa, VA) or will notify Department Heads. If hazardous conditions exist and employees question if their department will be in operation, each employee may call his/her Supervisor for confirmation or await instructions from the Supervisor. If a nonexempt employee is called in to work during an emergency closing, they will be paid a minimum of 2 (two) hours. Employees should talk with their Supervisor about the possibility of making up hours of work missed due to an emergency closing. If this is not possible, employees may use accumulated vacation leave or sick leave to compensate for hours missed.

Use of Association Equipment, Vehicles, Telephones, and Computer Systems

A goal of the Association is to provide the supplies, equipment, vehicles and materials necessary for employees to perform their job. These items are to be used solely for the Association's purposes. Employees are expected to exercise care in the use of Association equipment and property and use such property only for authorized purposes. Loss, damages or theft of Association property should be reported at once. Negligence and/or misuse in the care and use of Association property may be considered grounds for discipline, up to and including termination.

The Association's equipment, such as telephone, postage, facsimile and copier machine, is intended to be used for business purposes. An employee may use this equipment for non-business purposes with the permission of his/her Supervisor. Personal usage of these or other equipment that results in a charge to the Association should be reported immediately to the employee's Supervisor or the Department of Business Management so that reimbursement can be made.

Upon termination of employment, the employee must return all Association property, equipment, work product and documents in his/her possession or control.

Use of the Association Computer System

It is the policy of the Association that the use of its computers and software is limited solely to appropriate business use while an employee is on duty. Employees are not allowed to use the computer system for their personal benefit. Employees are strictly forbidden from installing (download/upload) any programs (games, print shop, etc.) software on the system without approval of the Department of Business Management. Any programs and the software (floppies, CD's, etc.) will become the property of the Association once installed. Employees are not permitted to change any settings on the PC related to email, Internet or server connections.

Further, this policy reaffirms that Association employees have no reasonable expectation of privacy with respect to any computer hardware, software, electronic mail or other computer or electronic means of communication or storage, whether or not employees have private access or an entry code into the computer system. The Association reserves the right to monitor the use of its computer system.

Email

Every Association employee is responsible for using the electronic mail (Email) system properly and in accordance with this policy. Any questions about this policy should be discussed with the Supervisor.

The Email system is the property of the Association. The Association has provided the system for use in conducting Association business. All communications and information transmitted by, received from, or stored in this system are Association records and property of the Association. Use of the Email system for personal purposes is allowed provided it does not consume more than a trivial amount of Association resources, interfere with staff productivity or preempt any business activity. Employees have no right of personal privacy in any matter stored in, created, received, or sent over the Association Email system.

The Association, in its discretion as owner of the Email system, reserves and may exercise the right to monitor, access, retrieve, and delete any matter stored in, created, received, or sent over the Email system, for any reason and without the permission of any employee.

Passwords utilized to access an employee's computer should not be shared with another individual. Even if employees use a password to access the Email system, the confidentiality of any message stored in, created, received, or sent from the Association Email system still cannot be assured. Use of passwords or other security measures does not in any way diminish the Association's rights to access materials on its system, or create any privacy rights of employees in the messages and files on the system. Any password used by employees must be revealed to the Association, as Email files may need to be accessed by the Association in an employee's absence.

Email no longer needed for business purposes must be periodically purged by the user. Email more than six months old may be deleted by the Department of Business Management. If any messages are involved in any non-Association litigation, the employee should inform the Department of Business Management. Employees should be aware that deletion of any Email messages or files will not truly eliminate the messages from the system. All Email messages are stored on a central back-up system in the normal course of data management. Even though the Association has the right to retrieve and read any Email messages, those messages should still be treated as confidential by other employees and accessed only by the intended recipient. Employees are not authorized to retrieve or read any Email messages that are not sent to them. Any exception to this policy must receive the prior approval of the General Manager.

The Association's policies against sexual or other harassment apply fully to the Email system, and any violation of those policies is grounds for discipline up to and including termination. Therefore, no Email messages should be created, sent, or received if they contain intimidating, hostile, or offensive material concerning race, color, religion, sex, age, national origin, disability or any other classification protected by law.

Employees are reminded to be courteous to other users of the system and always to conduct themselves in a professional manner. Emails are sometimes misdirected or forwarded and may be viewed by persons other than the intended recipient. Users should write Email communications with no less care, judgment and responsibility than they would use for letters or internal memoranda written on the Association letterhead.

Because Email records and computer files may be subject to discovery in litigation, the Association employees are expected to avoid making statements in Email or computer files that would not reflect favorably on the employee or the Association if disclosed in a litigation or otherwise.

