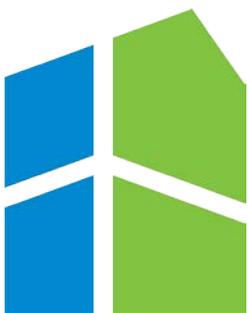




DHIC, Inc. Personnel Manual



Effective Date: 12/10/2019

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to be signed by employees



WELCOME TO DHIC, INC.

Whether you are a new employee, or an employee who has been with us for some time, we are glad you are part of the DHIC team!

We strive to create a work environment where you will be treated with dignity and fairness and where you can exercise your talents, skills and passion.

Should you have any questions which are not answered in this booklet, your manager or the CFO/VP of Finance & Administration will be glad to help you.

Please take time to read about DHIC's history and start your review of the Personnel Manual, which will serve as a guide to your employment with the organization.



COMPANY HISTORY

The Downtown Housing Improvement Corporation was established in 1974 as a charitable, non-profit organization under the leadership of Raleigh Mayor Clarence Lightner. Mayor Lightner brought together area business and resident leaders living in neighborhoods close to Downtown Raleigh in an effort to establish an organization to address housing and community development needs in these communities. The City of Raleigh did not have a housing or community development department at that time. Mayor Lightner wanted a group that would be able to address poor quality rental housing and help to increase homeownership levels in these neighborhoods as an alternative to past redevelopment work which leveled several lower income neighborhoods.

In the 1970s, DHIC focused on this work in the Boylan Heights, Brooklyn, Oakwood and SE Raleigh neighborhoods. DHIC provided grants and low-interest loans to property owners to help them rehabilitate homes and also built modest homes for first-time homebuyers. In the early 1980s, DHIC received funding from HUD to build Club Plaza Apartments in the Carolina Pines neighborhood. This 32-unit apartment community for seniors paved the way for DHIC to scale up production as a multifamily apartment developer.

As DHIC looked to build more affordable rental housing, the organization began to expand first citywide and then outside of the City of Raleigh. DHIC was one of the first non-profit groups to utilize the low-income housing tax credit as a vehicle for financing affordable rental housing. DHIC is now the Triangle's largest owner of affordable rental housing with over 2,700 apartments in 45 different communities.

While DHIC is known to many as an owner of quality rental apartments, it also helps our renter families through the work of the Resident Services program. The organization also remains committed to helping expand homeownership opportunities through the work of the Homeownership Center.

Recognizing DHIC's expanding footprint, the name of organization was officially changed to DHIC, Inc. in 1998. In 2000, DHIC was admitted into the NeighborWorks America network which gives the organization access to capital, training and technical assistance. DHIC has won numerous awards for its work including six appearance awards from the City of Raleigh. DHIC has a proud history of providing the Home to Opportunity for many households throughout the Triangle since 1974.

SECTION I: GENERAL INFORMATION

1.01 HANDBOOK PURPOSE

This manual is designed to help you become more familiar with DHIC, Inc. It outlines current policies, practices and benefits for all employees and will provide you with guidance in your day-to-day working life. Any ideas that you may have that would improve the working environment here at DHIC are always welcome. Since this manual cannot provide all the details on any given subject, you should feel free to ask your manager, supervisor or the CFO/VP of Finance and Administration if you are unsure of the applicability of any policy set forth in this manual. Because the environment within which we operate is dynamic, some policies and benefit programs set forth in this manual may be revised, suspended or eliminated by DHIC in response to business needs or changing legal requirements. At the time of adoption of this manual, the CFO/VP of Finance and Administration (or simply CFO) also acts as the Director of Human Resources. So any reference to the CFO also serves as reference to the Director of Human Resources or the Human Resources Department. This manual is a guideline and management may adapt and interpret policies as determined by business necessity. The terms 'Manual' and 'Handbook' may be used interchangeably throughout the enclosed text.

DHIC benefit plans are defined in legal documents such as insurance contracts, official plan texts and trust agreements. This means that if a question ever arises about the nature and extent of plan benefits or if there is conflicting language, the formal language of the plan documents govern, not the informal wording of this manual. If you have any specific questions, the plan documents are available for your review.

