

Flynn Management Corporation Employee Handbook

101 Nature of Employment

Effective Date 2/1/2010

Employment with FMC is voluntarily entered into, and the employee is free to resign at will at any time, with or without cause. Similarly, FMC may terminate the employment relationship at will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

Policies set forth in this handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between FMC and any of its employees. The provisions of the handbook have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or cancelled at any time, at FMC's sole discretion.

These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the President of FMC.

102 Employee Relations

Effective Date 9/1/1998

FMC believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors or the Director of Property Management.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that FMC amply demonstrates its commitment to employees by responding effectively to employee concerns.

103 Equal Employment Opportunity

Effective Date 9/1/1998

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at FMC will be based on merit, qualifications, and abilities. FMC does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

FMC will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor or Human Resources. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful

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discrimination will be subject to disciplinary action, up to and including termination of employment.

104 Business Ethics and Conduct

Effective Date 9/1/1998

The successful business operation and reputation of FMC is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of FMC is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to FMC, its customers, and shareholders to act in a way that will merit the continued trust and confidence of the public.

FMC will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor, and if necessary, with the Director of Property Management for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every FMC employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

105 Hiring of Tenants

Effective Date 1/6/05

It is against FMC policy to hire tenants at any property managed by FMC, in any capacity without the prior, written consent of the Director of Property Management.

106 Hiring of Relatives

Effective Date 9/1/1998

The employment of relatives in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried into day-to-day working relationships.

Relatives of persons currently employed by FMC may be hired only if they will not be working directly for or supervising a relative or will not occupy a position in the same line of authority within the organization. This policy applies to any relative, higher or lower in the organization, who has the authority to review employment decisions. FMC employees cannot be transferred into such a reporting relationship. If the relative relationship is established after employment, the individuals concerned will decide who

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is to be transferred. If that decision is not made within 30 calendar days, management will decide.

In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment. In special circumstances where family members are currently employed, no transfers or reassignments will be required unless conflicts warrant such action be taken.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

107 Renting to Relatives

Effective Date 12/6/2000

Renting to relatives at the same property may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment as a tenant, personal conflicts from outside the work environment can be carried into day-to-day operations of the managed property.

It is against company policy for site managers to rent to a relative at their property. The reason for this is to avoid a conflict of interest and the possibility of a charge claiming favoritism or discrimination.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

108 Immigration Law Compliance

Effective Date 9/1/1998

FMC 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, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and 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 FMC within the past three years, or if their previous I-9 is no longer retained or valid.

Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

109 Conflicts of Interest

Effective Date 9/1/1998

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which FMC wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Director of Property Management for more information or questions about conflicts of interest.

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of FMC. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes; product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific executive-level approval.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of FMC's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to an officer of FMC as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which FMC does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving FMC.

FMC considers a Conflict of Interest to exist:

- (1) When an employee has any financial interest whatsoever in any vendor;
- (2) Between the employee and the employees (or any other employee's) spouse, significant other, relatives, and step-relatives, (such as Grandmother, Aunt, Daughter, Granddaughter, Grandfather, Uncle, Son, Grandson, Mother, Sister, Niece, Cousin, Father, Brother, Nephew) and the vendor's owners or any of the vendor's management;
- (3) When an employee advances any funds to any vendor;
- (4) When any employee provides and/or pays on behalf of the vendor the cost of any services or materials;

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(5) When there exists or comes into being any side deals, kick backs, loans, commissions, employment, agreements, contracts, or undertakings between the employee and any vendor.

Conflicts of interest are prohibited by FMC unless approved in advance in writing by the Director of Property Management of Flynn Management Corporation.

110 Outside Employment

Effective Date 9/1/1998

Employees may not hold outside jobs unless approved in advance in writing by the Director of Property Management. Any employee with an unapproved outside job is subject to termination.

If FMC determines that an employee's outside work (even if previously approved) interferes with performance or the ability to meet the requirements of FMC as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with FMC.

Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or material gain from individuals outside FMC for materials produced or services rendered while performing their jobs

111 Resident – Employee Boundaries

Effective Date 2/2/2016

Employees of Flynn Management Corporation are prohibited from driving or riding with residents in any personal vehicle for any reason. Employees are not to perform any work directly for a resident or accept any type of payment from a resident. Employees are not to be in residents' units. Employees are not to perform any personal services including, but not limited to: cooking, laundry, writing checks, shopping, transporting residents off the property, etc.

No maintenance personnel are to be in an occupied apartment without a work order on file in the leasing office. The only exception would be in the event of an emergency in the unit.

Employees are not to accept anything of value from a resident. This would include furniture, personal property, clothing, tips or any type of payment. If a tenant has items that they wish to give away the employee should direct the resident to contact local charities or churches.

Employees are not to accept cash from residents and write a personal check so the funds can be deposited. Direct the resident to purchase a money order.

112 Non-disclosure

Effective Date 9/1/1998

The protection of confidential business information and trade secrets is vital to the interests and the success of FMC. Such confidential information includes, but is not limited to, the following examples:

- * compensation data
- * customer lists
- * financial information
- * pending projects and proposals

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

114 Disability Accommodations

Effective Date 9/1/1998

FMC is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists.

FMC is also committed to not discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability. FMC will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

This policy is neither exhaustive nor exclusive. FMC is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

116 Job Posting and Employee Referrals

Effective Date 9/1/1998

FMC provides employees an opportunity to indicate their interest in open positions and advance within the organization according to their skills and experience. In general, notices of all regular, full-time job openings are posted, although FMC reserves its discretionary right to not post a particular opening.

Job openings will be posted and normally remain open for 7 days. Each job posting notice will include the dates of the posting period, job title, department, location, grade level, job summary, essential duties, and qualifications (required skills and abilities).

To be eligible to apply for a posted job, employees must have performed competently for at least 6 months in their current position. Employees who have a written warning on file, or are on probation or suspension are not eligible to apply for posted jobs. Eligible employees can only apply for those posted jobs for which they possess the required skills, competencies, and qualifications.

To apply for an open position, employees should submit a job posting application to the Human Resources Director listing job-related skills and accomplishments. It should also describe how their current experience with FMC and prior work experience and/or education qualifies them for the position.

FMC recognizes the benefit of developmental experiences and encourages employees to talk with their supervisors about their career plans. Supervisors are encouraged to support employees' efforts to gain experience and advance within the organization.

An applicant's supervisor may be contacted to verify performance, skills, and attendance. Any staffing limitations or other circumstances that might affect a prospective transfer may also be discussed.

Job posting is a way to inform employees of openings and to identify qualified and interested applicants who might not otherwise be known to the hiring manager. Other recruiting sources may also be used to fill open positions in the best interest of the organization.

FMC also encourages employees to identify friends or acquaintances who are interested in employment opportunities and refer qualified outside applicants for posted jobs. Employees should obtain permission from the individual before making a referral, share their knowledge of the organization, and not make commitments or oral promises of employment.

An employee should submit the referral's resume and/or completed application form to the Human Resources Director for a posted job.

181 Casual Labor

Effective Date 5/24/2002

All persons contracted by FMC managed properties are required to be licensed contractors, with General Liability Insurance, Automobile Insurance and Worker's Compensation Insurance. Certificates of Insurance and copies of pertinent licenses

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(state, local and professional) must be on file prior to work being performed by any contractor.

FMC will not authorize the employment of "casual labor" for the purpose of grounds cleanup, housekeeping duties, or any other work on the site without prior approval of the Director of Property Management or President.