



EMPLOYEE HANDBOOK

August 2008

WELCOME

We extend to you a sincere welcome as a new member of our organization. The part you will play as an employee will be an important one, as we can only be as strong as the members of our staff. Our employees are all part of the public relations team. We depend on you to be a positive promoter of our public image.

During your first few days of employment you will likely have questions regarding the company and its policies. The purpose of this handbook is to answer some of those questions, to inform you about the company, to explain some of those conditions under which you will work and the many benefits you will enjoy as a member of our staff. Keep it handy for future reference.

It is our hope that you will be happy as a member of our staff and that our association may be pleasant and satisfying. If you have any questions regarding the contents of this handbook, please see your supervisor or Human Resources.

Sincerely,

Jerry L. Harris
President

Kris Hansen
Vice-President

WESTERN HOME COMMUNITIES EMPLOYEE HANDBOOK

This handbook has been prepared to acquaint you with Western Home Communities, your responsibilities as an employee and the many benefits and privileges that you will enjoy. It is presented as a matter of information only. This handbook is not intended nor should it be construed as a contract of employment. While WHC believes wholeheartedly in the plans, policies and procedures described, it reserves the right to review its policies, plans, and procedures and to change or terminate any or all of them at any time.

This handbook supersedes any other employee handbooks or policies that WHC has distributed or followed in the past.

Just as you retain the right to terminate your employment at any time, for any reason, WHC retains a similar right. No policy or practice of WHC should be construed to change this relationship, which is known as at-will employment.

This handbook does not contain all of the information that you will need during the course of your employment. You may receive additional information through various written notices as well as verbally.

This handbook is intended to serve as a guide during your employment. If you have any questions regarding any aspect of your employment, please visit with your supervisor or department director.

Please review this handbook carefully and keep it for future reference.

The policies outlined in this handbook apply to all employees, although some may be applicable only to full-time employees. Some policies will not apply to employees who are exempt from the overtime provisions of the Fair Labor Standards Act.

Employment Policies

ANTI-DISCRIMINATION POLICIES

As a recipient of Federal financial assistance, WHC does not exclude, deny benefits to, or otherwise discriminate against any person on the grounds of race, color, religion, sex, national origin, age, disability, creed, gender identity, sexual orientation or any other basis in admission to, participation in, or receipt of the services and benefits of any of its programs and activities or in employment therein, whether carried out by WHC directly or through a contractor or any other entity with whom WHC arranges to carry out its programs and activities.

This statement is in accordance with the provision of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, and Regulations of the U.S. Department of Health and Human Services issued pursuant to the Acts. This also includes any action prohibited by the U.S. Department of Health and Human Services regulations (45 C.F.R. Part 84), Section 504 of the Rehabilitation Act of 1973 as amended (29 U.S.C. 794). Section 504 states in part, that "no otherwise qualified disabled individual...shall solely by reason of his/her disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance..." The law and regulation may be examined in the office of Susan Hansen, Chief Financial Officer, WHC, 420 East 11th Street, Cedar Falls, Iowa 50613, (319) 277-2141, who has been designated to coordinate the efforts of WHC to comply with the regulations. (Other Federal Laws and Regulations provide similar protection against discrimination on grounds of sex and creed.)

In case of questions concerning this policy, or in the event of a desire to file a complaint alleging violations of the above, please contact: Susan Whitesell, Section 504 Coordinator.

Equal Employment Opportunity

WHC is committed to the principles of Equal Employment Opportunity. We believe our continued success depends on the full and effective utilization of qualified persons without regard to race, color, religion, national origin, sex, age, disability, creed, gender identity, sexual orientation or any other classifications protected by federal, state or local laws.

All employee recruiting, hiring, training, compensation, benefits, transfers, promotions and all other employment-related procedures are to be administered in accordance with this commitment.

Every employee is expected to comply with the spirit and intent of our Equal Employment Opportunity commitment.

If you feel you have not been treated in accordance with this policy, please contact Human Resources or a member of senior management. No employee will be subject to any form of retaliation or discipline based upon making a complaint or assisting in the investigation thereof.

Discrimination/Harassment

It is WHC's policy to strive to maintain a work environment free from verbal, physical, visual or other harassment because of race, color, religion, sex, national origin, age, disability, creed, gender identity, sexual orientation or any other basis protected by federal, state or local laws.

We expect the full cooperation of every employee in making this policy effective. Appropriate disciplinary action will be taken for violation of this policy.

The kinds of conduct prohibited by this policy include, but are not limited to: actions by any supervisor or employee that directly or indirectly threaten any employee's employment, promotion, wages or other working conditions. Such unacceptable conduct includes verbal abuse (such as offensive racial, ethnic, disability or sexual "jokes") and unwanted physical contact.

Any employee who feels he or she is being subjected to discriminatory behavior should object to the behavior and must report the behavior to his/her supervisor, department director, or senior management. Any supervisor or department director who receives a complaint about discriminatory behavior or has reason to believe discriminatory behavior is occurring should promptly report those concerns to senior management.

WHC will investigate complaints of discriminatory behavior promptly. When the facts warrant such action, prompt and appropriate remedial action will be taken, which may include termination of employment. WHC prohibits any retaliation to be taken towards anyone that makes a complaint or participates in an investigation conducted pursuant to this policy. Employees who feel that they have been retaliated against for complaining about discriminatory behavior, or for participating in an investigation conducted pursuant to this policy, should report the conduct that they believe to be retaliatory to the Human Resources Director or a member of senior management.

Sexual Harassment

One specific type of discriminatory behavior is sexual harassment. Specifically, sexual harassment is deliberate and/or repeated unsolicited verbal comments, gestures or physical contacts of a sexual nature, which are unwelcome. This includes:

- use of suggestive comments, sexual language, obscene jokes (including email forwards),
- pressure for sexual activity,

- remarks about a person's body or sexual activities,
- patting, pinching or unnecessary touching,
- demanding sexual favors accompanied by implied or overt threats concerning one's employment, compensation, promotion and/or job assignment,
- physical assault, or demeaning treatment of another due to that person's gender.

All instances of harassment should be reported immediately, so corrective action may be taken.

Employees should understand that this policy applies to each and every employee of WHC, including all full-time and part-time employees. Any employee who engages in discriminatory behavior in violation of this policy may be subjected to disciplinary action, which may include discharge.

EMPLOYEE CLASSIFICATION

Each employee shall be designated as a full-time, part-time, casual part-time or weekend agreement employee. You will be told at the time you are hired of your classification.

Casual part-time and weekend agreement employees are not eligible for many of the benefits provided by WHC. Regular part-time employees and regular full-time employees may be eligible for the benefits provided by WHC as set out in this handbook.

Classification as full-time, part-time, casual part-time or weekend agreement does not constitute a guarantee of or a limitation upon the number of hours for which an employee may be scheduled to work in any given period.

Regular Full-time Employee: Generally works full-time in an established job no less than 30 hours per week.

Regular Part-time Employee: Generally works 8-29 hours per week in an established job.

Casual Part-time Employee: Works in a job established for a specific period of time, or for duration of a specific project or group of assignments; or not scheduled on a regular basis, but works on an as-needed basis for a minimum of one shift every three months.

Weekend Agreement Employee: Works 24 hours between 6:00am on Friday and 6:30 am on Monday.



PAY DAY

Employees will be paid biweekly (every other Friday). Pay periods include a two-week period from Sunday at 12:01 a.m. until Saturday of the following week at 12:00 p.m. midnight. Third shift hours on Saturday night will be counted in the new week with Sunday hours.

Direct deposit is available to all employees and mandatory for new hires. This safe, convenient and reliable service deposits your check directly into your specified checking and/or savings account(s) on payday.

On Wednesday of Payroll week, Payroll/Human Resources will mail the direct deposit slips so all employees should normally receive their Direct Deposit Slip on Thursday or Friday of payroll week.

On Thursday of Payroll week, Payroll/Human Resources will mail out all the actual paychecks, so employees without Direct Deposit should normally receive their check on Friday or Saturday of payroll week.

You should keep an accurate record of the number of hours you work each pay period. To help you in keeping such records, your check stub itemizes regular and overtime pay, as well as any other paid time. Absence reports and time clock punch corrections or additions must be submitted to Human Resources before noon on the Monday of payroll week in order to be included on that week's payroll.

Any questions about your paycheck should be discussed with your supervisor or Human Resources. Discrepancies will be corrected on the next regular payday.

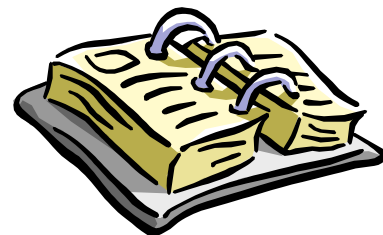


OVERTIME PAY

A workweek is the seven-day period from Sunday, 12:01 a.m. through Saturday, 12:00 p.m. midnight. Overtime is paid for hours worked in excess of 40 hours per work week; consequently, days not worked, such as holidays, paid time off, or jury duty are not considered as time worked for the computation of overtime.

WORK SCHEDULE

The responsibility of WHC to its residents requires that we have a full staff of employees as determined by each department. Your work schedule will be posted on a regular basis by the department supervisor. Overtime may be required to ensure adequate care for our residents. It is your responsibility to check your schedule frequently, as changes may be necessary on short notice.