1.02 EMPLOYMENT STATUS

- **Regular Full-time Employee:** A person who is hired to work at least 32 hours per week and receives salary or hourly wages.
- **Temporary Employee:** A person who is hired to work a specified number of hours for a set period of time and receives salary or hourly wages. Temporary employees are not eligible for regular full-time employee benefits, but may receive some partial benefits on a case-by-case basis, at the discretion of the employer.
- **Part-time Employee:** A person who is hired for less than 32 hours per week and receives salary or hourly wages. Part-time employees are not eligible for regular full-time employee benefits, but may receive some partial benefits on a case-by-case basis, at the discretion of the employer. Medical insurance will be offered to employees working 30 hours per week or more per current federal regulations. Details are provided in the *DHIC Benefits Manual*.

- **Non-Exempt Status:** Employees who are required to be paid overtime at the rate of one and one-half times their regular rate of pay for all hours worked beyond forty hours in a workweek, in accordance with applicable state and federal wage and hour laws.
- **Exempt Status:** Employees who are not required to be paid overtime, in accordance with applicable state and federal wage and hour laws.

You will be informed of your initial employment classification and of your status as an exempt or nonexempt employee in your hire letter. Should you change positions during your employment as a result of a promotion, transfer, or otherwise, you will be informed by the CFO of any change in your exemption status.

1.03 SUPPLEMENTAL MANUALS

Additional Policies and Procedures of DHIC, Inc. can be found in the following Supplemental Manuals:

- A. *DHIC Operations Manual* – Outlines additional policies and the procedures of DHIC and for the various departments of the company.
- B. *DHIC Benefits Manual* – Outlines the specifics of the benefits offered to employees.
- C. *HomeOwnership Center Manual* – Outlines additional policies and procedures specifics to the HomeOwnership Center and the compliance regulations that apply to the program.
- D. *HomeOwnership Center Lending Manual* – Outlines the second mortgage lending program.

A copy of the *Operations Manual* and *Benefits Manual* will be provided to all employees at time of employment and upon request. In addition, the *HomeOwnership Center Manual* will be provided to the staff of that department.

1.04 'AT-WILL' EMPLOYMENT STATEMENT

This Handbook is not a contract, express or implied, guaranteeing employment for any specific duration. Although we hope that your employment relationship with us will be long term, either you or DHIC may terminate this relationship at any time, for any reason, with or without cause or notice. Please understand that no supervisor, manager, or representative of DHIC other than the President has the authority to enter into any agreement with you for employment for any specified period of time or to make any promises or commitments contrary to the foregoing. Further, any employment agreement entered into by the President shall not be enforceable unless it is in a formal written agreement and signed by you and the President. Please also understand that no supervisor, manager, or other representative of DHIC has the authority to make any verbal promises, commitments, or statements of any kind regarding DHIC's policies, procedures, rules or regulations or any other issues that are legally binding on the Company.

1.05 ETHICAL STANDARDS

DHIC has an excellent reputation for conducting its business activities with integrity, fairness, and in accordance with high ethical standards. DHIC expects its employees to devote their loyalties to the interests of DHIC and to keep themselves free of influences that might conflict or appear to conflict with DHIC's mission. No employee shall obtain an economic stake in any entity participating in the programs of the corporation. It is the policy that no employee shall receive any personal or private benefit resulting from the activities of the corporation, apart from reasonable compensation for services rendered and reimbursement for reasonable expenses incurred in the conduct of business of the corporation.

1.06 CONFLICT OF INTEREST

If an employee feels that any activity or interest or any relationship has occurred that may give rise to a conflict of interest, a written submission stating the facts of the situation should be made to the employee's supervisor.

Upon employment, you will be asked to read and sign our formal statement of ethical standards and conflict of interest. Your agreement to uphold this commitment is a condition of your employment with DHIC. You may periodically be asked to sign the conflict of interest statement during your employment, along with the Board of Directors who sign annually.

A full Conflict of Interest Policy is located in the *Operations Manual*.

1.07 POLITICAL ACTIVITY

Employees may not use the authority of their position or utilize DHIC resources to support or oppose a candidate, party or issue in a partisan election. Similarly, employees cannot be required to donate or support any particular political position to maintain your job at DHIC. Periodically, DHIC may receive funds that may place further limits on employee political activities. Employees should check with their supervisor to determine if there are such rules in effect.

1.08 OPEN DOOR POLICY

Employees are encouraged to share their concerns, seek information, provide input, and resolve problems/issues through their supervisors. If you have any suggestions or ideas that you feel would benefit DHIC, we would encourage you to tell your supervisor about them. We are always looking for suggestions that improve methods, procedures and working conditions.

