

CUMBERLAND HEIGHTS

EMPLOYEE HANDBOOK

REVISED: 6-1-97

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WELCOME TO CUMBERLAND HEIGHTS!

On behalf of your colleagues, I welcome you to Cumberland Heights and wish you every success here.

We believe that each employee contributes directly to Cumberland's growth and success, and to the overall well-being of our patients. We hope you will take pride in being a member of our team.

This handbook was developed to describe some of the expectations of our employees and to outline the policies, programs, and benefits available to eligible employees. Employees should familiarize themselves with the contents of the employee handbook, as soon as possible, for it will answer many questions about employment with Cumberland Heights.

We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim", written in dark ink.

Jim Moore
President and Chief Executive Officer

ORGANIZATION DESCRIPTION

Cumberland Heights is a not-for-profit corporation that exists solely for the purpose of treating alcohol and drug addicted patients and their families and providing information on the disease of chemical dependency. In addition to the detoxification, residential, day and family treatment programs, we provide aftercare, educational programs, an intervention program, a relapse prevention program, and numerous outpatient services designed to help the chemically dependent patient and their family.

Cumberland Heights was founded in 1965 by Robert Crichton and Dr. Thomas Frist, along with other influential citizens in the Nashville area. Begun as a Hazelden model, Cumberland Heights accepted its first patient in July of 1966. In 1975 the facility accepted its first female patients and in 1985 the first adolescents were admitted. Today we have 73 licensed residential beds, 12 detox beds and 4 half-way house beds. Our program is accredited by the Joint Commission on Accreditation of Healthcare Organizations and is fully licensed by the State of Tennessee Department of Public Health.

Jim Moore serves as the facility's President and Chief Executive Officer, Dr. Bill Anderson as Medical Director, Tim Tull as the Vice President and Chief Financial Officer, and Billie Alexander Avery as Chief Operating Officer. All of the department managers and directors at Cumberland Heights report to one of these individuals.

There are ten primary departments at Cumberland Heights with several one person departments that report directly to administrative offices. The primary departments are: Clinical Services, (Adult and Youth Therapy and Medical/Detox) Family Therapy, Business Office, Support Services, Marketing, and Dietary. The one person departments are: Board Secretary, Performance Improvement, Aftercare, Alumni, and Personnel. The Adult, Youth and Medical/Detox programs each have a program manager who functions as a department manager but reports administratively to the Chief Operating Officer.

There are a number of departments not physically located at our River Road facility, including Cumberland Heights Outpatient Services which has its principal office at 145 Thompson Lane in Nashville, and satellite offices throughout Middle Tennessee

Cumberland Heights also has a management contract to provide a Dual Treatment Unit at Parthenon Pavilion.

It is the intention of Cumberland Heights to provide a work environment in which all employees feel free to voice their suggestions, complaints, or requests with confidence they will be heard and without fear of negative consequences.

We are constantly seeking ways to make the work environment at Cumberland Heights a happy and productive one. The facility currently sponsors numerous retreats, workshops, and an extensive employee benefit package. If you have suggestions on ways we can further improve the work environment or employee benefits, please let us know.

40 INTRODUCTORY STATEMENT

This handbook is designed to acquaint you with the organization and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by Cumberland Heights to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

No employee handbook can anticipate every circumstance or question about policy. Cumberland Heights, therefore reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time as it deems appropriate, in its sole and absolute discretion.

The Handbook does not constitute a contract of employment, but is developed to provide guidance.

Cumberland Heights

101 NATURE OF EMPLOYMENT

This handbook is designed to answer many common questions concerning employment with Cumberland Heights, however it cannot anticipate every situation or answer every question about employment. It is not an employment contract and is not intended to create contractual obligations of any kind. Neither the employee nor Cumberland Heights is bound to continue the employment relationship, if either chooses, at its will, to end the relationship at any time, with or without cause.

In order to retain necessary flexibility in the administration of policies and procedures, Cumberland Heights reserves the right to change, revise, or eliminate any of the policies and/or benefits described in this handbook.

Cumberland Heights

103 EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of Cumberland Heights that employment decisions shall be based on merit, qualifications, and competence. Employment practices shall not be influenced or affected by virtue of an applicant's or employee's race, color, religion, sex, national origin, age, handicap or any other characteristic protected by law except where such characteristic is a bona fide occupational qualification. In addition it is our policy to provide an environment that is free of unlawful harassment of any kind, including that which is sexual, age-related, or ethnic. This policy governs all aspects of employment, promotion, assignment, discharge, and other terms and conditions of employment.

Cumberland Heights

105 HIRING OF RELATIVES

It is well accepted that employment of relatives in the same area of an organization can cause serious conflicts and problems with favoritism and employee morale. In these circumstances, all parties, including supervisors, leave themselves open to charges of inequitable consideration in decisions concerning work assignments, transfer opportunities, time-off privileges, training and development opportunities, performance evaluations, promotions, demotions, disciplinary actions, and discharge.

In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried into day-to-day working relationships.

It is Cumberland Height's policy that relatives of persons currently employed by the organization may be hired only if they will not be working directly for, or supervising, a relative.

If already employed, they cannot be transferred into such a reporting relationship. If the relative relationship is established after employment, the employees will be given fifteen days to offer suggestions as to how the situation may be resolved. Management will ultimately decide who is to be transferred.

In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment.

For the purposes of this policy, a relative is defined to include spouses, parents, children, brothers, sisters, brothers- and sisters-in-law, fathers- and mothers-in-law, stepparents, stepbrothers, stepsisters, and stepchildren. This policy also applies to individuals who are not legally related, but who reside with another employee.

Cumberland Heights

107 IMMIGRATION LAW COMPLIANCE

Cumberland Heights complies with the Immigration Reform and Control Act of 1990 and is committed to employing only persons who are authorized to work in the United States.

As a condition of employment, each new employee must properly complete the first section of the Immigration and Naturalization Service Form I-9. Before commencing work, newly rehired employees must also complete the form, if they have not previously filed an I-9 with this organization, if their previous I-9 is more than three years old, or if their previous I-9 is no longer valid.

Cumberland Heights

108 CONFLICTS OF INTEREST

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which Cumberland Heights desires the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation.

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

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

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if an employee has any influence on transactions involving purchases, contracts, or patient referrals, it is imperative that he or she disclose to an officer of Cumberland Heights, as soon as possible, the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties. To avoid any potential conflict it is expressly forbidden for employees who have an interest in any outside enterprise to refer patients of Cumberland Heights to that entity. Violation of this policy may result in immediate discharge.

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

The materials, products, designs, programs, forms, plans, ideas, and data of Cumberland Heights are the property of the company and should never be given to an outside firm or individual except through normal channels and with appropriate authorization. Any improper transfer of material or disclosure of information, even though it is not apparent that an employee has personally gained by such action, constitutes unacceptable conduct. Any employee who participates in such a practice will be subject to disciplinary action, up to and including possible discharge.

Cumberland Heights

110 OUTSIDE EMPLOYMENT

An employee may hold a job with another organization as long as he or she satisfactorily performs his or her job responsibilities with Cumberland Heights. Employees should consider the impact outside employment may have on their health and physical endurance. All employees will be judged by the same performance standards and will be subject to Cumberland Heights' scheduling demands, regardless of any outside work requirements.

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

Outside employment will present a conflict of interest, if it has an actual or potential adverse impact on Cumberland Heights. Because of the potential conflict of interest, any employment or private endeavor in the field of alcohol and drug abuse treatment must have prior approval of the Chief Executive Officer.

Cumberland Heights

112 NON-DISCLOSURE

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

- Alumni and Referral Source lists
- Financial information
- Marketing and Public Relations strategies
- Pending projects and proposals
- Details of Existing Contracts with Third Party Payors

Any employee who discloses trade secrets or confidential business information will be subject to disciplinary action (including possible discharge), even if he or she does not actually benefit from the disclosed information.

Employees are cautioned not to discuss any real or perceived financial or operational problems of Cumberland Heights with any outside parties. Such discussions are never constructive and are potentially detrimental to the interests of Cumberland Heights. Failure to comply with this policy may result in immediate discharge.

Cumberland Heights

180 EMPLOYMENT OF MINORS

The usual age for regular full-time employment is 18. No person under the age of 14 may be employed under any circumstances. A minor between the ages of 14 or 18 may be employed as long as the employment does not interfere with the minor's health, schooling, or well-being.

A minor may not be employed:

1. During school hours;
2. Between the hours of 7:00 p.m. and 7:00 a.m.;
3. More than three hours on a school day;
4. More than eight hours on a non-school day;
5. More than forty hours on non-school weeks.

Before any minor shall be employed, proof of age shall be required. This proof may be a driver's license, birth certificate or other recognized form of identification.