JOB POSTING

Employees are encouraged to apply for open positions that they are qualified for. Available positions will be posted on the bulletin board near the time clock at all locations. If you wish to apply for a position, you should make your request **in writing** to the Human Resources department within five days of the date the position is posted. You must also notify your supervisor that you are applying for another position. Employees who meet the requirements stated on the job description will be given priority for an interview.

You must be actively employed by WHC for a minimum of three months to apply for a posted position in another department. Your work performance will be considered when evaluating your qualifications.

LUNCH AND REST PERIODS (BREAKS)

Your supervisor may assign rest breaks and lunch periods, according to your department work schedule. Although breaks are not guaranteed, you may be granted a paid 15-minute rest break for every four hours worked. For every eight hours worked, you may also be granted a 30-minute unpaid lunch break. All employees must clock in and out for lunch breaks. Failure to clock out for lunch breaks may result in disciplinary action. If you are unable to take your lunch break, please notify your supervisor.



During your 30-minute unpaid break period you are normally free to leave the facility; however, if you choose to remain in the building, please use the employee break room. A paid break shall consist of 15 minutes, encompassing the time the job is left until the work is resumed. If you leave the premises for personal business, you must clock out.

PROBLEM SOLVING PROCEDURE

WHC has adopted an internal grievance procedure providing for prompt and equitable resolution of complaints or recommendations.

PROCEDURE

1. A complaint should be in writing, contain the name and address of the person filing it, and briefly describe the issue.
2. A complaint should be filed in the office of Susan Hansen, Section 504 Coordinator, at 420 East 11th Street, Cedar Falls, IA 50613; within 30 days after the person filing the complaint becomes aware of the alleged discriminatory act or problem.
3. A member of senior management will investigate the complaint. The investigation will be informal but thorough, affording all interested persons and their representatives an opportunity to submit evidence relevant to the complaint.
4. A written decision determining the validity of the complaint will be issued no later than 30 days after its filing.

5. The Section 504 Coordinator shall maintain the files and records relating to all complaints filed. The Section 504 Coordinator may assist persons with the preparation and filing of complaints, participate in the investigation of complaints, and advise them concerning their resolution.
6. An individual who files a complaint may also pursue other remedies. For Section 504 complaints, this includes filing with:

The Office for Civil Rights
Department of Health and Human Services
Room 248, 601 East 12th Street
Kansas City, MO 6410
7. These rules shall be liberally construed to protect the substantial rights of interested persons to meet appropriate due process standards and assure WHC' compliance with Section 504 and the regulations.

REPORTING COMPLIANCE CONCERNS

Reports of compliance concerns may be made by anyone having knowledge or information about a known or suspected violation of the organization's code of conduct, the Corporate Integrity Program policies and procedures, department policies and procedures, or the laws and regulations governing WHC.

WHC will make every reasonable effort to protect the identity of a reporting employee, unless the employee permits WHC to reveal his or her identity. No disciplinary action or retaliation will be taken against an employee who makes a good faith report of an ethical or compliance concern. Reporting of ethical or compliance concerns can be made in any one of the following ways:

1. Verbal or Written report made to his or her supervisor, to the integrity officer, or to any other member of the integrity committee.
2. Written report by use of the Confidential Report of Concern.
3. Anonymous telephone report to his or her supervisor to the integrity officer, or to any other member of the integrity committee.
4. Anonymous written report by:
 - a. Mailing a completed the Confidential Report of Concern to the integrity officer at Western home Communities.
 - b. Depositing a completed the Confidential Report of Concern in one of the WHC suggestion boxes.

Based on the findings of an investigation, the integrity officer will implement corrective action, if necessary, in accordance with a written plan of correction. Corrective action may include changes to policies and procedures, disciplinary action, or training. The integrity

officer will report back the outcome of the investigation to the reporting person, if the identity of the reporter is known.

RESIGNATION

It is helpful when employees submit resignations in writing, at least two weeks in advance of their termination date. The resignation should include the reason for resignation, with a copy to the immediate supervisor and the Human Resources department. Management employees are encouraged to give 30 days notice when possible. This notice allows WHC time to notify you of benefit changes and to find a replacement for your position.

Your date of termination of employment with WHC will be the last actual day worked. Employees may be paid for accrued paid time off on the payday after all hours worked have been paid, provided they have three months or more of service with WHC and give a minimum of two weeks notice of resignation. (See Paid Time Off policy.)

Employees leaving the organization must return all Western Home property, which may include security entrance cards, name badge, keys, back belts, time badge, tools, and equipment. Employees need to set up an appointment with their supervisors to clean out their lockers within two weeks of termination date.

Exit Interview

We value your feedback. All employees are encouraged to schedule an Exit Interview with the Human Resources department. This may be done in person, by telephone or by mail.



Employee Benefits



PAID TIME OFF

WHC recognizes the importance and necessity of time away from your job. Paid Time Off (PTO) is earned each pay period based on actual hours worked. PTO will not accrue on hours not worked, whether paid or unpaid, including Family or Medical Leave. PTO is to be used for anytime you are not at work including but not limited to vacation, holidays, and illness.

PTO is accrued for all regular part-time and full-time employees. Casual part-time and weekend agreement employees are not eligible for PTO. Eligibility for PTO benefits begins after 90 days of employment, but accruals are credited retroactive to date of hire. PTO may be used for holidays during the first 90 days. Accruals are based on the number of hours worked as well as years of service:

<u>Length of Service</u>	<u>Accrual Rate</u>	<u>Per Pay Period*</u>	<u>Per Year*</u>
0 - 4 Years	.0833/Hour	6.66 hours	20 Days
5 - 9 Years	.1064/Hour	8.51 hours	25 Days
10 - 17 Years	.1304/Hour	10.43 hours	30 Days
18 + Years	.1556/Hour	12.45 hours	35 Days

*Based on a regular full-time, 40 hour per week schedule, assuming all PTO accrued is also taken during the calendar year.

The maximum carryover is 240 hours. If an employee's accrual runs over, the excess will be transferred to the employee's temporary disability bank at the end of that calendar year.

Except for illness or emergency, PTO must be scheduled in advance in accordance with each department's scheduling policy. Employees must complete an Absence Record and submit the form to their supervisor prior to the dates requested. Supervisors will approve or deny the request, based on staffing needs. Work schedules may require the supervisor to restrict the number of employees on vacation at any one time. Priority will be given to earlier requests and seniority in the department.

PTO must be used in place of regularly scheduled hours that are not worked, including holidays. Employees will not be allowed to take unpaid time off if they have time available in their PTO bank. PTO may be used in hourly increments with a two-hour minimum, for hourly employees

and $\frac{1}{2}$ day increments for exempt staff. Unpaid time off outside of Family and Medical Leave is only granted with approval from senior management.

PTO will be paid at the employee's current rate of pay at the time of use, for regularly scheduled hours, without regard to special pay such as shift differential and attendance bonus.

Upon termination, an employee will be paid for up to 240 hours of his/her unused PTO on the paycheck following the payment of all hours worked, provided:

- He/she has been employed at WHC for a minimum of three months.
- A written notice of resignation has been given at least two weeks in advance of last day to be worked.

An employee who terminates without giving two weeks notice, or fails to work as scheduled after giving notice, will forfeit any accrued PTO.

TEMPORARY DISABILITY

Temporary Disability (TD) is a benefit provided by WHC to assist in protecting employees against loss of income due to non-occupational illness or injury.

Eligibility

TD is accrued for all regular part-time and full-time employees. Casual part-time and weekend package employees are not eligible. TD is earned each pay period, based on actual hours worked. Eligibility for benefits begins after 90 days of employment, with accruals credited retroactive to date of hire.

Coverage

Benefit payment begins on the normally scheduled workday following an absence of three consecutively scheduled workdays, up to a maximum of 24 hours. In the event of a verifiable chronic illness requiring serial treatments or absence, subsequent absences due to this episodic chronic illness are exempt from the three-day requirement and will be eligible for TD immediately.

Accrual Rates

<u>Length of Service</u>	<u>Accrual Rate</u>	<u>Per Pay Period*</u>	<u>Per Year*</u>
0 - 4 Years	.0250/Hour	2 hours	6 Days
5 - 9 Years	.0255/Hour	2.04 hours	6 Days
10-17 Years	.0261/Hour	2.09 hours	6 Days
18 + Years	.0267/Hour	2.14 hours	6 Days

*Based on a regular full-time, 40 hour per week schedule

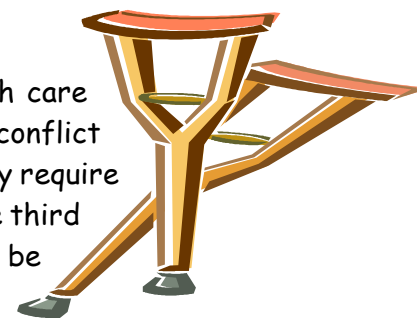
Maximum Accruals

Unused TD hours are accumulated from year to year with no maximum accrual. At the time of termination payment is neither made for any unused TD days, nor is the employee expected to reimburse WHC for any authorized TD days previously taken.