1.09 UNLAWFUL HARASSMENT AND SEXUAL HARASSMENT POLICY

DHIC, Inc. is committed to providing a work environment free of unlawful discrimination and harassment. It is illegal to harass others on the basis of their age, race, color, national origin, religion, marital status, citizenship, disability, sex/sexual orientation and other personal



characteristics. The company prohibits, and will not tolerate, unlawful harassment, including sexual harassment. This policy applies not only to employees, but also to clients, customers, guests, vendors and any other business partners. This policy applies to conduct occurring in the workplace and/or in other settings where DHIC employees may be in connection with their work, such as business trips, and business related parties and social events. All persons are expected to refrain from engaging in conduct which may be construed as unlawful harassment or sexual harassment.

Following is a partial list of unwelcome behavior that may be considered harassment:

- Verbal conduct such as racial or ethnic epithets, derogatory jokes or comments, slurs, sexual innuendo, sexually suggestive “kidding or teasing,” jokes about gender-specific traits, unwanted sexual overtures or comments, inquiries or discussions concerning one’s sexual experiences, comments on an individual’s body;
- Visual conduct such as derogatory and/or sexually oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct such as unwanted flirtation, touching, hugging, kissing, intentional brushing up against the body of another employee;
- Threats or demands to submit to sexual requests as a condition, either explicitly or implicitly, of continued employment or to avoid a loss of benefits; and
- Retaliation for having reported or threatened to report harassment.

Whenever possible, any person who is experiencing unwelcome conduct of the type generally described above should inform the person engaging in the conduct that it is unwelcome and request that it stop. The complainant may choose to pursue this option alone, or may ask a supervisor or human resources representative to be present or serve as an intermediary.

Any employee who feels harassed is encouraged to speak with his/her immediate supervisor, the President or the CFO. All complaints will be investigated with the highest level of confidentiality possible. It is the supervisor's responsibility to listen to such complaints and to refer them to the appropriate authority. Employee should feel welcome to report any valid form of harassment without fear of retaliation. Harassment will not be tolerated and will lead to disciplinary action up to and including termination.

1.10 SAFETY

DHIC expects its employees to conduct themselves in a safe manner. Please use good judgment and common sense in matters of safety, and observe any safety rules posted in various areas, and follow all OSHA and state safety regulations. Safety apparel must be worn at construction sites according to the federal and state regulations. Employees may visit the OSHA website at www.osha.gov for specific regulations.

DHIC is committed to establishing and maintaining a comfortable and safe working environment for all employees. Safety is often taken for granted in an office environment. Though we may not be exposed to the same degree of risk as employees of a typical manufacturing firm or health

care facility, we should still recognize that safety risks are present and take steps to reduce the risk of injury or illness. Safety is everyone's responsibility.

All work-related injuries and illnesses should be reported immediately to the CFO, even if you are not sure whether they are truly work-related. Even small, seemingly insignificant, injuries left untreated can result in serious conditions.

Human Resources will complete an Accident Report. When injuries are reported immediately, they will quickly be investigated and corrective action will be taken to prevent more injuries.

If you see any potential hazards that need attention, notify Human Resources immediately.

1.11 VIOLENT AND THREATENING BEHAVIOR

We are committed to providing a safe work environment. We will not tolerate violence, the threat of violence, intimidation, bullying and/or harassment of any kind. Threatening or violent behavior may consist of, but is not limited to:

- Verbal threats toward persons or threats to damage property
- The use of vulgar or profane language toward others; loud, angry or disruptive behavior on company property or at company sponsored events
- Verbal intimidation, exaggerated criticism, and name calling
- The use of force or coercion to abuse, intimidate, or to aggressively impose domination over others
- Fighting, physically harming or threatening to harm an individual, group of individuals or relatives of those individuals
- The possession of weapons of any kind while on Company property, at Company sponsored events
- Intentional disregard for the physical safety or well-being of others
- Intentional destruction of Company, employee, or client/vendor property.

Any employee who is subjected to, witnesses or has knowledge of threatening or violent behavior of any type, including those listed above, or has reason to believe that violent behavior may occur at or in connection with the activities of DHIC, should report it promptly to her or his supervisor. Employees should feel free to raise concerns and make reports, in good faith, without fear of retaliation by the Company or other employees. The Company will treat such reports as confidential to the extent circumstances permit.