Internet

The Association recognizes that the Internet may have useful applications to Association business. Consequently, employees may engage in Internet use. Internet use for personal reasons is allowed provided it doesn't consume more than a trivial amount of Association resources, interfere with staff productivity or preempt any business activity. Personal Internet use is a privilege, not a right and is not allowed while an employee is on duty. Association management reserves the right to limit Internet usage on a case by case basis. "Surfing the Net" and/or visiting sites containing illegal, obscene or hateful content are strictly prohibited.

Any employee who discovers misuse or security problems of the Email system and/or Internet should immediately contact the Department of Business Management or General Manager. Violations of this Email and Internet policy may result in disciplinary action up to and including termination. The Association reserves the right to modify this policy at any time, with or without notice.

Personal Use of Employer Provided Vehicles

Authorized employees who use employer-provided vehicles for use in connection with the Association must keep records to substantiate the car's business purpose. All personal use of the vehicle will be considered a taxable fringe benefit based on the Federal per diem mileage rate unless reimbursed by the employee. Authorized employees must log all personal miles in a mileage log book.

Use of Telephone and Voice Mail

Because a large percentage of Association business is conducted over the telephone, it is essential to project a professional telephone manner at all times.

Although the Association realizes that there are times when an employee may need to use the telephone and voice mail system for personal reasons, it is expected that good judgment will be used in limiting the length and frequency of such calls. Additionally, no long distance personal calls may be made on Association equipment or accounts without prior approval from the employee's Supervisor.

The voice mail system is the property of the Association. It is provided by the Association for use in conducting Association business. All communications and information transmitted by, received from, or stored in this system are Association records and property of the Association. The voice mail system is to be used for Association purposes only. Employees have no right of personal privacy in any matter stored in, created, received, or sent over the Association voice mail system.

Safety and Health

Employees are expected to obey safety rules and to exercise caution in all work activities. Employees must promptly report any unsafe condition to the appropriate Supervisor or Department Head. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment. Employees with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with a Supervisor, Department Head, or General Manager.

Resignation and Other Employment Termination

Resignation

A resignation shall be defined as a voluntary separation from employment through notification to the Association initiated by the employee.

All employees resigning their employment with the Association are expected to submit written notification of such intent to their Supervisor.

This notification should include:

- The date and hour the resignation is to become effective
- Reason for resignation
- Signature of the employee

The notification is to be forwarded to the Department of Business Management by the employee's Supervisor.

All employees are requested to give 14 calendar days notice prior to the effective date of the resignation. Supervisory staff is expected to provide 28 calendar days notice prior to the effective date of the resignation.

Employee Separation Survey

All employees who leave Association employment are asked to complete an Employee Separation Survey giving their opinions on employment with the Association.

Property of the Association

All keys, barcodes, cell phones, radios, tools, office equipment, uniforms, and name tags must be returned to the Association upon separation from Association employment before a final paycheck is distributed.

Final Paychecks

Employees who leave Association employment shall receive payment for all earned Annual Leave for which they are eligible according to the annual leave policy. This will be in addition to payment for hours worked since the last pay period.

Benefits

Insurance coverage will be canceled at the end of the month in which the employee leaves. Employees have the opportunity to continue health insurance coverage under Cobra. The application must be made with a Department of Business Management representative.

Arrangements must also be made with the Department of Business Management for disbursement of any 401(K) retirement funds.

All other Association benefits conclude with employment.

Employee Conduct

Policy

It is the policy of the Association that each employee is expected to behave in a manner that promotes safe and efficient working conditions that permit each employee a high degree of work satisfaction and productivity. The standards of conduct are designed to establish a fair and objective process for correcting or treating unacceptable conduct and to comply with public law.

Standards of Conduct

Employees as well as Supervisors must be equally aware of each person's responsibilities. An employee guilty of any of the following acts and behavior will be subject to discipline according to the severity of the offense, up to and including termination.