Scheduling and Using Temporary Disability Benefits

If you are unable to return to work after three or more days, you will be responsible for arranging an examination by a physician, physician assistant or nurse practitioner. Documentation of this examination and inability to return to work is required. TD benefits will not be paid without this documentation. Any charges that are incurred for completion of this form are the employee's responsibility. In addition, you must comply with treatment recommendations to include keeping all scheduled appointments for evaluation and treatment, and cooperating with alternative work assignments. Alternate work assignments may be provided to comply with medical restrictions. If appropriate work cannot be provided in the home department, alternative arrangements may be made.

The employee may be required to obtain a second opinion from a health care provider designated by WHC, at WHC expense. If necessary to resolve a conflict between the original certification and the second opinion, the company may require the opinion of a third doctor. WHC and the employee will jointly select the third doctor, and the company will pay for the opinion. This third opinion will be considered final.



To be paid TD benefits, your supervisor should sign a completed Absence Record form with the dates you were absent and the number of hours you would have been scheduled to work. At no time will this paid benefit exceed the employee's current accrual. TD will be paid at the employee's current rate of pay at the time of use, for normally scheduled hours, without regard to special pay such as shift differential and attendance bonus. TD may be used concurrent with the Family and Medical Leave Act Policy. PTO must be used for the first three days of any personal illness or injury, before TD applies.

Worker's Compensation

The three-day waiting period to begin using TD hours is waived for a work-related injury when the occupational health provider requires that you refrain from working. Worker's Compensation insurance applies after three days of absence.

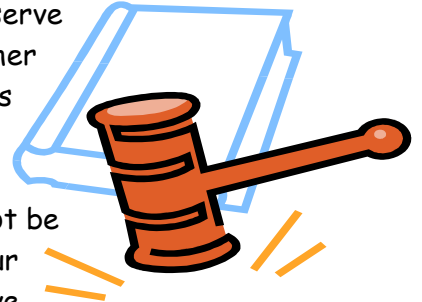
Return To Work

Employees must provide a medical release to return to work after missing three or more days of work.

JURY DUTY

The obligation to serve on a jury is recognized. This policy applies to all regular full-time and regular part-time employees.

Each employee to whom this policy is applicable may be excused to serve on jury duty for up to 10 working days and shall be paid his or her regular base salary, less any amount received for jury duty during this term. For an employee serving on a jury in which the trial extends beyond 10 working days, the employee's continued absence will be excused until the trial is completed. However, compensation may not be provided beyond that initial 10-working-day period. It is your responsibility to inform your supervisor when you are required to serve and to provide a copy of your jury summons. Make sure an Absence Report is filled out and signed by your supervisor for your time missed. Submit your receipt for days served to payroll. Employees are expected to report to work whenever it will not conflict with jury service. 2nd and 3rd shifts should discuss work arrangements with their supervisors.



FUNERAL/BEREAVEMENT LEAVE

When a regular full-time or regular part-time employee has completed three months of continuous employment and must miss work due to the death of a member of his/her family, he/she may be granted the following time off, with pay:

Up to three (3) days for a spouse, parent, sibling, or child.

One (1) day for a grandparent, grandchild, aunt or uncle.

This includes "step" and "in-law" relations. The employee may, with his/her supervisor's approval, use any available paid leave (PTO) for additional time off as necessary. The leave will be paid at the employee's current rate of pay at the time of use, for regularly scheduled hours, without regard to special pay such as shift differential and attendance bonus.

The employee should inform his/her department supervisor of the need for leave. An Absence Report must be completed for all scheduled time missed. The employee may be required to provide supporting documentation for the leave request.

FAMILY AND MEDICAL LEAVE ACT

It is the policy of Western Home Communities to grant up to 12 weeks (or up to 26 weeks of leave to care for an injured or ill servicemember) during a 12-month period to eligible employees, in accordance with the Family and Medical Leave Act of 1993 (FMLA). WHC will use a rolling 12-month period. This means that the 12-month period will be measured

backward, from the date an employee starts FMLA. Each time an employee takes leave, the company will compute the amount of leave the employee has taken under this policy and subtract it from the 12 weeks of available leave, and the balance remaining is the amount the employee is entitled to take at that time. The leave may be paid, unpaid, or a combination of paid and unpaid, depending on the circumstances and as specified in this policy.

ELIGIBILITY

In order to qualify to take family or medical leave under this policy, the employee must meet **all** of the following conditions:

- The employee must have worked for WHC for at least 12 months, or 52 weeks. The 12 months, or 52 weeks, need not have been consecutive. For eligibility purposes, an employee will be considered to have been employed for an entire week if the employee was on the payroll for any part of a week.
- The employee must have worked at least 1250 hours for WHC during the 12-month period immediately before the date the leave would begin.
- The employee must work in an office or work site where 50 or more employees are employed within 75 miles of that office or work site.

TYPE OF LEAVE COVERED

In order to qualify as FMLA leave under this policy, the employee must be taking leave for one of the reasons listed below:

- **The birth of a child or to care for that newborn.** Spouses who are both working for WHC may only take a combined total of 12 weeks for childbirth or newborn care.
- **The employee's adoption of a child or placement of a child with the employee for foster care.** Spouses who are both working for WHC may only take a combined total of 12 weeks for placement of a child for adoption or foster care.
- **To care for a spouse, child or parent (not including in-laws) with a serious health condition.** A serious health condition is defined as an illness, injury, impairment, or physical or mental condition that involves: inpatient overnight care in a hospital, hospice, or residential care facility; or continuing treatment by a health care provider for a period of incapacity of more than three (3) consecutive calendar days, and any subsequent treatment or period of incapacity relating to the same condition. Ordinarily, unless complications arise, the common cold, flu, earache, upset stomach, headache, and routine dental problems are examples of conditions that do not meet the definition of serious health conditions. Employees with questions about what illnesses are covered under this FMLA policy or under WHC's sick leave policy are encouraged to consult with Human Resources.
- **The employee's own serious health condition that makes the employee unable to perform the essential functions of his/her job.** Absences due to work-related injury or illness are counted toward the annual FMLA entitlement as discussed in this policy. A serious health condition is defined above.

- **A covered family member's active duty or call to active duty in the Armed Forces.**
An employee whose spouse, son, daughter or parent either has been notified of an impending call or order to active military duty or who is already on active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service. Reasons related to the call-up or service includes helping the family member prepare for the departure or caring for children of the servicemember. The leave may commence as soon as the individual receives the call-up notice. (Son or daughter for this type of FMLA leave is defined the same as for child for other types of FMLA leave.) Spouses who are both working for WHC may only take a combined total of 12 weeks.
- **To care for an injured or ill servicemember.** This leave may extend to up to 26 weeks in a 12-month period for an employee whose spouse, son, daughter, parent or next-of-kin is injured or recovering from an injury suffered while on active military duty and who is unable to perform the duties of the servicemember's office, grade, rank or rating. Next-of-kin is defined as the closest blood relative of the injured or recovering servicemember. An employee is also eligible for this type of leave when the family servicemember is receiving medical treatment, recuperation or therapy, even if the servicemember is on temporary disability retired list. Spouses who are both working for WHC may only take a combined total of 26 weeks.

EMPLOYEE STATUS & BENEFITS DURING LEAVE

While an employee is on approved FMLA leave, WHC will continue to pay its portion of the health insurance premium and the employee must continue to pay his/her share of the premium or will pay them back immediately when returning from leave. Failure of the employee to pay his/her share of the premium may result in loss of coverage.

If the employee does not return to work for reasons other than a continued serious health condition, WHC may require the employee to reimburse WHC for the employer portion of the health insurance premium during the leave period.

During the approved family or medical leave, WHC will continue to provide applicable life insurance benefits.

An employee on an approved Family or Medical Leave will retain all seniority status and fringe benefits accrued prior to beginning leave.

EMPLOYEE STATUS AFTER LEAVE

An employee who takes leave under this policy will be able to return to the same job or a job with equivalent status, pay, benefits, and other employment terms.

Certain key employees may be denied reinstatement upon return from leave. Employees will be notified at the time of the request if there is any possibility that their reinstatement may be denied.

After expiration of 12 (or 26 weeks of leave to care for an injured or ill servicemember) weeks of Family or Medical Leave, employment is not guaranteed. If an employee is not able to return to work due to his or her own medical condition, employment may be continued on an inactive status for up to 12 months. WHC will continue to provide applicable life insurance during this period. Medical insurance will be available through COBRA, at 102% of the total monthly premium.

USE OF PAID & UNPAID LEAVE

Employees must use all accumulated Paid Time Off (PTO) time before starting unpaid leave.

An employee who is taking leave because of the employee's own serious health condition must use all Temporary Disability (TD) and paid PTO prior to starting unpaid leave.

Since some benefits are based on a system of hours worked, benefits will not accrue to employees while on Family and Medical Leave. The benefits include TD and PTO.

INTERMITTENT LEAVE OR A REDUCED WORK SCHEDULE

Intermittent or reduced schedule leave may be taken for a serious health condition of the employee or family member or to care for an injured or ill servicemember, but only if medically necessary and certified by a health care provider. In all cases, the leave may not exceed a total of 12 weeks (or 26 weeks of leave to care for an injured or ill servicemember) over a 12-month period.

WHC may temporarily transfer an employee to an available alternative position with equivalent pay and benefits if the alternative position would better accommodate the intermittent or reduced schedule.