Employees in violation of this policy will be subject to disciplinary action that may include termination, arrest and/or prosecution. False allegations will not be tolerated. An employee who falsely accuses or intentionally misrepresents circumstances that are reported to the management team will be subject to disciplinary action, up to and including termination.

1.12 SUBSTANCE ABUSE POLICY

DHIC, Inc. is committed to maintaining the highest professional standards and providing a safe environment in its workplace. Achieving these goals can be undermined by drug and alcohol abuse.

Therefore, DHIC, Inc. prohibits the use of illegal drugs or alcohol while working at the DHIC offices. If substance abuse is suspected, the employee may be subject to disciplinary action.

1.13 SMOKING POLICY

To maintain a safe and comfortable working environment and to ensure compliance with applicable laws, smoking in DHIC offices is prohibited. Smoking is restricted to public areas outside of the DHIC offices. Employees are required to dispose of smoking debris in appropriate containers. Employees smoking in any nonsmoking area may be subject to disciplinary action.

1.14 DRESS CODE

While DHIC wants our employees to be comfortable and productive it is company policy that each employee's dress, grooming and personal hygiene be appropriate to the work situation. Employees are expected at all times to present a professional, business-like image to customers, clients, and the public. Employees will refrain from wearing apparel that:

- Is ripped, torn, unkempt or unclean
- Exposes a bare midriff or waist area (front or rear) or excessive cleavage
- Sags excessively or exposes undergarments

If you have any question concerning this policy or whether an outfit meets these minimum criteria, please ask your supervisor.

1.15 ACCESS TO PREMISES

The main offices of DHIC are located in the Prairie Building at 113 S. Wilmington St. The Homeownership Center is located at 450 E. Davie St. A hard key and/or an electronic swipe key will be issued to employees for one or both offices. Both locations also have security cameras and a security system, which you will be provided an access code to. Employees may enter the office during office hours or after hours for work-related purposes. Employees are expected to secure the office by setting the alarm and locking the doors whenever they are the last person to leave the office.

Keys and/or electronic swipe keys are to be kept secure at all times when away from the office. They should not be stored in a vehicle or any location where they could easily be taken or stolen. Any loss of keys and/or electronic swipe keys should be reported to the supervisor and CFO immediately.

SECTION II: EMPLOYMENT PRACTICES

2.01 OVERVIEW

Every organization has certain guidelines, which were developed to reflect good business practices. In establishing any rules of conduct, the corporation has no intention of restricting the personal rights of any individual. Rather, we wish to define the guidelines that protect the rights of all employees and to ensure maximum understanding and cooperation.

As an employee of DHIC you can expect:

- Respectful treatment at all times
- Clean, healthy, safe and secure working conditions
- Professional, personal supervision
- Proper materials and equipment
- Opportunity to better your skills and education

Your responsibilities as an employee include but are not limited to:

- Prompt attendance according to specified work schedules
- Attentiveness to work assignments
- Efficient execution of tasks without unnecessary delay
- Courteous and fair treatment of the public

Protection of and proper use of assigned equipment

- Recognition of unsafe conditions and initiative to solve the problem or report it immediately to a supervisor
- Cooperation with all DHIC employees in the delivery of service
- Conservation in the use of energy and natural resources and materials
- Observance of all DHIC policies and procedures

2.02 EQUAL EMPLOYMENT OPPORTUNITY

DHIC maintains a strong policy of equal employment opportunity for all employees and applicants for employment. We hire, train, promote and compensate employees on the basis of personal competence and potential for advancement without regard for race, color, religion, national origin, sex/gender or sexual orientation, age, disability, citizenship or marital status and veteran status, as well as other classifications protected by applicable federal, state or local laws.

Our equal employment opportunity philosophy applies to all aspects of employment at DHIC including recruiting, hiring, training, promotion, job benefits, pay, dismissal, educational assistance, and social and recreational activities.

2.03 DIVERSITY

DHIC, Inc. recognizes that people are its most important resource. It is only through employees' integrity, talent and commitment can we provide high quality services. We are committed to hiring, developing and utilizing diverse talents from around the globe. We support a respectful environment that values those differing skills and perspectives. In all of our actions and behaviors we must demonstrate and confirm that mutual respect.

The differences and similarities that form the core of workplace diversity are much the same as the categories commonly referred to in terms of equal employment opportunity: race, color, religion, national origin, sex/gender or sexual orientation, age, disability, citizenship, and veteran status.