Cumberland Heights

201 EMPLOYMENT CATEGORIES

It is the intent of Cumberland Heights to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship, at will, is retained by both the employee and Cumberland Heights.

Each employee is designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. NONEXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT employees are excluded from specific provisions of federal and state wage and hour laws.

In addition to the above categories, each employee will belong to one other employment category:

REGULAR FULL-TIME employees are those who are not in a temporary or probationary status and who are regularly scheduled to work the organization's full-time schedule. Generally, they are eligible for Cumberland Heights' benefit package, subject to the terms, conditions, and limitations of each benefit program.

REGULAR PART-TIME employees are those who are not assigned to a temporary or probationary status and who are regularly scheduled to work less than the full-time work schedule but at least 30 hours per week. Regular part-time employees are eligible for benefits sponsored by Cumberland Heights, subject to the terms, conditions, and limitations of each benefit program. Vacation and sick time benefits for part-time employees are prorated.

PART-TIME employees are those who are not assigned to a temporary or probationary status and who are scheduled to work less than 30 hours per week. While they do receive all legally mandated benefits (such as workers' compensation and Social Security benefits), they are ineligible for most of Cumberland Heights' other benefit programs. For clarification of the prorated benefits available, part-time employees should consult with the personnel coordinator.

DESIGNATED SERVICE employees - Part-time employees who are not paid based on hours worked, rather paid for the direct services provided such as the number of lines transcribed, or a designated group activity. Designated service employees are not eligible for any discretionary employee benefits.

PROBATIONARY employees are those whose performance is being evaluated to determine whether further employment in a specific position or with the organization is appropriate. Employees who satisfactorily complete the probationary period will be notified of their new employment classification.

TEMPORARY employees are those who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.

Temporary employees retain that status unless and until notified of a change. While temporary employees receive all legally-mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for all of Cumberland Heights' other benefit programs.

CASUAL or PRN employees are those who have established an employment relationship with the organization, but who are assigned to work on an intermittent and/or unpredictable basis. While they receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for all of Cumberland Heights' other benefit programs.

RECOVERING employees are considered to be offering a special qualification for employment. Relapse, therefore, would be considered as the loss of a primary qualification for employment and may result in termination.

PROBATIONARY/EVALUATION STATUS are those employees who are newly hired or placed on this status because of work performance issues. Probationary periods are usually 90 days, but can be extended or modified dependent on the individual employee, at the supervisor's discretion. Probationary/Evaluation status does not automatically end based on the initially stated period. Employees must be notified of change of status in writing.

Cumberland Heights

202 ACCESS TO PERSONNEL FILES

Personnel files are the property of Cumberland Heights, and access to the information they contain is restricted. Generally, only officials and representatives of Cumberland Heights who have a legitimate reason to review information in a file are allowed to do so. With reasonable advance notice, an employee may review material in his or her file but only in Cumberland Heights' offices and in the presence of the individual appointed by Cumberland Heights to maintain the file.

Cumberland Heights

203 EMPLOYMENT REFERENCE CHECKS

To ensure that individuals who join the organization are well qualified and have a strong potential to be productive and successful, it is the policy of Cumberland Heights to check the employment references of all applicants. Original source verification of education and/or licensures may be required.

Once a preliminary employment decision has been reached, the Personnel Coordinator, or designee, will make complete reference checks of past job information, either by telephone or mail. Dependent on the job responsibilities criminal records may also be checked. Once all references are checked and satisfactory answers obtained, a decision to hire or reject may be made.

204 PERSONNEL DATA CHANGES

It is the responsibility of each employee to promptly notify the employer of any changes in personnel data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports should be accurate and current at all times. Evidence of educational accomplishments should be promptly submitted to department managers for inclusion in personnel and credential files. Updated copies of professional certificates and/or licenses as well as evidence of continuing education hours must be submitted to the Personnel Coordinator. For jobs requiring a driver's license, copies of updated license, and any information regarding change in status (ie., revocation) must be forwarded to Personnel.

All promotions, transfers, new hires, demotions, raises, or any change in employment status must be reported to the Personnel Coordinator and accompanied by a Change of Status form. No change in pay status will be effective until such notification has been made.

Cumberland Heights

205 PROBATIONARY PERIOD

The probationary period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. The employer uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or Cumberland Heights may end the employment relationship at will at any time during or after the probationary period, with or without cause or advance notice.

All new and rehired employees work on a probationary basis for the first 90 calendar days after their date of hire or rehire. At time of hire, this period may be designated for additional days, ie, six months. Any significant absence will automatically extend a probationary period by the length of the absence. If Cumberland Heights determines that the designated probationary period does not allow sufficient time to thoroughly evaluate the employee's performance, the probationary period may be extended for a specified period.

Upon satisfactory completion of the probationary period, the employee's supervisor shall complete a written performance evaluation to be submitted with the employee's change of status form. The probationary period does not end automatically - it must be determined in writing. Ordinarily, completion of the probationary period does not involve any change in pay rate.

During the probationary period, new employees are eligible for those benefits that are required by law, such as Workers' Compensation Insurance and Social Security. After becoming regular employees, they may also be eligible for other employer-provided benefits, subject to the terms and conditions of each benefits program. Employees should read the information for each specific benefit program for the details on eligibility requirements.

Cumberland Heights

208 EMPLOYMENT APPLICATIONS

Cumberland Heights relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in Cumberland Heights' exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

Cumberland Heights

209 PERFORMANCE EVALUATION

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A formal written performance evaluation will be conducted at the end of an employee's initial period of hire, known as the probationary period. Additional formal performance reviews are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

Performance evaluations are scheduled approximately every 12 months, coinciding generally with the anniversary of the employee's original date of hire. Following review by the Chief Executive Officer, copies are submitted to the Personnel Coordinator for placement in the employee's file.

When, in the opinion of the supervisory or management personnel, there arises a marked change in the performance of an individual, an unscheduled performance evaluation may be completed in the same manner as the annual report.

Merit-based pay adjustments may be awarded by this organization in an effort to recognize truly superior employee performance. The decision to award such an adjustment is dependent upon numerous factors, including the information documented by this formal performance review process. All performance reviews, along with recommended pay increases are submitted to the Chief Executive Officer for final approval.

Employees receiving sub-standard evaluations will be reevaluated in three months to document progress in deficient categories and determine employment status.

Cumberland Heights

280 PROMOTION POLICY

It is the policy of Cumberland Heights to promote employees to vacant or higher positions when qualified employees are available and suitable in all respects, and where it is deemed in the best interest of Cumberland Heights to do so.

When employees are promoted they will be placed on probationary status and the date of promotion will become the new anniversary date for purposes of the annual performance evaluation.

During the probationary period, if a promoted employee is found unsuitable for the position to which they have been promoted they will usually be given the opportunity to retreat to the position which they vacated. If the position has already been filled then the employee may be laid off and subject to 90 day recall.

Cumberland Heights

301 EMPLOYEE BENEFITS

Eligible employees in this organization are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Your supervisor can identify the programs for which you are eligible. Details of many of these programs will be provided in separate manuals or elsewhere in this handbook.

The following benefit programs are available to eligible employees:

- Auto Mileage Reimbursement
- Bereavement Leave
- Beneflex Plan (Medical spending and Childcare Account)
- Catastrophic Illness Insurance
- Credit Union
- Dental Insurance
- Educational Financial Assistance
- Employee Assistance Program
- Family Medical Leave Act
- Licensure Assistance
- Life Insurance
- Long-Term Disability
- Malpractice Insurance
- Medical Insurance
- Military Leave
- Paid Holidays
- Paid Jury Duty Leave
- Paid Vacation Benefits
- Pension Plan
- Sick Leave Benefits (Short-Term Disability)

Some benefit programs require contributions from employees. The benefit package for regular full-time employees represents an additional cost to Cumberland Heights of approximately 30 percent of wages.

For detailed information on a particular benefit program, consult your health insurance manual or the Personnel Coordinator.

Cumberland Heights

303 VACATION BENEFITS

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Employees in the following employment classification(s) are eligible to earn and use vacation time as described in this policy:

Regular full-time employees
Regular part-time employees
Part-time employees

The amount of paid vacation time employees receive each year increases with the length of their employment as shown in the following schedule.

| VACATION EARNING SCHEDULE | | |
|---------------------------|----------------------------------|--|
| Years of eligible service | Vacation days per hour worked | Vacation days per year (40 hrs. per wk.) |
| Upon initial eligibility | .046 days | 12 days |
| After 5 years | .065 days | 17 days |
| After 10 years | .085 days | 22 days |

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when the employee starts to earn vacation time. An employee's benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

Once employees enter an eligible employment classification, they begin to earn paid vacation time according to the schedule. However, before vacation time can be used, a waiting period of 180 calendar days must be completed. After that time, employees can request use of earned vacation time including that accrued during the waiting period.