1. Unsatisfactory attendance or excessive tardiness.
2. Failure to notify Supervisor of expected or unexpected absence. If leave is taken pursuant to the FMLA or the USERRA, this standard is superseded by the applicable standard in those laws and accompanying regulations.
3. Unauthorized time away from work area or abuse of work time including abuse of sick leave.
4. Reporting to work under the influence of alcohol or use of controlled substances.
5. Consumption, possession, or distribution of intoxicants or legally controlled substances while on Association duty and/or premises. An employee may use medication properly prescribed by a physician, but if, and only if, the physician's opinion is that the employee may perform his or her job tasks safely while on this prescription medication.
6. Failure to follow Supervisor's instructions, perform assigned work, comply with Association written policy.
7. "Moonlighting" at the expense of Association job performance.
8. Sleeping during work hours.
9. Falsifying reports including but not limited to vouchers, time records, informational/management reports, insurance claims, leave records, employment applications, or reports of employee conduct.
10. Unauthorized use/misuse of Association property and records.
11. Willfully or negligently damaging or defacing Association property.
12. Theft or waste of Association property.
13. Personal use of Association charge accounts for self, family or others.
14. Use of telephone for personal long distance calls or, in emergency, failure to report the call to the Supervisor or Department Head.
15. Unauthorized use of Association vehicles.
16. Conviction of moving traffic violation while using Association vehicles.
17. Failure to report an accident involving an employee and/or Association property.
18. Use of obscene or abusive language or intimidation that creates a hostile environment.
19. Threatening or coercing employees, management staff, or members, including acts of harassment, emotional abuse or sexual abuse.
20. Acts of physical violence or fighting.
21. Unauthorized possession of firearms, dangerous weapons or explosives.
22. Violation of safety instructions or rules.
23. Selling, managing, or appraising real estate at Lake Monticello.

24. Conviction for a misdemeanor or felony that could reflect unfavorably on the Association's integrity.*
25. Accepting gifts greater than \$50 in value.

This policy is intended to apply whenever any covered worker is representing or conducting business for LMOA. Therefore, this policy applies during all working hours, whenever conducting business or representing the organization, while on call, paid stand by, while on LMOA business property, and at LMOA sponsored events.

As an exception to this policy LMOA food service personnel, in the performance of their assigned duties, shall be allowed to dispense and offer for sale alcoholic beverages from LMOA inventories in accordance with licenses granted by the Virginia ABC.

Searches

Accepting employment with LMOA constitutes consent to searches and inspections reasonably designed to enforce this policy. If a covered worker is suspected of violating this policy, he or she may be asked to submit to a search or inspection at anytime. Searches can be conducted of pockets and clothing, lockers, wallets, purses, brief cases and lunchboxes, desks and workstations, and vehicles and equipment.

Consequences

One of the goals of the LMOA drug-free policy is to encourage employees to voluntarily seek help with alcohol and/or drug problems. If, however, an individual violates this policy, the consequences are serious:

- If an applicant for employment violates this policy, the offer of employment shall be withdrawn.
- If an employee violates the policy, he or she shall be terminated from employment absent the most compelling reasons otherwise.

Assistance

LMOA recognizes and supports treatment for alcohol and drug abuse. To support our employees, this policy allows the use of accrued paid leave, as well as Family and Medical Leave Act leave, if applicable, while seeking treatment for alcohol and other drug problems.

Confidentiality

All information received by LMOA through this policy is confidential communication. Access to this information is limited to those who have a legitimate need to know in compliance with relevant laws and management policies.

Shared Responsibility

A safe and productive drug-free workplace is achieved through cooperation and shared responsibility. Both employees and management have important roles to play:

- All employees are required not to report to work or be subject to duty while their ability to perform job duties is impaired due to use of alcohol or other drugs.
- Employees are encouraged to be concerned about working in a safe environment, and to report dangerous behavior to their supervisor.
- It shall be management's responsibility to inform employees of this policy, observe employee performance, investigate reports of dangerous practices, and clearly state consequences of policy violations.

Communication

The communication of LMOA's drug-free workplace policy to both supervisors and employees is critical to its success. To ensure all employees are aware of their role in supporting our drug-free workplace program:

- All employees shall receive a written copy of this policy, and shall be required to acknowledge receipt of same;
- This policy shall be reviewed in orientation sessions with new employees;
- This policy and any assistance programs shall be reviewed at safety meetings; and
- All employees shall receive an update of the policy annually with their paychecks.

Drug Testing

- To ensure the accuracy and fairness of LMOA's drug testing program, all testing shall be conducted according to DHHS/SAMHSA guidelines where applicable and shall include a screening test; a confirmation test; opportunity for employees who test positive to provide a legitimate medical explanation for the positive result; and a documented chain of custody.
- All drug-testing information will be maintained in separate confidential records.
- Each employee, as a condition of employment, shall be required to participate in pre-employment, pre-duty, periodic, random, post-accident, reasonable suspicion, return-to-duty and follow-up testing upon selection or request by management.
 - The substances that shall be tested for are amphetamines, cannabinoids, cocaine, opiates, phencyclidine (PCP) and alcohol.
 - Testing for the presence of alcohol will be conducted by analysis of blood. Testing for the presence of the metabolites of drugs will be conducted by the analysis of urine and hair.
- Any employee who tests positive shall be immediately removed from duty.
- An employee shall be subject to the same consequences of a positive test if he/she refuses the screening or the test, adulterates or dilutes the specimen, substitutes the specimen with that from another person or sends an imposter, will not sign the required forms or refuses to cooperate in the testing process in such a way that prevents completion of the test.