At DHIC, diversity is defined more broadly than just these legal categories. Thus, the differences and similarities of individuals that fall within the rubric of diversity herein include, but are not limited to: experience, culture (individual and group), economic status, education and training, job level, job tasks and responsibilities, family status, gender orientation/ identity/ expression and personal lifestyle.

DHIC embraces the differences among its employees, clients and vendors and expects respectful interaction between, and on behalf of, all DHIC representatives.

2.04 INTRODUCTORY PERIOD

All new regular full-time and part-time employees are subject to a 90-day evaluation period to verify skills, capabilities and suitability for our corporation. This introductory period also gives new employees the opportunity to evaluate DHIC as a place to work. At the end of the three months, the supervisor may extend the period for additional time up to a maximum of one year.

Part-time or temporary employees who have worked for at least three months may be hired as full-time employees with a waiver of the three-month evaluation period of a new employee. Benefits would commence upon designation of full time employment.

2.05 WORK SCHEDULE, CORE WORK HOURS & BREAKS

In order to meet our business needs and be available to our customers/clients, DHIC expects regular full-time employees to be at work on time and to maintain a regular work schedule of 8 hours a day, 40 hours per week. Flextime schedules can be arranged with the supervisor. The flextime schedule may begin from 7:30 AM until 9:30 AM and end nine hours later between 4:30 PM and 6:30 PM establishing a core work period from 9:00 AM until 5:00 PM.

Employees may take up to 60 unpaid minutes for lunch each day, which would make their work schedule up to 9 hours. In addition to the unpaid lunch break, employees may take two paid breaks of ten minutes each – one in the morning and one in the afternoon. Breaks are to

be coordinated within the department to ensure continuous support and services are available for internal and external clients.

An employee who will be absent from work for any reason is expected to notify their supervisor within 1 hour of the start time of that day. Repeated absenteeism and/or tardiness may lead to disciplinary action up to and including termination. Part-time employees are expected to report on time for the scheduled work shift and follow all absentee policies and procedures.

2.06 TELECOMMUTING

In order to accommodate employee's needs, supervisors may grant employees, on a case-by-case basis, the opportunity to carry out a portion of the 40-hour workweek away from the office. Approval of such arrangements, including for inclement weather, shall be at the sole discretion of the supervisor. Employees requesting consideration under this policy must demonstrate that the work outside of the office will not impair the requirements of the job and overall efficiency of the office.

Work conducted outside of the office will need to be documented with time sheets and descriptions of tasks undertaken and presented to the supervisor weekly or at the discretion of the supervisor.

The employee must adhere to all reasonable and practical organizational policies and procedures while working from home. The employee will login to the DHIC server via approved laptops or desktops and will maintain the security of all electronic or paper files used while telecommuting.

The organization will not be responsible for operating costs, home maintenance, or any related costs associated with the use of the employee's residence. The organization will not be liable for any damages to the employee's property which results from the participation in the telecommuting program.

2.07 INCLEMENT WEATHER

In the event that inclement weather makes it difficult or unsafe for employees to travel to DHIC during regular work hours, employees may either choose to work at home or take annual leave. If employees choose to work at home they would be expected to follow the Work Away From Office policy.

In cases of extreme weather conditions, the President may authorize an official office closure and grant additional days of annual leave.

2.08 PERSONNEL FILES

DHIC maintains up-to-date personnel files on all employees. It is important to keep your records timely because this information is used for benefit administration and notification in

case of emergency. We respect your right to have the information on your records treated confidentially.

Employees are expected to provide updated personal information in the Employee Navigator system offered by DHIC's health insurance broker, within 30 days of change. Changes would include:

- Home Address
- Telephone Number
- Emergency Contact
- Marital Status
- Number of Dependents

Current website address and login information are provided in the *Operations Manual*.

2.09 EMPLOYMENT OF RELATIVES

DHIC permits the employment of qualified relatives of employees as long as such employment does not, in the opinion of DHIC, create actual or perceived conflicts of interest. DHIC does not permit the employment of "Close Relatives". For purposes of this policy, "Close Relatives" are children, spouses or in-laws of present employees or members of the Board of Directors. DHIC will exercise sound business judgment in the placement of related employees in accordance with these guidelines. As stated under Section 1.06, employees are expected to disclose such relationships and potential conflict of interest.