To take vacation, employees must request advance approval from their supervisors. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

Vacation time off is paid at the employee's base pay rate at the time of vacation. It does not include overtime or any special forms of compensation such as shift differentials.

As stated above, employees are encouraged to use available paid vacation time for rest, relaxation, and personal pursuits. In the event that available vacation is not used by the end of the benefit year, employees may carry unused time forward to the next benefit year. If the total amount of unused vacation time reaches a "cap" equal to one and one-half times the annual vacation amount, further vacation accrual will stop, e.g., the maximum amount an employee who earns 12 vacation days in one year may carry on the books is 18 days or 144 hours. When the employee uses paid vacation time and brings the available amount below the cap, vacation accrual will begin again. Except in unusual circumstances, and with prior approval of the Chief Executive Officer, employees will not be given pay in lieu of vacation time off.

Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work. Any vacation time taken but not accrued will be deducted from the employees final check.

Cumberland Heights

305 HOLIDAYS

Cumberland Heights will grant holiday time off to eligible employees on the holidays listed below.

- New Year's Day (January 1)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Thanksgiving (fourth Thursday in November)
- Christmas (December 25)

According to applicable restrictions, Cumberland Heights will grant paid holiday time off to all eligible exempt and nonexempt employees immediately upon assignment to an eligible employment classification. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of straight time hours the employee would otherwise have worked on that day, (*up to eight hours maximum.*) Eligible employee classification(s):

- Probationary employees
- Regular full-time employees
- Regular part-time employees

A recognized holiday that falls on a Saturday will be observed on the preceding Friday. A recognized holiday that falls on a Sunday will be observed on the following Monday. If a holiday falls on an employee's normally scheduled day off, the employee may be paid for the holiday or given another day off, at the discretion of the department head.

If a recognized holiday falls during an eligible employee's unpaid absence (e.g., leave of absence), the employee will be ineligible for holiday pay.

If an eligible employee works on a recognized holiday, he or she will receive holiday pay plus his/her regular wages or another day off within the pay period, but not allowed outside of 30 days from the holiday.

Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

The dietary department at Cumberland Heights has previously elected to prorate their holiday pay over the entire year. Employees of this department receive no additional pay for working holidays.

All "add punch" forms for holidays must be submitted to the department head no later than 3:00 p.m. Monday after the pay period ends on Sunday.

To be eligible for holiday pay, an employee must fulfill his/her work schedule for the holiday pay period, working the last scheduled day prior to the holiday and the first scheduled day after the holiday. The only exception is a pre-approved leave request turned in before the holiday occurs, or an illness that is confirmed by a physician's statement.

Cumberland Heights

306 WORKERS' COMPENSATION INSURANCE

Cumberland Heights provides a comprehensive workers' compensation insurance program, at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Any employee who sustains a work-related injury or illness should inform his or her supervisor immediately and file an Incident Report within 24 hours. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible.

Neither Cumberland Heights nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by Cumberland Heights.

Cumberland Heights

307 SICK LEAVE BENEFITS

Cumberland Heights provides paid sick leave benefits to all eligible employees for periods of temporary absence due to illnesses or injuries. Eligible employee classification(s):

- Regular full-time employees
- Regular part-time employees
- Probationary employees

Eligible employees will accrue sick leave benefits at the rate of .046 hours per hour worked. For all full time employees this equals 12 days per year.

Sick leave benefits are calculated on the basis of a "benefit year," the 12-month period that begins when the employee starts to earn sick leave benefits.

Paid sick leave can be used in minimum increments of one hour. Eligible employees may use sick leave benefits for an absence due to their own illness or injury or that of a family member who resides in the employee's household.

Employees who are unable to report to work due to illness or injury should notify their direct supervisor before the scheduled start of their workday if possible. The direct supervisor must also be contacted on each additional day of absence.

Before returning to work from a sick leave absence of five calendar days or more, an employee may be required to provide a physician's verification that he or she may safely return to work.

Sick leave benefits will be calculated based on the employee's base pay rate at the time of absence and will not include any special forms of compensation, such as incentives or shift differentials.

As an additional condition of eligibility for sick leave benefits, an employee on an extended absence must apply for any other available compensation and benefits, such as workers' compensation. Sick leave benefits will be used to supplement any payments that an employee is eligible to receive from workers' compensation or disability insurance programs. The combination of any such disability payments and sick leave benefits cannot exceed the employee's normal weekly earnings. If the employee is receiving additional compensation from

worker's compensation or disability insurance, then they will only be charged for that amount of sick time necessary to make up the difference between their normal rate of pay and the compensation received from other sources

Unused sick leave benefits will be allowed to accumulate until the employee has accrued a total of 23 working days (184 hours) of sick leave benefits. If the employee's benefits reach this maximum, further accrual of sick leave benefits will be suspended until the employee has reduced the balance below the limit.

Loaning sick leave, at Management's discretion, may be given to an employee with more than two years of service.

Sick leave benefits are intended solely to provide income protection in the event of illness or injury, and may not be used for any other absence. Employees found to abuse or fraudulently use sick leave will be subject to disciplinary action including termination. Employees will not be paid for unused sick leave benefits while they are employed or at the termination of employment.

Cumberland Heights

309 BEREAVEMENT LEAVE

If an employee wishes to take time off due to the death of an immediate family member, the employee should notify his or her supervisor immediately.

Up to three days of paid bereavement leave will be provided to eligible employees in the following classification(s):

- Regular full-time employees
- Regular part-time employees
- Probationary employees

Bereavement pay is calculated based on the base pay rate for straight time hours at the time of absence and will not include any special forms of compensation, such as incentives, or shift differentials.

Approval of bereavement leave will occur in the absence of unusual operating requirements. Any employee may, with the supervisor's approval, use any available paid leave for additional time off as necessary.

Cumberland Heights defines "immediate family" as the employee's spouse, parent, child, sibling; the employee's spouse's parent, child, or sibling; the employee's child's spouse; grandparents or grandchildren. Special consideration will also be given to any other person whose association with the employee was similar to any of the above relationships.

Cumberland Heights

311 JURY DUTY

Cumberland Heights expects employees to fulfill their civic responsibilities by serving on jury duty when requested. Upon receiving a summons to report for jury duty, the employee shall present the summons to the employee's immediate supervisor and the employee shall be excused from work for the days spent serving as a juror in any court in the United States or the State of Tennessee provided the employee's responsibility for jury duty exceeds three hours during the day. Each employee serving on jury duty shall receive his or her usual compensation, less the amount of the compensation the employee receives for serving as a juror. Employees shall provide his or her supervisor a statement from the court showing the daily fee of compensation received for the employee's jury duty. The employee is expected to report for work whenever the employee's responsibility for jury duty is less than three hours during any day. Benefits will continue to accrue for an employee serving on jury duty.

Cumberland Heights

312 WITNESS DUTY

Cumberland Heights encourages employees to appear in court for witness duty when subpoenaed to do so.

If the employee has been subpoenaed as a witness by or for Cumberland Heights, he or she will receive paid time off for the entire period of witness duty.

Employees will be granted unpaid time off to appear in court as a witness when requested by a party other than Cumberland Heights. Employees are free to use any available paid leave benefit other than sick leave (e.g., vacation leave) to receive compensation for the period of this absence.

Employees must show the subpoena to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits.

313 BENEFITS CONTINUATION (COBRA)

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Cumberland Heights' health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment for a reason other than gross misconduct, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at Cumberland Heights group rates plus an administration fee.

The employer's COBRA administrator provides each eligible employee with a written notice describing rights available under COBRA when the employee becomes eligible for coverage under Cumberland Heights' health insurance plan. The notice contains important information about the employee's rights and obligations.

Cumberland Heights

380 UNEMPLOYMENT COMPENSATION

Cumberland Heights, a non-profit corporation, is not required by law to contribute to an unemployment compensation fund but is self-insured for unemployment compensation. Employees who are laid off or discharged and desire to receive unemployment benefits must file with the Tennessee Employment Security Office in order to determine eligibility for unemployment compensation.

Cumberland Heights

381 EMPLOYEE LOANS

The Pastoral Counselor at Cumberland Heights has traditionally included an offertory as part of the Sunday spiritual services. The money contributed is ordinarily used to help patients who need some spending money or other necessities while they are in treatment. When excess funds are available, the Pastoral Counselor will loan these funds to employees in hardship situations.

The loans are repaid through payroll deductions and are limited to a maximum of \$500.00. The loans are interest free but again, are only available as funds permit and only in emergency situations.