Leave for birth, adoption, or foster care of a child must be taken within one year of the birth or placement of a child and cannot be taken on an intermittent or reduced schedule basis.

CERTIFICATION OF THE SERIOUS HEALTH CONDITION

Any leave request based on a family member's or an employee's own serious health condition must be supported by certification from a health care provider, obtained at the employee's own expense. The employee must provide a copy of the certification within 15 calendar days of request. The employee may also be required to provide periodic re-certification of the health condition. Failure to provide certification may result in a denial of continuation of leave.

If the employee plans to take intermittent leave or work a reduced schedule, the certification must also include dates and the duration of treatment and a statement of medical necessity for taking intermittent leave or working a reduced schedule.

The employee may be required to obtain a second opinion from a health care provider designated by WHC, at WHC's expense

If necessary to resolve a conflict between the original certification and the second opinion, the company may require the opinion of a third doctor. WHC and the employee will jointly select the third doctor, and the company will pay for the opinion. This third opinion will be considered final.

PROCEDURE FOR REQUESTING LEAVE

Employees should provide at least 30 days advance notice before leave is to begin if the need for the leave is foreseeable. If circumstances require that the leave begin in less than 30 days, notice must be provided as soon as possible.

An employee requesting leave for a planned medical treatment (including intermittent or reduced schedule leave) must make a reasonable effort to schedule the treatment to minimize disruption to the company's operation.

All employees requesting leave for a covered family member's active duty or call to active duty in the Armed Forces or to care for an injured or ill servicemember must provide verbal notice with an explanation of the reason(s) for the needed leave. Leave may commence as soon as the individual receives the call-up notice. If the leave is foreseeable, WHC may require the employee to provide a written request for leave and reasons(s).

The company will provide individual notice of rights and obligations to each employee requesting leave within two business days or as soon as practicable.

If an employee fails to provide 30 days notice for a foreseeable leave, with no reasonable excuse for the delay, the leave request may be denied until at least 30 days from the date the employer receives notice.

While on leave, employees may be required to report periodically to the company regarding the status of the medical condition, and their intent to return to work.

Employees found violating the purpose of the leave such as working elsewhere or looking for or locating another position while on leave, may be subject to disciplinary action, up to and including termination.

LEAVE OF ABSENCE

An excused, paid and/or unpaid absence may be requested and can only be granted with approval of your department supervisor and senior management.

A leave of absence shall be defined as a requested period of time off with or without pay. This leave will apply to absences not covered by the Family Medical Leave Act. All earned paid time off and temporary disability, if applicable, must first be exhausted before an excused, unpaid absence will be granted.

Requesting a Leave of Absence

A form requesting the absence must be submitted to the employee's supervisor stating the reason for the requested leave, the date the leave is to begin, and the expected date of return to work.

Employees should provide at least 30 days advance notice before leave is to begin if the need for the leave is foreseeable. If circumstances require that the leave begin in less than 30 days, notice must be provided as soon as possible.

A response to the request will be given in a reasonable period of time. In the event of an emergency leave, verbal permission must be obtained and the written form filled as soon as possible.

In order to be eligible for a leave of absence the following conditions must be met:

- The employee has successfully completed his/her first three months of employment.
- The employee agrees to keep his/her supervisor and the Human Resources department informed concerning the leave of absence status and expected date of return to work.
- The leave of absence does not extend beyond the allowable time allotted.
- The Family Medical Leave Act does not cover the leave.

Every effort shall be made to return an employee to his/her former position, but we cannot guarantee immediate re-employment after a leave of absence. Upon returning from a leave, the facility will strive to return you to the same or similar job if one is available. If the leave of absence lasts longer than the time allowed, generally the employment relationship will be terminated.

All earned paid time off and temporary disability, if applicable, must first be exhausted before an excused, unpaid absence will be granted. Since paid leave benefits are based on a system of hours worked, some benefits will not accrue to employees while on leaves of absence, including paid time off and temporary disability.

WHC will continue to pay its portion of the health insurance premium for the month in which the leave begins. If the leave extends for the entire following month, the employee will have the option of terminating the insurance coverage or paying the full cost of coverage.

During the leave of absence, WHC will continue to provide any applicable life insurance benefits to regular full-time employees for the time approved.

HEALTH AND DENTAL INSURANCE



Full-time employees (30 hours per week or more) are eligible to participate in a health and dental insurance program on a shared-cost basis. Coverage is available the first day of the month in which 90 days of service are completed. Special enrollment at other times may be available under certain conditions, such as marriage, birth, adoption, or if health insurance coverage is lost under another plan.

Human Resources must be notified within 30 days of the qualifying event.

FLEXIBLE SPENDING ACCOUNT

Full-time employees are eligible to participate in a flexible spending account (also known as a Cafeteria Section 125 Plan.). The plan allows employees to set aside money from their gross earnings from each paycheck before any taxes (including federal, state, social security and medicare taxes) are calculated. The money may be used to pay the monthly health insurance premium co-pay; medical expenses not covered by insurance; and/or dependent care costs. Coverage is available the first day of the month in which 90 days of service are completed. Special enrollment may be available under certain conditions, such as marriage, birth, adoption, or if health insurance coverage is lost under another plan. Human Resources must be notified within 30 days of the qualifying event.

LIFE INSURANCE

WHC provides a life insurance policy for all full-time employees equivalent to one times the employee's base annual earnings. Coverage is available the first day of the month in which 90 days of service are completed.

RETIREMENT PROGRAM (401K)



A 401(k) retirement program is available to all employees age 18 years or older. This program allows employees to set aside dollars out of gross earnings (before state and federal income taxes) in a

savings/investment program for your retirement and/or you can designate post-tax dollars into a Roth Account. You may enroll in the program prior to the first day of any month. Once enrolled in the plan you can make any changes to your plan prior to the first day of any quarter (January, April, July and October.)

WHC matches \$1.00 for every \$1.00 invested, up to 3% of gross earnings. The company also matches 50% of the next 2% of gross earnings invested, for a total match of 4% if you invest 5% or more each pay period. You are 100% vested immediately in the plan.

CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985

On April 7, 1986, a federal law was enacted requiring that most employers sponsoring group health and/or dental plans offer employees and their families the opportunity for a temporary extension of group health/dental plan coverage. This law is called the Consolidated Omnibus Budget Reconciliation Act of 1985, or COBRA.

Eligibility

A "qualifying event" includes any of the following events that would result in the loss of coverage under a group health plan:

- The employee's termination of employment (other than for gross misconduct) or a change in classification to a status not eligible for benefits.
- The employee's death, divorce, or legal separation.
- A dependent's ceasing to be an "eligible dependent" under the requirements of the group health plan.

Notification Requirements

Under the law, the employee or a family member has the responsibility to inform WHC of a divorce, legal separation, Medicare entitlement, or a child losing dependent status under the group health plan. This notice must be received within 60 days of the event. Other employee/COBRA participant qualifying events include termination, reduction in hours, or death.

When the Human Resources department is notified that one of these events has happened, the qualified employee, spouse or dependent will be notified within 14 days of the right to choose continuation coverage.

Election Period

The election period begins on the date the group coverage terminates under the health plan because of a qualifying event and ends on the later of:

- 60 days after the termination date of coverage; or
- 60 days after the date of notice to an insured of the right of continuation of coverage.

Length of Coverage

Continuation coverage is a temporary extension of coverage that is identical to the coverage provided under the group health plan to active employees and their dependents.

If you are eligible to be insured under the company's health insurance plan, the COBRA Act provides you and your insured dependents, if any, with a very valuable right.

- If you qualify for continuation due to termination of your employment or a reduction in your work hours, coverage may be continued for up to 18 months.
- The 18-month period may be extended to 29 months if the Social Security Administration determines that you, or another family member covered by its group health plan at the time of termination or reduction of hours, were disabled at any time during the first 60 days of continuation coverage.
- If you qualify for continuation for any other reason, coverage may be continued for up to 36 months.

Termination of Cobra Coverage

Your continuation coverage may be cut short for any of the following reasons:

- WHC no longer provides group health/dental plan coverage to any of its employees.
- The premium for your coverage has not been paid in a timely manner.
- You are eligible for coverage under any other group health plan.
- You become entitled to Medicare.
- You extended coverage for up to 29 months due to your disability and there has been a final determination that you are no longer disabled. (You must notify WHC within 30 days of any such determination.)

Cost Of Coverage

You are responsible for the entire premium for your continuation plus 2% for administrative fees.

The premium is due by the first day of the month for that month of coverage. If we do not receive your check within 30 days of the due date, your coverage will end. WHC reserves the right to increase your premiums as the group premium rate increases.

IN-SERVICE TRAINING

WHC will normally schedule at least 12 in-services/year. These programs are offered at no cost to employees. All WHC employees are required to attend specific in-service programs that are announced as "mandatory". These programs may be required for all employees within the organization, or for employees within specific departments or functions.

As mandated by Iowa law, the Iowa Department of Inspections and Appeals requires that all full-time and part-time Certified Nurse Aides (CNA), Resident Assistants (RA) and Certified Medication Aides (CMA) attend a minimum of 12 hours of in-service training per year. To meet this legal requirement, WHC will normally schedule at least 12 in-services per year.