This policy applies to all categories of employment at DHIC, including regular, temporary, and part-time classifications.

2.10 OUTSIDE EMPLOYMENT

DHIC does not limit an employee's activities during non-working hours unless those activities interfere or are in conflict with the performance of his/her job, or create a conflict of interest. Outside work must be disclosed to and approved by the President.

2.11 SEPARATION OF EMPLOYMENT

Separation of employment can occur for different reasons. Employment may end as a result of resignation, retirement, end of temporary assignment, reduction in workforce or termination. When an employee separates from DHIC, Inc., the employee's supervisor should contact the President and CFO to begin the separation process which may include but is not limited to scheduling an exit interview and planning for the remaining days of work.

A. **Types of Separation**

As stated above there are several types of separation. They are:

Resignation

Resignation is a voluntary act initiated by the employee to terminate employment with DHIC. Although advance notice is not required, DHIC requests at least a two-week notice before voluntarily terminating employment.

Retirement

Employees who wish to retire are requested to notify their supervisor and the President in writing at least one month before the planned retirement date.

Reduction in Workforce

An employee may be laid off because of changes in duties, organizational changes, lack of funds or lack of work.

Release

Release is the end of temporary or seasonal employment.

Termination

Employees of DHIC, Inc. are employed on an at-will basis, and the company retains the right to terminate an employee at any time.

B. **Separation Process**

Separating employees must return all keys, laptops and other company property to their manager or the CFO/VP of Finance and Administration to assure their leaving employment in good standing. Failure to return some items may result in deductions from the final paycheck. An employee will be required to sign the Wage Deduction Authorization form to deduct the costs of certain items from the final paycheck.

Exit Interview

Prior to an employee's departure, the staff member may be asked to go through an exit interview to discuss the reasons for departure.

Vacation Leave

Accrued vacation leave will be paid in the last paycheck. A maximum of 30 days of accrued vacation or combined paid-time-off will be paid. Employees who fail to give a two-week notice or are terminated for misconduct, policy violation or other disciplinary issues, forfeits accrued vacation leave.

Should an employee have a negative balance in any of their leave accounts as of the last day of employment, the company maintains the right under federal law to deduct the value of the leave balance from the final paycheck.

Sick Leave

Accrued Sick leave will not be paid upon Separation of Employment.

Insurance

All insurance including but limited to, Medical, Vision, Dental, Life and LTD, terminates on the last day of employment, or per the federal laws in effect at the time of separation. Information on the State Continuation Program for medical insurance will be provided. The employee may request immediate termination of medical benefits but maintains the right to State Continuation for the period of time allowed by federal or state law at the time of separation.

2.12 DISCIPLINARY PROCEDURES/TERMINATION

We hope to retain good employees; however, employment at DHIC is on an at-will basis for both you and the company. You or the company may terminate your employment at any time for any reason or no reason at all, for no specified time, regardless of length of service.

Employees who exhibit unacceptable conduct or performance may be dismissed immediately, without any prior warnings. Examples of unacceptable conduct or performance include, but are not limited to:

- Conviction or commission of a crime involving moral turpitude, or a crime, which adversely reflects upon ability to perform, assigned duties.
- Misuse of DHIC funds
- Willfully falsifying job information to secure position
- Willful damage or destruction of company property
- Willful acts that would endanger the lives or property of others.
- Possession of unauthorized firearms or dangerous weapons on the job.
- Refusal to accept a reasonable and proper assignment from an authorized supervisor (insubordination).
- Report to work under the influence of alcohol or illegal use of drugs or with the odor of possession of or partaking of such items on the job.
- Guilty of giving or accepting any consideration or thing of value in exchange for "favors" or "influence"
- Engaging in other employment without the permission of supervisor.
- Engaging in other employment which serves as a conflicting interest.

If disciplinary action is required such disciplinary actions may entail verbal, written and final written warnings, suspension, and dismissal/termination. All of these actions may not be followed in all instances. DHIC reserves the right to exercise discretion in discipline. Prior warning is not a requirement for termination. If you are disciplined in writing, copies of your warnings are placed in your personnel file.

DHIC reserves the right to skip any or all levels of progressive discipline when, in the sole opinion of the corporation, immediate dismissal is appropriate for the conduct or performance. The types of disciplinary action are as follows:

Verbal Warning: A verbal warning may be given by a supervisor in cases where violations are minor in nature, or for an offense normally requiring a written warning being called to an employee's attention the first time. Supervisors should note in their records the date the verbal warning is given. If this does not correct the situation within a reasonable time, the supervisor should then use the second step below.