Application

A Supervisor must report any infractions of the conduct standards listed above to the General Manager. This report will be in writing and placed in the employee's personnel file. The Supervisor and/or General Manager will take appropriate action through informal counseling or, if necessary, disciplinary action of suspension or termination. Counseling documentation must be kept in the Supervisor's and General Manager's file as support to any subsequent disciplinary action. All disciplinary action shall be documented in the employee's personnel file.

*Conviction of a misdemeanor or felony shall be grounds for termination of employment. A person so convicted of a misdemeanor or felony shall be terminated unless the General Manager determines that termination is not required after considering the following factors:

- The seriousness of the offense;
- The risk of harm to others considering the nature of the offense;

- The relationship between the employment position and the nature of the offense;
- Whether the offense reflects negatively upon the Lake Monticello community;
- The employee's prior work history with the Association; and
- The number and severity of prior disciplinary actions.

The foregoing factors are not mutually exclusive. Rather, all factors shall be considered in determining whether or not termination of an employee is appropriate.

Disciplinary Process

Purpose

The purpose of this policy is to provide a guideline to appropriately and effectively address an employee's misconduct or work performance that does not meet expectations. All employees shall be covered by this policy. The General Manager shall review all reported disciplinary actions to insure that they conform to the intent of this policy.

Supervisors are to discuss any problems that an employee is experiencing with the employee using a Performance Improvement Counseling Form. Poor behavior and work patterns which may be developed with or without the employee's knowledge but recognized by the Supervisor should be discussed with the employee. The employee should fully and accurately understand the consequences of his/her actions and be given an opportunity to review and sign the Performance Improvement Counseling Form.

The Supervisor will detail steps that must be taken by employee to improve conduct or performance, and develop a performance improvement plan including any retraining, coaching or mentoring that will be provided. During the identified Performance Improvement period, the employee may receive written coaching, counseling and/or performance evaluations by their Supervisor at any time to keep the employee informed about the progress or lack thereof towards expected performance.

Offenses may subject the employee to the full range of discipline from reprimand to termination depending on the circumstances of the action and the past employment history of the employee. The discipline of an employee will be in proportion to the severity of the offense. The discipline process or action shall be the responsibility of the General Manager in consultation with the Department Head.

Nothing contained in the disciplinary process shall be construed as restricting or prohibiting the Association from dismissing, suspending, demoting, reprimanding or otherwise disciplining an employee. In the event the Association determines that it will take action involving the discipline of an employee, such disciplinary action shall be at the sole discretion of the General Manager, including a determination of what procedures, if any, shall be followed in making any disciplinary decisions.

Records of absenteeism disciplinary actions and tardiness will be kept in an employee's personnel folder.

Supervisors are responsible for providing employees with knowledge of all Association policies regarding conduct of employees that are in this Manual.

Definitions

Verbal Counseling

Verbal counseling is a discussion between the Supervisor and the employee wherein the employee is advised and cautioned with reference to unsatisfactory work performance or misconduct.

Written Counseling

Written counseling is a written document to the employee from the Supervisor wherein the employee is advised and cautioned with reference to his/her unsatisfactory work performance and/or conduct.

Counseling may occur either verbally or in written form. No counseling shall be relied on as a basis for further disciplinary action unless it is documented in writing and a copy forwarded to the General Manager for inclusion in the employee's official personnel file.

Suspension

Suspension is the temporary prohibition of an employee to perform his/her duties. The period of suspension shall be unpaid. Department Heads have the authority to suspend an employee for a period not to exceed 5 (five) consecutive work days. Suspensions for a period of 6 (six) consecutive work days or more shall have the prior approval of the General Manager. Suspensions shall be for an unpaid period. The process for Suspensions is as follows:

1. A written notice of suspension including a) a statement of the reason(s) for the suspension and b) a warning of what further disciplinary actions could be taken if the situation or behavior is not corrected. The written notice shall be delivered to the employee.
2. The written notice should include the Problem Resolution Process.
3. A copy of such written notice shall be forwarded to the General Manager and shall be included in the employee's official personnel file.

Termination

Termination is the involuntary separation from employment initiated by the Association as a result of the employee's unsatisfactory work performance or misconduct.

Termination is the most serious form of discipline. A letter prepared by the Department Head and/or Supervisor outlining the reasons for termination should be submitted to the General Manager. Such terminations shall require the approval of the General Manager. If the termination is approved by the General Manager, the following process shall be used:

1. A written notice of termination shall be delivered to the employee.
2. A copy of such written notice of termination will become a part of the employee's official personnel file.