Employees will be paid for attending mandatory in-service programs, whether it is during regular working hours or non-working hours. WHC will videotape the training programs whenever possible. Attendance will be recorded at each in-service and considered with performance evaluations. Failure to attend the required in-service programs may result in disciplinary action. If you are unable to attend when scheduled, you will have 30 days to make up the in-service by viewing the videotape of the program. You may also be required to turn in an acknowledgement of completion to Human Resources.

Employees are also welcome to attend in-service programs that are not mandatory for them also. With supervisor approval, employees may be paid to attend when the in-service is held during the employee's regular working hours. Employees will not be paid to view non-mandatory programs on videotape or outside of their regular working hours.

Your Department Director may also schedule specific departmental meetings that require mandatory attendance. These meeting notices will be posted in your work areas.

Employees attending in-service programs or viewing videotaped programs are considered to be at work, children or other visitors are not allowed to attend.

Employees starting after the first of the year will be required to attend a pro-rated number of in-service programs.

EMPLOYEE ASSISTANCE PROGRAM

WHC has contracted with the Covenant Clinic Employee Assistance Program to provide professional assistance for personal problems when it is needed. This service is confidential, free and available to you and your family members. Up to six sessions can be held to assist you. You may call 272-8920 to arrange for an appointment with an EAP counselor. They have several locations in the Cedar Valley area to serve you.

REIMBURSEMENT FOR CONTINUING EDUCATIONS AND LICENSURE

WHC regards continuing education a necessary and vital on-going process that ensures quality care of residents. Reimbursement is limited to CEU courses and/or license renewal required for various positions. Contact Human Resources for a copy of policy.

TUITION REIMBURSEMENT

Western Home Communities supports anyone who would like to further their education in the Nursing field. Courses must be part of one of the following degree programs at an accredited university, college, community college, technical school, or school of nursing: Licensed Practical Nurse, Registered Nurse or Bachelor of Science in Nursing. Contact Human Resources for a copy of policy for criteria.

CNA COURSE REIMBURSEMENT

Western Home Communities will reimburse a CNA for the course upon completion. The course must be a state-approved nurse aide program and the employee must be hired within 12 months of completion of the CNA course.

Current employees who are interested in completing the CNA course must have prior approval and the course may be paid for up front. Contact Human Resources for a copy of policy.

CPR TRAINING

Western Home Communities encourages all staff to participate in American Heart Association CPR training and/or annual recertification through WHC, taught by and AHA Certified Instructor.

Current certification in Adult Health Care Provider or Family and Friends CPR is required for certain positions, and optional for all other positions. Please contact your supervisor and/or Human Resources for more information.

WHC will pay for the cost of the CPR training and the employee's time while in the training class.

PERFECT ATTENDANCE AWARDS

Western Home Communities will provide incentives for "perfect attendance" each quarter of the calendar year for regular full-time and part-time employees. (Exempt employees and casual part-time employees are not eligible for the incentive.) At the end of each quarter attendance records will be reviewed. Employees with perfect attendance will have a choice of gifts, which may vary from quarter to quarter.

Perfect attendance is defined as no counted absences, no tardies and no unexcused missed punches for the entire quarter. This includes reporting to work for all scheduled days, including additional days agreed to work, and completing the full shift.

PETS IN THE WORKPLACE

Western Home Communities understands that pets are great companions to our residents and employees. If you are considering bringing your pet to work, you should discuss it with your supervisor ahead of time. In order to ensure the safety and comfort of our residents and employees, listed below are some general guidelines to follow:

- An employee may only bring their pet to work as long as they have their **supervisor's permission** and it does not **interfere with their job duties**.
- Pets must have a current rabies vaccination and all other shots must be up-to-date.
- Pets will not be allowed in hallways or outside unless the pet is on a leash or in a pet caddy.
- Pets are not allowed in dining rooms or other areas where food is served, where nursing services are provided or other designated areas.
- Employees are required to pick up any of the pet's waste on WHC Property.
- Employees should only take their pets outside during regularly scheduled break times. Pets are not allowed in the courtyard between the hours of 10:00pm and 8:00am.
- If your pet does any of the following, you may be asked to remove him or her immediately:
 - Bite and/or threaten other animals and/or humans
 - Excessive barking or noise
 - Eliminate inside the facility
 - Damage property of WHC, any employee or resident
 - Cause allergic reaction in any employee or resident

Violations of this policy may result in disciplinary action, up to and including termination.

Health & Safety Programs

WHC takes great pride in its employees working together to provide the finest quality services to our residents in an efficient and safe manner. It is our goal to prevent injuries if at all possible.

It is our sincere belief that injuries and property damage resulting from accidents are preventable through the proper management of our human and physical resources. To this end, all levels of management are charged with the responsibility of providing adequate resources and enthusiastic leadership to eliminate accidents, which cause injury and property damage.

All employees are required to follow safe work methods and practices and to have concern for the safety of their fellow workers.



WELLNESS AND SAFETY COMMITTEE

WHC has an active Wellness and Safety Committee comprised of employees from each department and facility. The committee meets every other month to assist in implementing, revising and maintaining the safety and wellness programs. If you are interested in serving on the Wellness/Safety Committee, please speak with your department director or Human Resources. Western Home Communities will reimburse employees \$100/calendar year, who participate in Wellness Programs (gym memberships, Weight Watchers, smoking cessation class, fitness class or other programs subject to review.) To qualify for reimbursement you must have been and employee for 6 months.

SECURITY ENTRANCE CARDS

WHC utilizes a security entrance card system in order to provide a safe environment for our residents and employees. Employees whose work hours require the need for a security entrance card are given one upon hire at no charge. However, employees may be charged a fee of \$20 for replacement of a lost Security Entrance Card and/or failure to return the Security Entrance Card upon termination of employment.

ABDOMINAL / LUMBAR SUPPORTS

WHC will provide abdominal/lumbar supports to all employees required to perform lifting as a regular job responsibility and to other employees who prefer the additional support. The

support may help reduce the cumulative effect of lifting on the employee's lower back. This support device, when worn correctly, provides support to the lower back and abdominal cavity and is designed to remind the employee to use proper lifting techniques.

These belts are not designed to be a substitute for proper body mechanics or take the place of transfer (gait) belts or mechanical lifting devices. They are a supplement to other programs.

WORK INJURIES

All injuries involving employees, residents or the general public must be reported to your supervisor immediately. Failure to do so may result in disciplinary action, up to and including termination of employment.

Incident reports for any work related injury or illnesses for employees are to be completed by the employee and the departmental supervisor or a person designated by the departmental supervisor.

Procedures for Obtaining Treatment

- File an incident report and related paperwork within 24 hours of incident.
- If medical attention is necessary and you believe you may be entitled to workers' compensation benefits, **you must be seen** at one of these two facilities:
 1. **Occupational Medicine at Arrowhead Medical Park**
226 Bluebell Road
Cedar Falls, IA 50613
575-5600
 2. After Hours or on weekends, go to: **Sartori Hospital Emergency Room**
- Before seeking medical attention notify your supervisor or the Human Resources department.

Work Injury Information

If you are injured at work, it is important that you understand the following:

- Occupational Medicine will attempt to assist you to restore your health.
- If you choose to seek another physician's opinion, it will be at your own expense. WHC, your private health insurance, and the workers' compensation insurance company will NOT cover these costs.
- It is your responsibility to bring the Worker's Compensation Packet to the Human Resources department. It will be used to determine if a temporary "Alternate Duty" work assignment is necessary, based on your work restrictions.

- If you fail to report for your temporary alternate duty work assignment, you will not be paid for the day and you may be disciplined. Tardiness and absenteeism policies will also be applied.
- Physical therapy and/or doctor appointments are to be scheduled during non-working hours. Your supervisor must approve any exception in advance. If the appointment is scheduled during working hours, you are required to clock out before leaving the building. Please talk with your supervisor to schedule additional work time to make-up for time missed.
- IT IS VERY IMPORTANT THAT YOU KEEP ALL SCHEDULED APPOINTMENTS. IF YOU FAIL TO REPORT FOR A SCHEDULED APPOINTMENT IT WILL BE CONSIDERED A "NO CALL/NO SHOW" AND YOU MAY BE DISCIPLINED.
- Back supports will be made available to all employees who have had a back injury or would like to wear a back support.

TEMPORARY ALTERNATE DUTY

WHC will make reasonable accommodations for employees with work restrictions due to illness or injury.

Medical Certification

Any alternate duty request based on a work restriction must be supported by certification from a health care provider, obtained at the employee's own expense, except for work-related injuries. The employee may also be required to provide periodic re-certification of the health condition.

The certification must include the dates and duration of treatment and a statement of medical necessity for the work restriction.

The employee may be required to obtain a second opinion from a health care provider designated by WHC, at WHC's expense. If necessary to resolve a conflict between the original certification and the second opinion, the company may require the opinion of a third doctor. WHC and the employee will jointly select the third doctor, and the company will pay for the opinion. This third opinion will be considered final.

TEMPORARY ALTERNATE DUTY ASSIGNMENT

If an employee is able to complete the essential duties of the position, no temporary work assignment is necessary.

If an employee is unable to perform job tasks that are included as essential functions of the job as noted on the job description, the following steps will be taken:

- WHC will attempt to provide temporary alternate duties that will allow the employee to continue in the same department.
- If there are no duties in which the employee can complete available in the same department, WHC may attempt to find temporary alternate duties in another department that the employee is able to perform.
- If we are unable to provide an alternate assignment, the employee may be eligible for a leave of absence under provisions of the FMLA policy.