Written Warning: A written warning is a formal warning given after the repetition of an infraction where a verbal warning has been given or for an offense constituting misconduct of a serious enough nature to use this step for the first offense.

Final Written Warning: Repetition within one year of an offense for which an employee has received a written warning, which if not heeded, will result in termination. Also, committing an offense serious enough will cause a final written warning to be issued and could lead to further discipline, including termination.

An employee may be dismissed for repeating an offense or condition where the first three steps in the disciplinary procedure above have been exhausted. Further breaking any rule of an inexcusable nature may result in immediate disciplinary action, up to and including termination.

2.13 COMPLAINT PROCEDURE

In order to resolve disputes in an amicable and constructive a way as possible, each employee shall be able to file a complaint related to performance evaluations, working conditions and matters pertaining to compensation. Employees are encouraged to first present their concern to their supervisor in writing within 15 days after the cause of the complaint occurred. If, for any reason, you feel that you cannot present this problem to your supervisor, you may take this matter to the President or CFO. You should expect to receive a written response promptly and as soon as administratively feasible.

If the supervisor or President does not resolve your concern, you may file a written request to the Chair of the Board of DHIC to present this matter before the DHIC Executive Committee. The appeal shall then be reviewed by the DHIC Executive Committee and acted upon in whatever manner deemed appropriate. The final decision by the Executive Committee shall be a proposal to the President in the form of recommended action regarding the complaint

2.14 PROTECTION OF COMPANY & EMPLOYEE PROPERTY

Respect and protection of corporation property and employee personal property is everyone's concern. If you find property missing or damaged, report it to the President or CFO immediately.

2.15 CONFIDENTIALITY OF SOCIAL SECURITY NUMBERS

DHIC receives public and private sources of funding. And from time to time, in order to fulfill grant and banking obligations, DHIC may seek funding where it is necessary to release information about you as our employee to other business partners. These disclosures are made on a generally infrequent basis, but we wanted to advise you of this. Submission to such disclosures is a condition of employment due to the nature of our business and our sources of funding. DHIC will take every effort to keep your information confidential.

2.16 SECURITY OF PERSONALLY IDENTIFIABLE INFORMATION

Personally identifiable information (PII) is any data that can be used to identify a specific individual including, but not limited to: name, address, email address, phone number, social security number, driver's license number, bank account information, or other identification card numbers. DHIC takes the security of this information very seriously for employees, board members, clients, tenants, and any other individual that would supply PII. DHIC has several technical systems in place to protect information stored on the servers. And it is the employee's responsibility to follow procedures put in place to protect all PII as outlined in the *Operations Manual*. Furthermore, it is expected that employees will not share PII with any individual or entity that is not explicitly authorized to receive such information.

2.17 WORKERS COMPENSATION

Worker's Compensation insurance covers all employees for injuries that are considered job-related under the Worker's Compensation Act of North Carolina. All injuries incurred on the job must be reported immediately.

DHIC and its insurance carrier shall not be responsible for the payment of Workers Compensation benefits for any injury which arises out of an employee's voluntary participation in any off-duty recreational, social or athletic activity which is not part of the employees' work-related duties.

2.18 BUSINESS TRAVEL EXPENSES

This policy outlines the provisions for travel expenses by employees while on assignment away from the normal work location.

Automobile mileage is reimbursed at a rate established by the IRS. Reasonable travel, meal and lodging expenses will be reimbursed based on federal government per diem rates. Receipts are required to be reimbursed for all other expenses which may be claimed on an employee expense report. To obtain your reimbursement, submit receipts to the CFO, as outlined in the *Operations Manual* within the required time limit.

SECTION III: COMMUNICATION & TECHNOLOGY POLICIES

3.01 ELECTRONIC EQUIPMENT

All electronic equipment is the property of DHIC and should be used for job-related purposes; however, we recognize that employees occasionally have a need to make or receive calls and email that cannot be handled outside of work. Personal use of electronic equipment should be kept to a minimum. Electronic equipment includes, but is not limited to, laptops, desktops, phones, copiers, fax machines, scanners printers, software, company's e-mail system, and the Internet.