The Pastoral Counselor is in charge of employee loans and employees wishing to discuss a Spiritual Fund loan should consult with him. In his absence and in emergency situations, employees may consult with the Chief Executive Officer or Chief Financial Officer.

Cumberland Heights

382 PENSION/RETIREMENT PLAN

Regular and Regular part-time employees become eligible for the retirement program on January 1, following six months and 1000 hours of uninterrupted service. Cumberland Heights will contribute an amount of between 0% and 10% of the employees wages to the program. The amount will depend upon the financial performance of Cumberland Heights during any given year.

Vesting is a somewhat complicated matter and outside the scope of this manual. You should contact the Plan Summary for the details on vesting. In general, and subject to the limitations in the Plan Summary, the vesting schedule is as follows:

- 3 years - 20%
- 4 years - 40%
- 5 years - 60%
- 6 years - 80%
- 7 years - 100%

For more information on the retirement plan, see the Personnel Coordinator.

Cumberland Heights

383 DISABILITY INSURANCE

Disability Income Insurance is offered to all regular and regular part-time employees. An employee becomes eligible on the first day of the month following 90 days of continuous employment.

Cumberland Heights participates in the cost of this insurance on a 50/50% basis and the amount of the premium and benefit is determined based on the employee's salary.

Employees should know that if they do not elect to take this insurance within the first 90 days of employment, later enrollment will require proof of insurability.

For more information on Disability Insurance, see the Personnel Coordinator.

Cumberland Heights

384 CATASTROPHIC ILLNESS INSURANCE

Cancer/Intensive Care insurance is available to all employees following 90 days of continuous employment.

Cumberland Heights does not share in the cost of this insurance but will arrange for a payroll deduction.

For more information on the Catastrophic Insurance plan, see the Personnel Coordinator.

Cumberland Heights

385 CREDIT UNION

Cumberland Heights employees have the option of becoming members of Educator's Credit Union, a member owned, not-for-profit financial cooperative. This organization offers many services such as checking and savings, Christmas Club, loans and credit cards.

For more information on credit union membership, see the Personnel Coordinator.

Cumberland Heights

386 EMPLOYEE ASSISTANCE PROGRAM

Cumberland Heights provides an employee assistance program to all employees through a contract with a professional employee assistance company. This service is provided at no cost to the employee.

The EAP is a service which addresses personal problems that interfere with your personal life and/or effective job performance. It is provided for employees and members of their immediate families. The EAP is a place where employees and their families can go for information, to share problems, gain support, and receive consultation. The EAP is a source for locating professional care providers and services in the community.

EAP services are completely private and confidential. Your utilization of the EAP or any matters discussed are never revealed to anyone at Cumberland Heights.

For more information on the Cumberland Heights EAP you should consult the brochure included in your employment package, see the personnel coordinator or your supervisor.

Cumberland Heights

387 AUTO MILEAGE AND EXPENSE REIMBURSEMENT

Cumberland Heights reimburses employees for use of their personal automobile on Cumberland Heights business, at the rate of \$0.27 per mile. Business related mileage is determined from the employees base work place.

If the Expense Report form and accompanying receipts are submitted to the Accounts Payable Department *no later than* Tuesday at noon, other allowable expenses incurred by employees, on Cumberland Heights business, will be reimbursed on the next check run.

For more information on allowable expenses or expense advances see the Policies and Procedures Manual in the Fiscal Services Department.

Cumberland Heights

388 TUITION REIMBURSEMENT

Cumberland Heights may reimburse employees for the cost of furthering their education as long as the education relates to or improves the employee's position at Cumberland Heights, as determined by the employee's department head. Reimbursement will be made according to the following schedule:

- 1 - 2 year employee - 20% of tuition costs
- 2 - 3 year employee - 40% of tuition costs
- 3 - 4 year employee - 60% of tuition costs
- 4 - 5 year employee - 80% of tuition costs

Reimbursement of tuition costs is contingent upon successful completion of the course with a minimum of a "C" grade as defined by the institution. Maximum reimbursement amounts are based upon rates at Tennessee State or Nashville Tech. Obviously, Cumberland Heights cannot reimburse the above percentages of private school tuition, (e.g. Vanderbilt).

Tuition reimbursement is a loan program. The employee must sign an agreement to repay the loan if their employment at Cumberland Heights ceases. The loan is forgiven two years from the date the reimbursement is paid. In the event the employee leaves the employment of Cumberland Heights for any reason, the entire unforgiven balance is due and payable. Cumberland Heights reserves the right to withhold any and all compensation up to the amount of unforgiven balance once an employee has made their resignation known.

The tuition reimbursement program may be terminated by the Chief Executive Officer, based on Cumberland Heights needs and/or budget restraints.

For more information on the tuition reimbursement program consult your supervisor or the Personnel Coordinator.

Cumberland Heights

401 TIMEKEEPING

Accurately recording time worked is the responsibility of every nonexempt employee. Federal and state laws require Cumberland Heights to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Nonexempt employees must accurately record the time they begin and end their work. They must record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime work must always be approved before it is performed.

Tampering, altering, or falsifying time records, or recording time on another employee's time record may result in disciplinary action, including discharge.

Nonexempt employees should report to work no more than seven minutes prior to their scheduled starting time nor stay more than seven minutes after their scheduled stop time without expressed, prior authorization from their supervisor.

If corrections or modifications are made to the time record, both the employee and the supervisor must verify the accuracy of the changes by initialing the time record or an add punch form.

Exempt employees are required to record the days they are at work, on vacation, sick or other type of leave. It is assumed that all salaried employees are off on holidays unless their time at work is recorded. All days otherwise unaccounted for will be assumed to be vacation and will be deducted from vacation time earned.

Cumberland Heights

403 PAYDAYS

All employees are paid biweekly on every other Friday. Each pay check will include earnings for all work performed through the end of the previous payroll period. Cumberland Heights pay periods end at midnight on the Sunday preceding the Friday pay day.

All new employees are required to enroll in the "direct deposit" program. Through this program an employee's pay is deposited directly into their checking or savings account every pay day. For most employees this will occur on Friday morning, but employees should check with their banking institution to determine the time their accounts will be credited.

Employees will receive an itemized statement of wages, by US mail or in their mail slot, within one or two days of the direct deposit.

Cumberland Heights

405 EMPLOYMENT TERMINATION

Since employment with Cumberland Heights is based on mutual consent, both the employee and Cumberland Heights have the right to terminate employment at will, with or without cause, at any time. Terminations are an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

RESIGNATION - employment termination initiated by an employee who chooses to leave Cumberland Heights voluntarily.

DISCHARGE - employment termination initiated by Cumberland Heights.

LAYOFF - involuntary employment termination initiated by Cumberland Heights for nondisciplinary reasons.

MEDICAL TERMINATION - employment termination initiated by the employee or by Cumberland Heights when an employee is unable, for health reasons, to continue to perform essential functions of the job with reasonable accommodation. (See also FMLA)

RETIREMENT - voluntary retirement from active employment status initiated by the employee.

Cumberland Heights will schedule exit interviews for terminating employees. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to the organization, or return of employer-owned property. Suggestions, complaints, and questions may also be voiced.

Employee benefits will be affected by employment termination in the following manner: All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense, if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

Cumberland Heights

407 SEVERANCE PAY

Cumberland Heights may, under certain circumstances and at its sole discretion, provide severance pay to eligible employees whose employment is terminated for reasons that are not prejudicial to Cumberland Heights, as determined by Cumberland Heights in its sole discretion. Eligible employee classifications:

- Regular full-time employees
- Regular part-time employees
- Part-time employees

Severance pay will equal one week of the employee's base pay for each year of service in excess of one year, to a maximum of eight weeks. A week of severance pay is defined as the employee's average week's base pay during the last six months of employment, excluding overtime, incentive pay, and any other special forms of compensation paid to the employee.

Specifically excluded from benefits under this provision are employees who were hired as temporary employees for a specified period of time; were offered but refused to accept another suitable position with the organization; were provided the opportunity to be retained for any length of time by a successor employer.

Cumberland Heights

408 PAY ADVANCES

Neither pay advances nor extensions of credit on unearned wages can be provided to employees.

Cumberland Heights

410 PAY DEDUCTIONS AND SETOFFS

The law requires that Cumberland Heights make certain deductions from every employee's compensation. Among these are applicable FICA and federal income taxes. Cumberland Heights matches the amount of FICA taxes paid by each employee.

Cumberland Heights offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their pay checks to cover the costs of participation in these programs. For more information on the various voluntary programs see the Personnel Coordinator.

Pay "setoffs" are pay deductions taken by Cumberland Heights, usually to help pay off a debt or obligation to Cumberland Heights or others. In cases where wage garnishments directly or indirectly reflect upon the employees job performance or adversely affect the reputation of Cumberland Heights, the employee may be subject to disciplinary action including termination.