DURATION OF TEMPORARY ALTERNATE DUTY

WHC will provide temporary alternate duty when available, for up to a maximum of 12 weeks.

If the employee is not able to return to normal duties after the alternate duty ends, he or she may be eligible for a leave of absence under provisions of the FMLA policy. The employee may also apply for open positions that he or she is qualified for and able to perform.

WHC reserves the right to change the employee's schedule to better meet the needs of the department and company as a whole.



EMPLOYEE HEALTH EXAMINATION RECORD

As required by the State of Iowa Department of Inspection and Appeals, WHC will require every employee to have an Employee Health Examination after a position is offered and accepted, but prior to the employee beginning work.

Subsequent documentation of health status is to be submitted to the Human Resources department at least every four years. The employee is responsible for any costs associated with the subsequent health examinations.

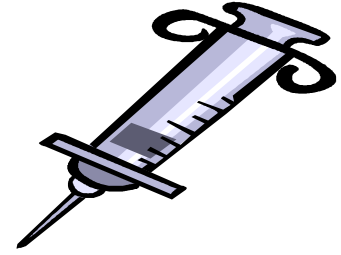
OSHA BLOODBORNE PATHOGEN STANDARD

OSHA has passed the "Bloodborne Pathogen Standard" to protect employees from diseases such as Hepatitis B and HIV. WHC will provide you with training on how exposure to bloodborne pathogens can occur and how to protect yourself and others from the bloodborne diseases by practicing good work habits and use of engineering controls to limit these hazards.

The training program is given during your new employee orientation and you are required to attend a training session annually thereafter when offered by WHC. If you have any questions regarding this information, please feel free to contact the Director and/or the Assistant Director of Nursing.

HEPATITIS B VACCINATION

The HBV vaccine is offered to all employees at no cost, after the employee has received the training required by OSHA. Exception may be made if the employee has previously received the complete Hepatitis B vaccination series, antibody testing has revealed that the employee is immune, or the vaccine is contraindicated for medical reasons.



WHC shall not make participation in a pre-screening program a prerequisite for receiving Hepatitis B vaccination. If the employee initially declines Hepatitis B vaccination but at a later date decides to accept the vaccination, WHC shall make available the Hepatitis B vaccination at that time.

If an employee had the Hepatitis B series a number of years ago and is unsure if the immunity is still effective, WHC will pay for a titer check to determine whether a booster inoculation is needed. If a booster dose(s) of Hepatitis B is recommended, WHC will pay for the inoculation. If the U. S. Public Health Service recommends a routine booster dose(s) of Hepatitis B at a future date, such booster dose(s) shall be made available at no cost to the employee.

TUBERCULOSIS TESTING

In compliance with the Iowa Department of Health and for the protection of all employees and residents, all new employees are required to undergo the two-step Mantoux tuberculosis (TB) test as a post job offer condition. The TB skin test is given and read prior to new employee orientation and repeated in approximately two weeks. Employees are required to sign an Authorization for Tuberculosis Skin Test form. If the new employee is under the age of 18, a parent or guardian must sign the authorization form. WHC will incur all costs regarding the test.

FIRE POLICY

Each department will have a copy of the current fire policy specific to the building that you work in. Please review that policy periodically to stay abreast of any changes that may occur. Following are some general guidelines.

- In the case of an emergency, all staff with walkie-talkies should turn to Channel 2.
- The following staff will respond to the area where the alarm occurred: ALL staff who are in the building where the alarm occurred, making sure that at least one staff member stays behind to take care of the residents.
- Follow this procedure:
 - Check each room for the cause of the alarm, marking each door as you go to let others know the room has been checked.



- Evacuate the residents, giving assistance as indicated on the door, to the nearest area of safety past the fire door on the floor.
- Remaining staff should wait for further instructions.

SEVERE WEATHER POLICY:

During a severe thunderstorm, please assist residents by closing their curtains. Advise residents to stay away from windows, not use the telephone, and stay away from televisions and radios that are powered by an electric cord.

During a tornado warning, an announcement will be made over the intercom system that a tornado warning is in effect for Black Hawk County. The front receptionist or the Assisted Living Charge Nurse will make the announcement. WHC uses tone-activated weather radios that are the same frequency as the National Weather Service in Waterloo.

After the tornado warning has been announced:

- All staff with walkie-talkies should turn to Channel 2.
- Assist residents in moving to areas of safety that are marked with a red and white tornado safety sticker. Areas of safety are listed below.
- If at all possible, go to the lowest floor in the building.
- Stay away from windows or doors with glass.
- Close the resident's doors behind them.
- Listen for instructions on the intercom system or through the walkie-talkie.
- Do not allow residents to return to their rooms until you are instructed to do so.



Elizabeth E. Martin Health Center Areas of Safety:

- In resident hallways behind and away from windows at the end of the corridor.
- Behind fire doors - **be sure to lock the doors down!**

Stanard Family Assisted Living Center Areas of Safety:

1st Floor

- West hall between fire door by Room #163 and the north elevator
- 10th Street hall between fire doors
- Hallway area outside the Carpenter Shop
- North hall between fire doors
- East horseshoe hall between fire doors, 20 feet back from outside entrance

2nd Floor

- North hall behind fire doors
- South hall between fire doors
- Central hall between fire doors 20 feet back from outside entrance
- East horseshoe hall between fire doors

3rd Floor

- North hall to Room #347
- South hall fire door to North hall fire door
- Central hall between fire doors
- East horseshoe hall between fire doors
- West hall

4th Floor

- **NO AREAS OF SAFETY**

Residents are to be evacuated to lower floors

Retirement Communities

- Instruct Residents to stay in the bathroom of each unit. Employees should proceed to basement.

Walnut Court

- Instruct Residents to take shelter immediately in the hallway outside their apartments.

Windhaven Assisted Living and Thalman Square Areas of Safety

- In showers in tenant's bathrooms
- Hallways between closed and secure fire doors

Employee Conduct

DISCIPLINARY ACTION AND TERMINATION

WHC reserves the right to impose disciplinary action when, in WHC's discretion, such action is warranted. Depending on the severity of the offense, disciplinary action up to and including termination of employment may be applied.

Rules For Personal Conduct

As a partial guide to you, we have listed some examples of conduct that may result in disciplinary action, up to and including termination:

- Unreported, unexcused or excessive absence or tardiness
- Leaving an assigned area without permission
- Drug or Alcohol abuse
- Failure to meet performance expectations
- Violation of harassment policy
- Abuse or misuse of company property
- Use of obscene, profane or abusive language
- Failure to follow instructions or company rules
- Fighting on the premises
- Improper conduct
- Clocking in/out for another employee
- Objectionable or indecent behavior on premises
- Insubordination
- Theft
- Property Removal without permission



Please note this list is not all-inclusive. WHC reserves the right to impose disciplinary action up to and including termination where it deems appropriate.

ATTENDANCE

Because WHC 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, you are expected to arrive for work on time and be ready to start work at the beginning of your scheduled shift. You are also expected to complete your shift as scheduled.

COUNTED ABSENCE (UNSCHEDULED)

Absences that are not planned in advance cause disruption in the workplace and should be avoided whenever possible. Some examples include: car trouble, weather, other job, etc., as well as personal or family illness that is not covered under the FMLA policy. Even though your accrued PTO will be used to cover the hours missed, the absence or tardy will still be considered an unscheduled episode.

Tardiness is defined as an unapproved delay in being at your workstation when the shift begins. You must receive supervisory approval to leave prior to the end of your scheduled shift.

MISSED PUNCHES (UNEXCUSED)

Anytime the employee does not use the timeclock when starting their shift, ending their shift or at the appropriate lunch break times. Missed punches may be excused at the supervisor's discretion if the employee contacts them immediately upon missing the punch with a valid reason (i.e. if the employee is stopped by a resident or the time clock isn't working). The supervisor will note whether the missed punch is excused or unexcused.

ABSENCES NOT COUNTED UNDER ATTENDANCE POLICY

Absences approved and scheduled in advance such as vacation or leaves of absence; authorized funeral leave; jury duty; work-related illness or injury if ordered not to work; military leave; and absences covered under the FMLA policy.

DISCIPLINARY ACTION

Supervisors should take the following circumstances into account when determining if disciplinary action is needed: **Frequency of Absence**- Frequent short-term absences. **Patterns of Absence**- A pattern of weekend absences, or absences on the day before or after holidays or weekends. **Cause of Absence**- Absences of a questionable nature or those absences that could have been avoided by proper advance planning. **Tardiness Record** - Tardiness should be considered with absenteeism. **Missed Punches**- A missed punch should be considered a tardy if there is not a valid reason behind it.

A careful record of absenteeism and tardiness is kept by the employee's supervisor and becomes part of the personnel record. To the extent permitted by law, absenteeism and tardiness lessen an employee's chances for advancement and may result in dismissal.

Failure to report or call-in as required will be considered a voluntary resignation after three consecutive days.

WEEKEND ABSENCES

Employees absent from any regularly scheduled hours on the weekend will be required to make up those weekend hours on the next schedule or at the supervisor's discretion.