Administration

All part-time, seasonal, orientation and full-time employees shall be disciplined by the same process as set forth in this Manual.

The discipline of an employee will be in proportion to the severity of the offense. The discipline process or action shall be the responsibility of the General Manager in consultation with the Supervisor and/or Department Head.

Disciplinary actions of lesser severity than termination may be taken in an attempt to correct an employee's unsatisfactory work performance or misconduct before a termination is initiated.

Disciplinary actions may take any of the 4 (four) forms listed above and are not necessarily restricted to the order in which they are listed.

NOTE: Any knowledge of illegal or inappropriate behavior, as defined in these Standards of Conduct, by the General Manager shall be reported to the President of the Board of Directors.

Problem Resolution

Open Door Environment

The Association promotes an atmosphere whereby employees can talk freely with members of the Management staff. Employees are encouraged to openly discuss with their Supervisor any problems so appropriate action can be taken. If the Supervisor cannot be of assistance, the Department Head is available for consultation and guidance. The Association is interested in the welfare of its employees and welcomes the opportunity to help them be as productive and happy as possible.

Problem Resolution Process

It is the policy of the Association to provide fair and equitable working arrangements for its employees. However, if a problem cannot be resolved informally with the Supervisor and are not resolved to his/her satisfaction, the employee is encouraged to enter into the Problem Resolution Process in accordance with the policies and procedures set forth below. Every effort will be made to resolve employee problems with the least amount of delay.

Definition

An employee problem is defined as a complaint or dispute of an employee for the following:

- Performance evaluation rating and/or content
- Disciplinary action(s)
- Work assignment(s)

An employee wishing to initiate the Problem Resolution Process has the privilege to follow all the steps of the process as listed below. Employees are guaranteed complete freedom from reprisal by the Association.

Process

The Association Problem Resolution Process is for the purpose of allowing employees to discuss a decision in one of the three areas listed above. The General Manager is responsible for the process used to evaluate and make a decision during the problem resolution process.

1. The employee discusses the problem with their Supervisor's Department Head. A report of the problem must be submitted in writing within 2 (two) weeks of the date of action. The written report should include the name of the employee, date of incident, action and/or decision leading to problem resolution process, and the reason(s) the employee disagrees with the decision or action taken by the Supervisor.
2. The Department Head meets with the employee and their Supervisor within 1 (one) week of receiving the written report. The Department Head must respond to the employee in writing as soon as possible but no later than 2 (two) weeks following the review meeting.
3. If the employee is not satisfied with the response from the Department Head, the problem can be elevated to the next level and filed with the General Manager within 2 (two) weeks of the date of the problem resolution response.
4. Employees reporting directly to the General Manager should submit a written report of the problem to the Director of Business Management.

5. The Director of Business Management will investigate the problem and provide a written report to General Manager within 2 (two) weeks of the date of the request.
6. The General Manager reviews all documentation and makes the final decision regarding problem resolution. There is no further recourse after this level.

Conclusion

It is important to the Association that every employee reads and understands the policies and principles set forth in this Manual regardless of his/her position or numbers of hours worked during the year. An employee's immediate Supervisor is always available to answer questions regarding this Manual.

If further clarification is required, please feel free to make an appointment with the Department of Business Management personnel.

It is the Association's intent to provide meaningful employment, and opportunities to excel, to all its employees in an atmosphere of trust and respect.

**Acknowledgement of Receipt for
Lake Monticello Owners' Association
Personnel Policy & Procedures Manual**

I acknowledge that I have received a copy of Lake Monticello Owners' Association (the Association) Personnel Policies & Procedures Manual. I have read it thoroughly, including the statements describing the effect and purpose of the Manual. I have received clarification on any policy or provision in the Manual that I do not understand. I understand that the Association is an "at will" employer and as such employment with the Association is not for a fixed term or definite period and may be terminated at the will of either party, with or without cause, and without prior notice. No employee or other representative of the Association with the exception of the General Manager and/or Board of Directors has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above. In addition, I understand that this Manual states the Association policies and practices in effect on the date of publication. I understand that nothing contained in the Manual may be construed as creating a promise of future benefits or a binding contract with the Association for benefits or for any other purpose. I also understand that these policies and procedures are continually evaluated and may be amended, modified or terminated at any time.

Note: Please read, sign, and return this Acknowledgement Form to the Department of Business Management within 3 (three) business days of your receipt of this Manual.

Date: _____

Signature: _____

Print Name: _____