If you have questions concerning why deductions were made from your pay check or how they were calculated, your supervisor can assist in having your questions answered.

Cumberland Heights

501 SAFETY

Establishment and maintenance of a safe working environment is the shared responsibility of Cumberland Heights and employees from all levels of the organization. Cumberland Heights will take all reasonable steps to assure a safe environment and compliance with federal, state, and local safety regulations.

Employees are expected to obey safety rules and to exercise caution in all their work activities. They are required to immediately report any unsafe conditions to their supervisor. Not only supervisors, but employees at all levels of the organization are expected to report or correct unsafe conditions as promptly as possible.

All accidents that result in injury must be reported to the appropriate supervisor, regardless of how insignificant the injury may appear. The employee should fill out an Incident Report in the Medical Department and follow the recommendations of Medical Personnel. Such reports are necessary to comply with laws and initiate insurance and workers' compensation procedures.

To assist in the effort to provide a safe working environment for employees, patients, and visitors, Cumberland Heights has appointed a safety committee composed of representatives from throughout the organization. The committee exists to help communicate and execute an effective safety program and may be consulted by any employee. Cumberland Heights has designated the Support Services supervisor as head of the Safety Committee.

Cumberland Heights

502 WORK SCHEDULES

Work schedules for employees vary throughout our organization. Supervisors will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

Occasionally employees may be asked to work on temporary assignments for which they are qualified which are in place of or in addition to their usual job assignments. Additionally employees may be required to work overtime in the event that their replacement on the following shift is unable to report to work. This is especially true during times of inclement weather. No employee should leave the facility until they are sure that their counterpart on the next shift is able to report to work.

Cumberland Heights

504 USE OF PHONE AND MAIL SYSTEMS

To assure effective telephone communications, employees should always speak in a courteous and professional manner. *Telephones should be answered by identifying the organization, area and your name.* Please confirm information received from the caller, and hang up only after the caller has done so.

All calls concerning admission to the facility should be handled as promptly as possible. Normally all admission inquiries should be referred to the Intake Office.

Those employees using voice mail are responsible for keeping their personal announcements accurate and up to date, as well as for checking messages on a regular basis.

Personal use of telephones for long-distance and toll calls is not permitted. Employees should practice discretion in using company telephones when making local personal calls and will be required to reimburse Cumberland Heights for any charges resulting from their personal use of the telephone.

The use of employer-paid postage for personal correspondence is not permitted.

ELECTRONIC MAIL

The E-Mail system is company property and should be used for legitimate company business only. Any information or communication stored on any part of the system is subject to monitoring and review.

Sending anonymous messages or using the system to harass others is prohibited.

Cumberland Heights reserves the right to monitor all E-Mail traffic and, to access information when an employee is not available. No E-Mail communication or information should be deemed confidential as it may be assessed by Cumberland Heights.

Employees have no privacy rights in materials created, received or sent through the system.

Employees who violate policy are subject to disciplinary action up to and including discharge.

Cumberland Heights

506 REST AND MEAL PERIODS

Each workday, full-time nonexempt employees are provided with two rest periods of 15 minutes in length. To the extent possible, rest periods will be provided in the middle of work periods. Since this time is counted and paid as time worked, employees must not be absent from their work stations beyond the allotted rest period time.

All full-time regular employees are provided with one meal period of 30 minutes in length each workday. Supervisors will schedule meal periods to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time. Staff responsible for patients during meal time (i.e., youth) will be salaried/supervisory staff.

Employees may eat one meal per day in the Cumberland Heights dining room. The charge for these meals is three dollars per meal and employees are required to purchase meal tickets. In the event that job duties require an employee to work beyond their normal shift, they may eat a second meal at the facility *for an additional three dollars*. In no event should an employee eat breakfast at Cumberland Heights unless extraordinary conditions dictate their presence at the facility.

If an employee is working beyond their normal shift and would like to eat dinner before going home, (not returning to work) the charge for the meal is five dollars.

Only staff working on Saturday nights may eat at the facility Saturday night.

If an employee would like to attend the Sunday service and eat lunch afterwards, the charge for lunch is six dollars.

Cumberland Heights

507 OVERTIME

When operating requirements or other needs cannot be met during regular working hours, employees will be given the opportunity for overtime work assignments. All overtime work must receive the supervisor's prior authorization. Overtime assignments will be distributed as equitably as possible to all employees qualified to perform the required work.

Overtime compensation is paid to all nonexempt employees in accordance with federal and state laws at the following rate(s):

One and one-half times straight-time rate for all hours over 40 in a work week.

As required by law, overtime pay is based on actual hours worked. Time off on sick, vacation or any type of leave, will not be considered hours worked for purposes of performing overtime calculations.

Failure to work scheduled overtime or overtime worked without prior authorization from the supervisor may result in disciplinary action. Certain situations in specific departments may require a staff not to leave the work site, thus resulting in overtime. The supervisor must be notified at the earliest convenience and approve overtime.

Exempt (salaried) employees are not eligible for over-time pay and are not compensated or penalized for hours over or under the traditional 40 hour week.

Cumberland Heights

508 USE OF EQUIPMENT AND VEHICLES

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Please notify the Maintenance Supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action. Any fines resulting from any traffic or parking violation will be the sole responsibility of the employee.

All employees whose job duties require the use of Cumberland Heights vehicles or the transportation of patients shall be required to have the special license required by Tennessee state law and pass a driving test administered by the Maintenance Supervisor of Cumberland Heights. Any employee failing this test may re-take the test within one day of the failure. A second failure will result in suspension of driving duties and may therefore result in termination.

510 FOUL WEATHER PROCEDURES

Emergency conditions, such as severe weather, can disrupt company operations and interfere with work schedules, as well as endanger employees' well-being. These extreme circumstances may make it impossible for employees to report to work. In the event that severe weather conditions occur before the beginning of the regular work day, it is expected that all employees, directly involved in patient care or holding positions essential to the efficient operation of the facility, will make every good faith effort to report to work. If it is impossible for the employee to report to work then, they should advise the facility as soon as possible.

When such conditions occur it is essential that all employees currently at the facility remain until they are relieved by their equivalent on the next shift.

When severe weather occurs during a regular work day, all employees, not directly involved in patient care, may use their discretion in deciding when to leave work. Employees involved in patient care are expected to remain at work through their regular shift and may be required to work over, if their equivalent on the next shift is unable to report or will be late in getting to work.

Employees unable to report for duty are considered excused, but must take vacation hours for the absence unless arrangements are cleared through their department head for making up the time missed.

Cumberland Heights

602 FAMILY or MEDICAL LEAVE

Family or Medical leave without pay is available to eligible employees who wish to take time off from work duties to fulfill family obligations relating directly to the birth or adoption of a child, or the illness of a child, spouse, or parent, or for care of employee's own illness.

Employees may request Family or Medical leave only after having completed twelve (12) months and at least 1,250 hours of service. Eligible employees may request up to twelve (12) weeks of unpaid Family or Medical leave over any twelve (12) month period (period measured forward from date of first leave and any Family or Medical leave used in twelve month period prior to a subsequent request for Family or Medical leave will be deducted from the twelve weeks of the current leave). Family or Medical leave will run concurrently with any accrued sick or vacation time as long as the leave qualifies for FMLA.

Employees will be required to use all accrued sick and vacation time. The employee will be required to provide reasonable prior notice of the need for Family or Medical leave whenever possible. An effort should be made to schedule leave so as not to unduly disrupt regular business.

Subject to the terms, conditions, and limitations of the applicable plans, Cumberland Heights will continue to provide pre-existing health insurance benefits during approved Family or Medical leave; however, that portion of the premium paid by the employee prior to the leave must be paid to Cumberland Heights during the leave. If, during leave, an employee decides not to return to work, Cumberland Heights has the right to charge the employee for the amount of insurance paid for the employee during the leave, unless that return is made impossible by the continuation, recurrence or onset of a serious health condition, for which verification will be required. Benefit accruals (e.g. vacation, sick leave, holiday) will be suspended during the leave and will resume upon return to active employment.

Married couples will be restricted to a combined total of twelve (12) weeks leave per year for the birth, adoption, or foster care of a child, as well as for the care of a sick parent. Each spouse, however, can receive twelve (12) weeks a year to care for his/her own illness or the illness of a child or spouse.

Verification from a health care provider will be required regarding the need for medical leave. Verification will also be required from a health care provider if an employee is needed to care for a sick family member. If the employer has any

reason to doubt the verification provided, it may request, at its own expense, a second or even third medical opinion with the third opinion holding as final and binding.