RETURN TO WORK

Employees must provide a medical release to return to work after missing three or more days of work due to personal illness. (See the policies for Family/Medical Leave and Temporary Disability for further details.)

REPORTING ABSENCES

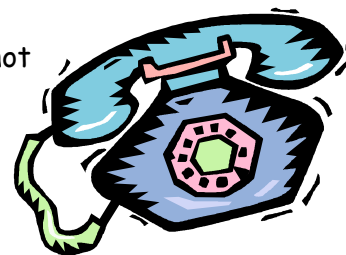
If you are going to be late or absent, you must call in and notify your supervisor as far in advance as possible, but normally not later than two hours before the beginning of your scheduled shift. Please see your supervisor for specific guidelines regarding who and when to call for your department. This policy applies to each day you are absent, unless you provide a physician's order to be gone for a specified period. An employee who fails to contact his/her supervisor may be considered as having voluntarily resigned.

COMPANY RESOURCES

Our telephones and mail service are intended for company business only. Personal use of these resources can disrupt the vital flow of information our business relies on.

Please have your personal mail addressed to your home. WHC cannot assure delivery if addressed here.

The company's letterhead, postage, and other supplies may not be used for anything other than official company business.



Equipment, desks and files are not to be controlled exclusively by any one employee. To protect company information, more than one employee should have access to all files. Management reserves the right to access any equipment, desks, files, etc. as necessary.

E-mail, voice mail and computer files are not for personal use and may be monitored by management at any time in order to prevent improper use of its information.

Misuse or abuse of company resources may be grounds for disciplinary action, up to and including discharge.

COMPANY PHONE/CELL PHONE

In order to respect our residents' need for privacy and promote the quality of life at Western Home Communities the following rules will apply to the employee's use of company telephones and cellular phones.

- 1) Personal cell phones should not be worn or kept on during work hours. If you have a cell phone in the building, it should be kept on vibrate or silent. Cell phones should only be used in the employee break room or outside during scheduled break times unless you have approval from your supervisor.
- 2) Camera cell phones are not allowed in the building unless authorized and no pictures are to be taken on Western Home Communities property due to the potential violation of privacy issues.
- 3) Employees who are issued a cell phone for business use should keep it on vibrate or silent. Employees are expected to be good stewards of company resources and use common sense.
- 4) The company will not be liable for the loss of personal cellular phones brought into the workplace.
- 5) Please request family and friends not to call while you are on duty, except for emergencies.
- 6) Local personal calls may be made while an employee is on break or with supervisor's approval from a Western Home telephone. Resident's telephones should not be used by employees.
- 7) Employees who are issued a cell phone for business use, or use a personal cell phone for conducting Company business, should refrain from using a cell phone while driving. Safety must come before all other concerns. Regardless of the circumstances, employees are requested to pull off to the side of the road and safely stop the vehicle before placing or accepting a call.

Violations of this phone policy may result in disciplinary action, up to and including termination.

E-MAIL & INTERNET POLICY

Access to the Internet has been provided to certain staff members for the benefit of the organization. Every staff member has a responsibility to maintain and enhance the company's public image, and to use the Internet in a productive manner.

Employees accessing the Internet are representing WHC. All communications should be for professional reasons. Employees are responsible for seeing that the Internet is used in an effective, ethical and lawful manner. Internet Relay Chat channels may be used to conduct official company business, or to gain technical or analytical advice. Databases may be accessed for information as needed. E-mail may be used for business contacts.



The Internet should not be used for personal gain or advancement of individual views. Solicitation of non-facility business, or any use of the Internet for personal gain is strictly

prohibited. Use of the Internet must not disrupt the operation of the facility network or the networks of other users. It must not interfere with your productivity.

Each employee is responsible for the content of all text, audio, and images sent over the Internet. Fraudulent, harassing or obscene messages are prohibited. All messages communicated on the Internet should have your name attached. No messages may be transmitted under an assumed name. Users may not attempt to obscure the origin of any message. Information published on the Internet should not violate or infringe upon the rights of others. No abrasive, profane, or offensive language should be transmitted through the system. To prevent computer viruses from being transmitted through the system, there should be no unauthorized downloading of any software. Employees are prohibited from making copies of any programs on the WHC system, loading any programs (including games), downloading programs from the Internet or using computer disks from outside until scanned for viruses.

All messages created, sent or retrieved over the Internet are the property of the facility, and should be considered public information. The facility reserves the right to access and monitor all messages and files on the computer system as deemed necessary and appropriate. Internet messages are public and are not private. All communication including text images can be disclosed to law enforcement or other third parties without prior consent of the sender or the receiver.

Harassment of any kind is prohibited. No messages with derogatory or inflammatory remarks about an individual's group's race, color, religion, national origin, sex, age, disability, creed, gender identity, sexual orientation or any other classifications protected by federal, state or local laws may be transmitted. Violations of any guidelines listed above may result in disciplinary action up to and including termination.

PERSONAL WEBSITES AND WEB LOGS

Personal Web sites and Web logs (blogs) have become prevalent methods of self-expression in our culture. Western Home Communities respects the right of employees and residents to use these mediums during their personal time. If an employee chooses to identify himself or herself as a WHC employee on a Web site or Web log, he or she must adhere to the following guidelines:

- Make it clear to the readers that the views expressed are the employee's alone and that they do not necessarily reflect the views of WHC.
- Do not disclose any information that is confidential to WHC or to any third party that has disclosed information to the company. This is in compliance with certain State and Federal requirements protecting the privacy of residents' personal health information, including the administrative simplification provisions of the Health Insurance and Portability Act of 1996 (the "HIPAA Privacy Rule"). The HIPAA Privacy Rule may be found in its entirety at 42 CFR Parts 160 and 164.

- Uphold WHC's value of respect and avoid making defamatory statements about WHC employees, residents and others, including competitors.
- Be careful not to let blogging interfere with the employee's job or resident commitments at work.

If blogging activity is seen as compromising, WHC may request a cessation of such commentary and the employee may be subject to disciplinary action up to and including termination.

CHILDREN IN THE WORKPLACE

Western Home Communities understands that children are great companions to our residents and employees. Employees are welcome to bring their children to visit their worksite when they are not working, provided that the visits are planned in a fashion that limits disruption to the workplace.

While children are in the workplace, they must be directly supervised by the host/parent at all times. If the frequency, length or nature of visits becomes problematic, the employee will be advised of the situation and will be expected to take corrective action.

Failure to adhere to these procedures may result in disciplinary action up to and including termination

VISITS DURING WORKING HOURS

Visits by family or friends are normally not permitted during working hours. Such personal contacts may be made at break or lunch periods.

CAMERAS IN THE WORKPLACE

WHC prohibits possession or use of cameras in the workplace, including camera phones, as a preventative step believed necessary to secure employee and resident privacy, and other business information. However, the company reserves the right to install security cameras in work areas for specific business reasons, such as security, theft protection, protection of proprietary information, etc.

Procedures:

1. Employees and residents are prohibited from bringing cameras or other visual recording devices, including camera phones, into the workplace unless authorization has been obtained from their department head.
2. Authorization will be granted when a specific business purpose will be served by the possession or use of such a device and when its use will not violate employee and/or resident privacy.

3. Authorization may be granted in limited personal circumstances that will be reviewed on a case-by-case basis.
4. Authorization may be revoked at any time for any reason. In such cases, employees and/or residents will be given a reasonable opportunity to remove the equipment from the premises.
5. Employees and residents should be aware that the company may find it necessary to monitor work areas with security cameras when there is a specific job- or business-related reason to do so. The company will only do so after first ensuring that such action is in compliance with state and federal laws.

WORKPLACE VIOLENCE

WHC is committed to providing a workplace that is free from violence or threats of violence. WHC policy is one of "**zero tolerance**" regarding such behavior or language.

Prohibited Conduct

Any threatening acts, behavior or language will not be tolerated. This includes acts, language or behavior claimed to be "jokes" or done in "jest". Anyone engaging in this behavior will be subject to discipline, up to and including immediate termination, and may be reported to appropriate law enforcement authorities. The behavior also could subject the employee to personal criminal and/or civil liabilities.

This list of behaviors, while not all-inclusive, provides examples of conduct that is prohibited:

- Harming, or threatening to harm, any employee, resident or visitor of WHC, or relatives thereof.
- Possession, or threat of possession, of weapons of any kind while on company property or while on company business.
- Aggressive or hostile behavior that creates a reasonable fear of injury to another person or subjects another individual to emotional distress.
- Callous or intentional disregard for the physical safety or well being of others.
- Intentional damage to property of WHC, any employee, resident or visitor.

Reporting Procedures

Any potentially dangerous situations must be reported immediately to your department director, a member of senior management, or Human Resources. Reports can be made anonymously and all reported incidents will be investigated. Reports or incidents warranting confidentiality will be handled appropriately and information will be disclosed to others on a need-to-know basis only. All parties involved in a situation will be counseled and the results of investigations will be discussed with them. WHC will actively intervene at any indication of a possibly hostile or violent situation.

Risk Reduction Measures

The Human Resources department takes reasonable measures to conduct background investigations to review candidates' backgrounds and reduce the risk of hiring individuals with a history of violent behavior.

While we do not expect employees to be skilled at identifying potentially dangerous persons, employees are expected to exercise good judgement and to inform their supervisor or the Human Resource department if any employee exhibits behavior that could be a sign of a potentially dangerous situation.