When Family or Medical leave ends, if the employee returns within the twelve week period, the employee will return to his or her previous position, or to an equivalent position with equal pay and benefits.

However, an employee returning from such leave has no greater right of reinstatement than the employee would have had, if the employee had not taken leave.

Cumberland Heights

603 PERSONAL LEAVE

Personal leave without pay is available with supervisory approval to eligible employees who wish to take time off from work duties to fulfill personal obligations. Employees in the following employment classification(s) are eligible to use personal leave as described in this policy:

- Regular full-time employees
- Regular part-time employees
- Probationary employees

Employees may request personal leave only after having completed 90 calendar days of service in an eligible employment classification. Personal leave may be granted for a period of up to fourteen calendar days every two years. If this initial period of absence proves insufficient, consideration will be given to a written request for a single extension of no more than seven calendar days. Employees must take any available vacation leave prior to the effective date of the personal leave of absence.

Requests for personal leave will be evaluated based on a number of factors, including anticipated operational requirements and staffing considerations during the proposed period of absence.

Subject to the terms, conditions, and limitations of the applicable plans, Cumberland Heights will continue to provide health insurance benefits for the full term of the personal leave.

Accruals of benefit calculations, such as vacation, sick leave, or holiday benefits, will be suspended during the leave and will resume upon return to active employment.

When personal leave ends, the employee will return to the same position or to a similar one for which qualified. If the previous position or a comparable one is not available, an effort will be made to offer another position that is available and suitable. Although every reasonable effort will be made to place an employee at the end of a personal leave, Cumberland Heights cannot guarantee reinstatement in all cases.

If an employee fails to report to work at the expiration of the approved leave period, Cumberland Heights will assume that the employee has resigned.

Cumberland Heights

605 MILITARY LEAVE

A military leave of absence will be granted to employees, except those occupying temporary positions, to attend scheduled drills or training or if called to active duty with the US Armed Services.

The leave will be unpaid. However, employees may use any available paid time off for the absence.

Subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible, Cumberland Heights will continue to provide health insurance benefits until 30 calendar days after military leave begins. At that time, employees who want to continue their coverage will become responsible for the full costs of such benefits. Cumberland Heights will resume its share of the payment of these costs when the employee returns to active employment.

The accrual of benefits such as vacation, holidays, or sick leave will be suspended during the leave and will resume upon the employee's return to active employment.

Employees on two-week active duty training assignments or inactive duty training drills are required to return to work for the first regularly scheduled shift after the end of training, allowing reasonable travel time. Employees on longer military leave must apply for re-employment in accordance with all applicable state and federal laws.

Every reasonable effort will be made to return eligible employees to their previous position or a comparable one. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service, such as the rate of vacation accrual and job seniority rights.

Cumberland Heights

607 MATERNITY LEAVE

A female employee who has been employed for at least twelve (12) consecutive months as a full time employee at a particular location may be absent for a period not to exceed four (4) months for pregnancy, child birth and nursing the infant. If the employee gives at least three (3) months advanced notice of her anticipated date of departure for maternity leave, her length of maternity leave, and her intention to return to full time employment after maternity leave, she shall be restored to her previous or a similar position with the same status, pay, length of service credit, as of the date of her leave. If the employee is prevented from giving the three (3) months advanced notice due to a medical emergency which necessitates that maternity leave begin earlier than originally anticipated, she shall be entitled to the same benefits as she would have if she had been able to give the three (3) months advanced notice. Maternity leave may run concurrently with Family and Medical Leave and will be without pay. Maternity leave, however, shall not affect an employee's right to receive all benefits available to an employee on a leave of absence.

Cumberland Heights female employees will be treated like any other employee who has a sickness or injury and is entitled to time off under our Sick Leave Benefit and FMLA policies.

Cumberland Heights

701 EMPLOYEE CONDUCT AND WORK RULES

To assure orderly operations and provide the best possible work environment, Cumberland Heights expects employees to follow rules of conduct that will protect the interests and safety of all employees and Cumberland Heights.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, including termination.

- Verbal or physical abuse of a patient, visitor, or co-worker ✓
- Romantic involvement with a current or former patient or concerned other who has been out of treatment for less than two years.
- Theft or inappropriate removal or possession of property
- Falsification of time-keeping records
- Working under the influence of alcohol or illegal drugs
- Refusal to submit body substance sample for drug screening purposes, when requested to do so by supervisory personnel
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Fighting or threatening violence in the workplace ✓
- Boisterous or disruptive activity in the workplace ✓
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- Insubordination or other disrespectful conduct ✓
- Violation of safety or health rules
- Harassment ✓

- Excessive absenteeism or any absence without notice
- Unauthorized disclosure of business "secrets" or confidential information
- Violation of personnel policies
- Unsatisfactory performance or conduct
- Breach of patient confidentiality and privacy

Employment with this organization is at the mutual consent of the employer and the employee, and either party may terminate that relationship at any time, with or without cause and with or without advance notice.

Cumberland Heights

703 HARASSMENT OF EMPLOYEES

Cumberland Heights is committed to maintaining a work environment that is free of discrimination, including, but not limited to, any form of harassment. Cumberland Heights will not tolerate harassment of its employees by anyone, including any supervisor, co-worker, vendor, patient or visitor of Cumberland Heights.

Harassment consists of unwelcome conduct, whether verbal, physical or visual, that is based upon a person's protected status, such as sex, color, race, ancestry, religion, national origin, age, physical handicap or disability, medical condition, marital status, veteran status, citizenship status or other protective group status. Cumberland Heights will not tolerate harassing conduct that affects tangible job benefits, that interferes unreasonably with an individual's work performance, or that creates an intimidating, hostile or offensive working environment.

Sexual harassment deserves special mention. Unwelcome sexual advances, request for sexual favors, and other physical, verbal or visual conduct based on sex constitutes sexual harassment when (1) submission to the conduct is an explicit or implicit term or condition of employment, (2) submission to or rejection of the conduct is used as the basis for an employment decision, or (3) the conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment. Sexual harassment may include, but is not limited to, explicit sexual propositions, sexual innuendo, suggestive comments, sexually oriented "kidding," or "teasing," "practical jokes," jokes about gender-specific traits, foul or obscene language or gestures, displays of foul or obscene printed or visual material, and physical contact.

Harassment, however, is not limited to sexual harassment. Harassment can occur in many forms. Harassment can occur because of sex, race, national origin, disability, etc. without being sexual in nature. All Cumberland Heights employees are responsible for helping to assure that we eliminate all forms of harassment in the workplace. If you believe that you have experienced or witnessed harassment, you should immediately notify your department head or a member of the executive management. Cumberland Heights will investigate all such complaints thoroughly and promptly. To the fullest extent practical, Cumberland Heights will keep complaints and the terms of their resolution confidential. If the investigation reveals that harassment more than likely has occurred, Cumberland Heights will take corrective action, including such

discipline as is appropriate, up to and including immediate termination of the employment of the harasser(s).

Cumberland Heights will not tolerate retaliation against any employee who complains of sexual harassment or provides information in connection with any such complaint. Evidence of retaliation will be dealt with immediately and any employee found to have retaliated against any person who has complained of harassment or any against person who has provided information regarding any alleged harassment will be subject to disciplinary action up to and including discharge.

Cumberland Heights

704 ATTENDANCE AND PUNCTUALITY

To maintain a safe and productive work environment, Cumberland Heights expects employees to be reliable and punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on Cumberland Heights. In the rare instance when an employee cannot avoid being late to work or is unable to work as scheduled, he or she should notify the supervisor, as soon as possible, in advance of the anticipated tardiness or absence.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, including termination of employment.

Cumberland Heights

705 PERSONAL APPEARANCE

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image we present to patients and visitors.

During business hours, employees are expected to present a clean and neat appearance and to dress according to the requirements of their positions.

Generally, Cumberland Heights does not prohibit the wearing of shorts of an appropriate length. Jeans are permitted as long as they are clean and neat in appearance. Tank tops, jeans with holes, short shorts, and suggestive apparel are prohibited.

Consult your supervisor or department head, if you have questions as to what constitutes appropriate attire for your position.

Cumberland Heights

708 RESIGNATION

Resignation is a voluntary act initiated by the employee to terminate employment with Cumberland Heights. Although advance notice is not required, Cumberland Heights requests at least two weeks' written notice of resignation from nonexempt employees and four weeks' notice from exempt employees.

Prior to an employee's departure, an exit interview will be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

Cumberland Heights

712 SOLICITATION AND DISTRIBUTION

No employee shall engage in the solicitation of any other employee for any purpose during the working time of either the employee solicited or the employee doing the soliciting. Solicitation is defined as oral communications. Working time is that period of time an employee spends in the performance of actual job duties and does not include those periods of time in which the employee properly is not engaged in the performance of work tasks, i.e. meal and break periods.

The distribution of printed material or literature of any nature by Cumberland Heights employees shall be limited to non-work areas on non-working time. The posting of printed material or literature on Company bulletin boards is prohibited. The bulletin boards are reserved for official communications on such items as:

- employee announcements
- internal memoranda
- job openings
- organization announcements

In the past, employees at Cumberland Heights have engaged in solicitation or distribution efforts of various types including, but not limited to, the sale of Avon products, Tupperware®, Christmas gifts, student fund raising items, etc. Employees should observe the above rules when engaging in such sales activities.

Cumberland Heights

714 DRUG TESTING

Cumberland Heights is committed to providing a safe, efficient, and productive work environment for all employees. In keeping with this commitment, employees may be asked to provide body substance samples (e.g., blood, urine) to determine the illicit use of drugs. Cumberland Heights will attempt to protect the confidentiality of all drug test results. Drug tests will be conducted in the following situation:

DATE OF HIRE - Standard policy

FITNESS-FOR-DUTY - This test may be required, if significant and observable changes in employee performance, appearance, behavior, speech, etc. provide reasonable suspicion of the influence of drugs. A fitness-for-duty evaluation may include the testing of a body substance sample.

Failure to submit to such a test when requested by management personnel is grounds for immediate termination.

Questions concerning this policy or its administration should be directed to your department head.

Cumberland Heights

715 GRIEVANCE PROCEDURE

Grievances: On occasion, an employee may have a complaint concerning working conditions, supervision or other employees. This Employee Grievance Procedure has been developed to assure that all employees of Cumberland Heights are given an opportunity to bring their grievances to the attention of management. The objectives of the procedure are:

1. To provide the employee with the means of being recognized and heard
2. To alert management to causes of employee's dissatisfaction and provide an opportunity to eliminate the causes
3. To provide a formal mechanism to ensure prompt handling of grievances
4. To resolve employee's complaints and grievances in a sound and fair manner
5. To maintain and reinforce a high level of employee morale.

The grievance procedure for staff is designed to afford a fair method for the resolution of disputes or complaints that arise between employees and their supervisors. Complaints that are grievable are those which arise out of the administration of Cumberland Heights or departmental policy. Matters such as classification, rate of pay, and title are generally handled administratively rather than through the grievance procedure. Employees should direct questions concerning the administrative process or grievance procedure to their supervisors or the Personnel Coordinator.

Procedure:

- Step 1: An employee must notify his or her Department Head within five days of the event that gives rise to the grievance, and allow the manager three working days in which to respond in an effort to achieve a mutually satisfactory resolution prior to beginning the formal grievance process. If the grievance is not resolved informally by the discussion between the employee and the Department Head, the employee may elect to file a written grievance.
- Step 2: The employee has five working days from receipt of a response from the Department Head in which to file a formal grievance. The grievance must be in writing and filed with the supervisor of the Department Head. Upon receipt of the written grievance, the supervisor will investigate and attempt to resolve the matter within five working days.

If the grievance is not resolved, the employee may elect to file a written grievance with the Chief Executive Officer.

Step 3: The employee has five working days from receipt of a response from the supervisor of the Department Head in which to file a written appeal to the Chief Executive Officer. The Chief Executive Officer will investigate and attempt to resolve the matter within ten working days.

Step 4: In the event a resolution is not reached with the intervention of the Chief Executive Officer, a meeting will be arranged between the Department Head, the employee, and any other party with direct involvement in the matter. The Chief Executive Officer will provide the employee a written response to this hearing within five days of the meeting. The Chief Executive Officer makes the final determination regarding employee disputes. The employee may appeal the decision to the Personnel Committee of the Board of Directors in writing within ten days after the determination is made by the Chief Executive Officer. The Personnel Committee will respond to the employee after considering submitted evidence by all concerned parties within ten days after their next scheduled meeting. The response will be in writing and will be delivered through the Chief Executive Officer to the employee.

Cumberland Heights

781 USE OF ILLEGAL DRUGS

Due to the nature of our business, the use of any type of illegal drug or abuse of any legal or legally prescribed drug, whether on or off duty, is grounds for immediate termination.

Cumberland Heights

880 PUBLIC RELATIONS

All employees of Cumberland Heights are representatives of the facility. Many people's only contact with and impression of Cumberland will be formed through contact with an employee. Therefore, all employees are asked to conduct themselves, at all times, in a manner that reflects well on Cumberland Heights.

From time to time, all employees will come in contact with persons who want to know more about our facility and the work we do here. You are encouraged to share information about the facility and when appropriate, invite the person(s) to the facility for lunch and/or a tour. If the person is in a position to make referrals to Cumberland Heights, you should inform the Marketing Department of the visit. If your visitor(s) are coming for lunch, you should inform the Dietary Supervisor. If you plan to have a group of more than six people for lunch, you must fill out a Dietary Function form (at least one week in advance for groups of 15 or more and at least two days in advance for groups of over 6 but less than 15).

Cumberland Heights

881 GOSSIP / RUMORS

One of the most destructive forces in any work environment is the spreading of gossip, rumors, and half-truths. In the past Cumberland Heights has been plagued by more than its share of this problem. Because of the problems created in the past, Cumberland Heights is very sensitive to this issue and employees found guilty of this type of conduct will be dealt with through disciplinary measures that may include discharge.

Cumberland Heights

EMPLOYEE ACKNOWLEDGMENT FORM

I acknowledge I have received a copy of the Cumberland Heights Employee Manual.

I understand that these are guidelines and that revisions to this handbook may occur.

I have entered into my employment relationship with Cumberland Heights voluntarily and acknowledge that either I or Cumberland Heights can terminate the relationship at will, with or without cause, at any time.

I acknowledge that this handbook does not constitute a contract of employment. I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

EMPLOYEE'S SIGNATURE

DATE

EMPLOYEE'S NAME (TYPED OR PRINTED)

MEMORANDUM

TO : All Staff

FROM: Bette White

CC : Billie Alexander Avery, Jim Moore

RE : Handbook Addendum – 305 HOLIDAYS

DATE : April 28, 1999

Attached you will find a revised employee handbook addendum for 305 HOLIDAYS. Please read carefully and replace the old copy of this policy in your employee handbook.

Cumberland Heights

305 HOLIDAYS

Cumberland Heights will grant holiday time off to eligible employees on the holidays listed below:

New Year's Day (January 1)
Memorial Day (last Monday in May)
Independence Day (July 4)
Labor Day (first Monday in September)
Thanksgiving (fourth Thursday in November)
Christmas (December 25)

According to applicable restrictions, Cumberland Heights will grant paid holiday time off to all eligible exempt and nonexempt employees immediately upon assignment to an eligible employment classification. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of straight time hours the employee would otherwise have worked on that day, (*up to eight hours maximum*). Eligible employee classification(s):

Probationary employees
Regular full-time employees
Regular part-time employees.

A recognized holiday that falls on a Saturday will be observed on the proceeding Friday. A recognized holiday that falls on a Sunday will be observed on the following Monday. If a holiday falls on an employee's normally scheduled day off, the employee may be paid for the holiday or given another day off at the discretion of the department head.

If a recognized holiday falls during an eligible employee's unpaid absence (e.g. leave of absence), the employee will be ineligible for holiday pay.

If an eligible employee works on a recognized holiday, he or she will receive holiday pay plus his/her regular wages or another day off within the pay period, but not allowed outside of 30 days from the holiday.

Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

In addition to the recognized holidays previously listed, eligible employees will receive two floating holidays (or personal leave days) in each benefit year. To be eligible, non-exempt employees must have completed 90 calendar days of service in an eligible employment classification (full-time or part-time prorated hours). These holidays must be scheduled with prior approval of the employee's supervisor by submitting an Absentee Report sheet. These holidays do NOT accumulate. If you do not use the time, it cannot be carried over to the next benefit year.

The dietary department of Cumberland Heights has previously elected to prorate their holiday pay over the entire year. Employees of this department receive no additional pay for working holidays.

All “add punch” forms for holidays must be submitted to the department head no later than 3:00 p.m. Monday after the pay period ends on Sunday.

To be eligible for holiday pay, an employee must fulfill his/her work schedule for the holiday pay period, working the last scheduled day prior to the holiday and the first scheduled day after the holiday. The only exception is a pre-approved leave request turned in before the holiday occurs, or an illness that is confirmed by a physician’s statement.

MEMORANDUM

TO : All Staff

FROM: Bette White

CC : Billie Alexander Avery, Jim Moore, Tim Tull

RE : Handbook Addendum – 303 Vacation Benefits &
405 Employment Termination

DATE : November 3, 1999

Attached you will find revised employee handbook addendums for 303 VACATION BENEFITS and 405 EMPLOYMENT TERMINATION. Please read carefully and replace the old copy of these policies in your employee handbook.