Some examples of such behavior include:

- Discussing weapons or bringing them to the workplace;
- Displaying overt signs of extreme stress, resentment, hostility or anger;
- Making threatening remarks;
- Sudden or significant deterioration of performance;
- Displaying irrational or inappropriate behavior.

Dangerous/Emergency Situations

Employees who confront or encounter an armed or dangerous person should not attempt to challenge or disarm the individual. Employees should remain calm, make constant eye contact and talk to the individual. If a supervisor can be safely notified of the need for assistance without endangering the safety of the employee or others, such notice should be given. Otherwise, cooperate and follow the instructions given.

Enforcement

Threats, threatening conduct, or any other acts of aggression or violence in the workplace will not be tolerated. Any employee determined to have committed such acts will be subject to disciplinary action, up to and including termination. Anyone engaged in violent acts on WHC' premises will be reported to the proper authorities and fully prosecuted.

DRUG/ALCOHOL-FREE WORKPLACE

WHC acknowledges the problem of substance abuse (including alcohol) in our society. Every employee is entitled to perform his or her job in a work place that is free of substance abuse. The safety and well being of every resident, employee and visitor is of the utmost importance. This policy applies to all employees of WHC, without exception.

Statement Of Purpose

It is against the policy of WHC for any employee to consume, possess, sell or purchase any alcoholic beverage on company property, or while conducting company business except at designated functions. It shall also be against the policy of WHC for any employee to use,

possess, sell, transfer or purchase any drug or other controlled substance, as defined by the Iowa code, which may alter an individual's mental or physical capacity. The exceptions are over-the-counter products, such as aspirin or ibuprofen based products and legal drugs that have been prescribed to that employee, provided such medications are being used in the manner prescribed.

Impairment During Working Hours

WHC will not tolerate employees who report for duty while impaired by the use of alcohol or drugs.

An employee must notify his or her supervisor whenever taking a prescription or over-the-counter drug that may potentially affect safety or work performance. WHC reserves the right to take appropriate action (including sending the employee home from work) if use of the drug is deemed likely to impair the employee's faculties or safe work performance.

If WHC has reason to believe that an employee has violated this policy, the employee will not be allowed to work, regardless of the cause. If possible, the employee's supervisor should first seek another supervisor's opinion to confirm the employee's status. The supervisor should consult privately with the employee to attempt to determine the cause of the observation, including whether substance abuse has occurred. If the employee claims the impairment, or appearance of impairment, is due to the proper use of a legal drug, the supervisor may require written verification from a physician for consideration. Failure to provide verification will result in disciplinary action, up to and including termination.

An employee who appears to be impaired (regardless of the cause) should be sent home or to a medical facility (depending on the circumstances) by taxi or other safe transportation alternative. Refusal to accept such transportation shall be considered insubordination. Employees who violate the Anti-Substance Abuse Policy will be subject to disciplinary action, up to and including termination.

All employees should report evidence of alcohol or drug abuse to a supervisor or department director. In cases where the use of alcohol or drugs poses an imminent threat to the safety of persons or property, an employee **must** report the violation. Failure to do so could result in disciplinary action for the non-reporting employee.

All employees that perform duties covered by DOT regulations are also subject to the Alcohol and Drug Testing Policy, which will be given to them upon employment. Employees covered by this policy include: any employees who are required to hold commercial driver's licenses (CDL) to drive WHC vehicles.

The Employee Assistance Program is available for employees and/or family members experiencing problems.

NO SOLICITATION/DISTRIBUTION POLICY

WHC policy regarding any and all solicitations and/or distributions of material at WHC is as follows:

- Posting of notices and other written material on Western Home property without prior written approval of the employee's department head is prohibited.
- Non-employees may not solicit any person or distribute any material on Western Home property at any time for any purpose.
- Employees may not solicit or be solicited at work other than before their scheduled work time, after their scheduled work time or during breaks. That is, employees may not engage in solicitation for any purpose when either employee who is a party to the solicitation is on "working time".
- Employees may not distribute any material on Western Home property during "working time" and may not distribute any materials in a work area, including resident care areas, at any time. For purposes of this policy, the break room does not constitute a work area.
- Violation of this policy by an employee may result in disciplinary action.

SMOKING POLICY

WHC provides an atmosphere conducive to physical and mental well-being and to the provision of services for a healthy and safe environment. For that reason, employees may not smoke inside any building belonging to WHC. Anyone going outside the building to smoke must go to an area designated for smoking, away from the entrance by visitors or residents. Smokers need to keep the area clean of cigarette butts and packages.



CONFIDENTIAL INFORMATION

WHC has had a longstanding commitment to protecting the privacy of its residents' personal health information. A resident's personal health information includes all resident information, written and oral, including residents' personal information, clinical information, and financial information.

The U.S. Department of Health and Human Services published federal standards protecting individuals' personal health information. These standards were published pursuant to a law enacted by Congress called the Health Insurance Portability and Accountability Act of 1996, and are commonly referred to as the HIPAA Privacy Rule. In general, the HIPAA Privacy Rule prohibits WHC, and the members of its workforce, from using or disclosing residents' personal health information without the resident's authorization, except where necessary to

provide treatment to a resident, obtain payment for the services received by a resident, or conduct certain managerial and administrative activities necessary to the operation of WHC.

In response to the standards established under the HIPAA Privacy Rule, WHC has formalized procedures to better protect residents' personal health information from inappropriate use and disclosure. In particular, WHC has adopted a Minimum Necessary Policy limiting your access to residents' personal health information to only that information which is minimally necessary to perform your job responsibilities. You are strictly prohibited from using a resident's personal health information, or from disclosing the information to another member of the organization, when you or the other member do not have a need to know the information to carry out the functions of your job responsibilities. Any member who uses or discloses a resident's personal health information in violation of this policy will be subject to disciplinary action, up to and including termination of employment.

The HIPAA Privacy Rule permits WHC to make certain disclosures, other than for treatment, payment, or health care operations activities, to persons or entities outside of the organization. To ensure compliance with these disclosure requirements, WHC has designated the Administrator of the Elizabeth E. Martin Health Center as the Privacy Official with authority to oversee these disclosures. Any request for a resident's personal health information made by a resident or another person outside of the organization should be referred immediately to the Privacy Official for direction.

WHC expects all members of the workforce to make other reasonable efforts to safeguard residents' personal health information. Examples of the privacy practices that we expect you to follow include:

- avoiding discussions about residents in public areas;
- speaking quietly when discussing a resident with family members in a public area;
- locking rooms where residents' records are stored;
- returning resident records to storage so that they are not left unattended in areas where others can see them
- closing out computer databases containing resident information when you are away from your desk.

Employees will be given a Privacy Practices Handbook at orientation and be expected to sign a confidentiality agreement, before they start working.

LOCKERS

To provide security for your personal items, lockers are provided at certain campuses. These will be assigned as available. WHC is not responsible for lost or stolen items and strongly suggests you not bring valuables or money to work.



TIPPING - GRATUITIES

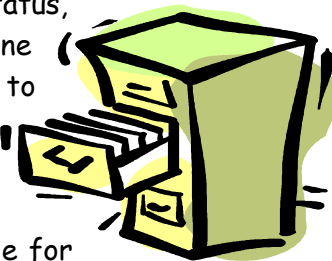
Western Home Communities, its employees and agents, are prohibited from offering or receiving cash, gifts, or gratuities that are likely to influence the decisions or judgments of those receiving such payments or gifts, in conflict with the best interests of Western Home Communities or its residents. Please refer to the Corporate Integrity policy for further information.

CONFLICT OF INTEREST

Western Home Communities employees are prohibited from offering any personal services to our residents for a fee, whether during or outside of working hours. This applies to any service that Western Home Communities or its affiliates already offer. Please contact Human Resources with any questions.

PERSONNEL RECORDS

All employees are responsible for notifying their supervisor and the Human Resources department of any changes that affect their employment or benefit status, including changes in address, marital or dependent status, telephone number, name, insurance beneficiary, military status, and person to notify in case of an accident or illness. All information must be true; false information may result in disciplinary action.



All information contained in an employee's personnel file is available for inspection by the employee, excluding employment references. Files may be reviewed by making an appointment with the Human Resource staff. No records may be removed from the office and a Human Resources representative will observe the file at all times.



ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE HANDBOOK

The contents of this handbook are presented as a matter of information only. While WHC believes wholeheartedly in the plans, policies and procedures described, they are not conditions of employment. WHC reserves the right to modify, revoke, suspend, terminate or change any or all such plans, policies or procedures, in whole or in part, at any time with or without notice. **The language used in this handbook is not intended to create, nor is it to be construed to constitute, a contract between WHC and one or all of its employees.**

I acknowledge that I have received a copy of WHC 2008 employee handbook. I further acknowledge that I will read this handbook carefully and familiarize myself with its contents and agree to comply with the policies as stated therein. **I understand that this handbook does not create any contractual rights and that WHC reserves the right to change this handbook at any time. I further understand that I have the right to terminate my employment at any time for any reason and that WHC retains a similar right.** I also acknowledge that this 2008 Handbook supersedes any and all previous handbooks and that it is my responsibility to destroy or return any previous handbooks that I have to WHC.

Employee Name (Please print)

Employee Signature

Date