Cumberland Heights

303 VACATION BENEFITS

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Employees in the following employment classification(s) are eligible to earn and use vacation time as described in this policy:

Regular full-time employees
Regular part-time employees
Part-time employees

The amount of paid vacation time employees receive each year increases with the length of their employment as shown in the following schedule.

| VACATION EARNING SCHEDULE | | |
|---------------------------|----------------------------------|---|
| Years of eligible service | Vacation days per hour worked | Vacation days per year (40 hrs. per week) |
| Upon initial eligibility | .046 days | 12 days |
| After 5 years | .065 days | 17 days |
| After 10 years | .085 days | 22 days |

The length of eligible service is calculated on the basis of a “benefit year.” This is the 12-month period that begins when the employee starts to earn vacation time. An employee’s benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

Once employees enter an eligible employment classification, they begin to earn paid vacation time according to the schedule. However, before vacation time can be used, a waiting period of 180 calendar days must be completed. After that time, employees can request use of earned vacation time including that accrued during the waiting period.

To take vacation, employees must request in advance approval from their supervisors. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

Vacation time off is paid at the employee’s base pay rate at the time of vacation. It does not include overtime or any special forms of compensation such as shift differentials.

As stated above, employees are encouraged to use available paid vacation time for rest, relaxation, and personal pursuits. In the event that available vacation is not used by the end of the benefit year, employees may carry unused time forward to the next benefit year. If the total amount of unused vacation time reaches a “cap” equal to one and one-half times the annual vacation amount, further vacation accrual will stop (e.g., the maximum amount an employee who earns 12 vacation days in one year may carry on the books is 18 days or 144 hours). When the employee uses paid vacation time and brings the available amount below the cap, vacation accrual will begin again. Except in unusual circumstances, and with prior approval of the Chief Executive Officer, employees will not be given pay in lieu of vacation time off.

Upon voluntary separation from employment, employees will be paid at their prevailing rate for accrues but unused vacation time, provided they give a minimum two weeks written notice. Conversely, vacation time used but not yet accrued will be deducted from the employee’s final pay. In no event shall employees be paid for unused sick leave.

Cumberland Heights

405 EMPLOYMENT TERMINATION

Since employment with Cumberland Heights is based on mutual consent, both the employee and Cumberland Heights have the right to terminate employment at will, with or without cause, at any time. Terminations are an inevitable part of personnel activity within an organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

RESIGNATION – employment termination initiated by an employee who chooses to leave Cumberland Heights voluntarily.

DISCHARGE – employment termination initiated by Cumberland Heights.

LAYOFF – involuntary employment termination initiated by Cumberland Heights for non-disciplinary reasons.

MEDICAL TERMINATION – employment termination initiated by the employee or by Cumberland Heights when an employee is unable, for health reasons, to continue to perform essential functions of the job with reasonable accommodations. (see also FMLA)

RETIREMENT – voluntary retirement from active employment status initiated by the employee.

Cumberland Heights will schedule exit interviews for terminating employees. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to the organization, or return of employer-owned property. Suggestions, complaints, and questions may also be voiced.

Employee benefits will be affected by employment termination in the following manner: All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense, if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and the terms, conditions, and limitations of such continuance.

Upon voluntary separation from employment, employees will be paid at their prevailing rate for accrued but unused vacation time, provided they give a minimum two weeks written notice. Conversely, vacation time used but not yet accrued will be deducted from the employee's final pay. In no event shall employees be paid for unused sick leave.

MEMORANDUM

TO : All Staff
FROM : Executive Management
CC : Bette White, Personnel Coordinator
RE : Absenteeism Policy
DATE : December 14, 2001

Cumberland Heights has historically counted attendance in terms of the number of days missed from work each year. This has sometimes penalized people who were absent for a period of days or weeks due to a serious illness or injury. In order to be fair in evaluating absenteeism, an "occurrence" method of evaluating attendance is being implemented effective January 1, 2002.

An occurrence is defined as one or more days absent from work for the same illness or injury. Brief returns to work (i.e., one to two days) followed by additional absences for the same illness or injury will be considered one occurrence. Some examples are:

- ♦ An employee is off for six weeks for surgery. This is one occurrence.
- ♦ An employee is off two days with the flu, comes back one day, and is out two more days with the flu. These four days count as one occurrence.

The standard for acceptable attendance is four (4) occurrences within a twelve-month period. At five (5) occurrences, the supervisor will counsel the employee about attendance. At six (6) occurrences, the process for disciplinary action will begin.

Please note that this policy does not apply to absences related to the Family Medical Leave Act (FMLA) or the American Disabilities Act (ADA). For specific circumstances regarding these areas, please consult with your supervisor.

Please insert the attached policy in the Personnel section of Volume I of the Cumberland Heights' Policy and Procedures manual as well as the Cumberland Heights' Employee Handbook, page 70, #704.

Thank you for your attention and consideration of this new policy.

Cumberland Heights

704 Attendance and Punctuality

Effective: 1/1/02

To maintain a safe and productive work environment, Cumberland Heights expects employees to be reliable and punctual in reporting for work. Absenteeism and tardiness place a burden on other employees and on Cumberland Heights. In the rare instance when an employee cannot avoid being late to work or is unable to work as scheduled, he or she should notify the supervisor, as soon as possible, in advance of the anticipated tardiness or absence.

In departments providing patient care services, a specified number of hours prior to a scheduled shift may be required for a staff member to notify the supervisor of an absence (excepting emergencies). Please check with your department manager for specifics.

The method for evaluating attendance is by occurrence. An occurrence is defined as one or more days absent from work for the same illness or injury. Brief returns to work (i.e., one to two days) followed by additional absences for the same illness or injury will be considered one occurrence. Some examples are:

- ♦ An employee is off for six weeks for surgery. This is one occurrence.
- ♦ An employee is off two days with the flu, comes back one day, and is out two more days with the flu. These four days count as one occurrence.

The standard for acceptable attendance is four (4) occurrences within a twelve-month period. At five (5) occurrences, the supervisor will counsel the employee about attendance. At six (6) occurrences, the process for disciplinary action will begin.

Please note that this policy does not apply to absences related to the Family Medical Leave Act (FMLA) or the American Disabilities Act (ADA). For specific circumstances regarding these areas, please consult with your supervisor.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

712 SOLICITATION AND DISTRIBUTION

No employee shall engage in the solicitation of any other employee for any purpose during the working time of either the employee solicited or the employee doing the soliciting. Those employees who are in supervisory positions should not solicit employees who report directly to them. Solicitation is defined as any oral or electronic* communications. Working time is that period of time an employee spends in the performance of actual job duties and does not include those periods of time in which the employee is properly not engaged in the performance of work tasks (i.e., meal and break periods).

The distribution of printed material or literature of any nature by Cumberland Heights' employees shall be limited to non-work areas on non-working time. The posting of printed materials or literature on company bulletin boards (real or electronic) is prohibited. The bulletin boards are reserved for official communications on such items as employee announcements, internal memoranda, job openings, and/or organizational announcements.

In the past, employees at Cumberland Heights have engaged in solicitation or distribution efforts of various types including, but not limited to, the sale of Avon products, Tupperware, Christmas gifts, student fundraising items, charitable donations, etc. Employees should observe the above rules when engaging in such sales activities.

*E-mail communications should be invitational only (e.g., once and with no response required) and used sparingly. Use of company E-mail distribution lists is prohibited.

Carroll Bagwell

From: Jim Threadgill
Sent: Tuesday, March 09, 2010 2:48 PM
To: Carroll Bagwell
Subject: FW: Breakfast Issue

From: Jim Threadgill
Sent: Thursday, October 08, 2009 4:12 PM
To: Management Staff
Subject: Breakfast Issue

Hi all,

There seems to be some confusion lately about what the rules are concerning Staff breakfast. As you may be aware, in the past staff were not allowed to eat breakfast, period.

We have decided to allow staff to eat breakfast if they wish, however there are some basic guideline we want everyone to be aware of:

Any food from the HOT FOOD LINE will be available for a charge of \$4.00.
This includes hot cereal, toast, biscuits, bagels, etc.

COLD CEREAL and MILK will be available at no charge.

Please advise your staff that they are responsible for notifying the Chef on duty that they are purchasing a meal, as well as providing payment and a name/emp # if they are charging. They may pay cash, use a blue meal ticket, or charge, and payment is expected at the time of the meal. Any staff observed eating anything other than cold cereal will be charged \$4.00 on the meal charge sheet.

Thanks for your cooperation with this.
Jim