To ensure that the use of communications systems and business equipment is consistent with DHIC's business interests, management, supervisors or other authorized representatives may monitor the use of such equipment from time to time. This includes but is not limited to monitoring email, stored voice mail or Internet usage of any kind.

3.02 LAPTOPS & SECURITY

Laptops are a regular part of company business and employees may be issued a laptop for some or all of their period of employment with DHIC. A laptop that has been assigned or issued to the employee may be taken off company premises for business use and must be stored in a secure location when not in use. They should not be kept in a vehicle or any location where they could easily be taken or stolen. Any loss of a laptop should be reported to the supervisor and CFO immediately.

Laptops must be made available for regular updates by the DHIC technology consultant and must be password protected at all times. Employees who have been provided secure remote access to the DHIC server via Terminal Server or the Virtual Private Network (VPN) should not share login and/or password information. When working through the Terminal Server or VPN, employees should keep all company information stored on the server. Employees should not download or store any personally identifying information on the hard drive of the laptop regarding clients, customers, co-workers, partners, vendors, etc.

Any violation of the Laptops and Security policy may result in loss of right to use a laptop off-premises and/or disciplinary action.

3.03 CELL PHONES

DHIC does not encourage employees to use their personal cell phones for company business. Use of personal cell phones for company business is voluntary on the part of the employee. However, on occasion, if there is need for an employee to use their personal phone for a period of time related to a particular project, it will be determined on a case-by-case basis if reimbursement will be provided to the employee. Reasonable reimbursement will be determined by the employee's manager and the CFO.

Mobile phones may be provided to certain staff as needed and are property of DHIC. Staff is expected to contribute a portion of the cost of the phone, which you may elect as a salary deduction, based on the reimbursement rates in effect per the CFO. This contribution allows the employee to use the phone for personal use according to the phone plan purchased. Personal charges to cell phones in excess of the plan that is provided should be reimbursed to DHIC within 30 days of notification. Examples include, but are not limited to, extra charges for international calls or calling plans, applications, games, other media purchases, etc.

Reimbursement for mobile phone and hands-free device purchases shall be handled in accordance with the Company's normal expense reimbursement policies. Questions regarding this policy should be directed to the CFO.

For the safety of all employees, and to comply with State and Local laws, DHIC prohibits the use of cell phones while operating a moving vehicle in the course of DHIC business, unless used with a hands-free device. This policy applies regardless of whether the employee is operating a company-owned/rented vehicle or the employee's own vehicle for business purposes. The only exception to this policy is where a phone call is made in a bona fide emergency, such as to call "911" or a similar emergency number (e.g., to call an ambulance, fire department, etc.)

3.04 COMMUNICATION SYSTEMS & INTERNET USE

DHIC provides access to various communication systems including, but not limited to, email, internet, fax, voice mail etc. All electronic communication systems should be used primarily for company business. Personal communications should be held to a minimum and at no cost to the company.

The transmission of sexually explicit images, messages, and cartoons as well as the use of ethnic slurs, racial epithets, threats, profane language, or anything that may be construed as harassment by employees is expressly prohibited.

Users should be aware that all communication software/systems are owned by DHIC and the company reserves the right to inspect files at any time to ensure that the system is being appropriately used in accordance with this policy.

Users should not permit non-employees (other than approved vendors or trainers) access to any electronic communication system.

All communications on any DHIC-owned electronic communication system must maintain confidentiality.

In addition, the following rules apply with respect to Internet usage:

1. **No Downloading of Non-Business Related Data:** DHIC allows the download of files from the Internet. However, downloading files should be limited to those which relate directly to company business.
2. **No Violation of Copyright:** Many of the materials on the Internet are protected by copyright. Even though they may seem to be freely accessible, many of the intellectual property laws which apply to print media still apply to software and material published on the Internet. Employees are permitted to print out Web pages and to download material from the Internet for informational purposes as long as the purpose for such copying falls into the category of “fair use.” Please do not copy or disseminate material which is copyrighted. Employees having any questions regarding such materials should contact the President or CFO for guidance.

Employees who violate this policy are subject to disciplinary action, up to and including termination.

3.05 SOCIAL MEDIA POLICY

DHIC is committed to maintaining a good relationship with employees and with the community. If the Company maintains its positive reputation and excellent image in the public eye, it directly benefits the organization as a whole, in addition to putting you in an advantageous situation as an employee. The way the public views the company is vital to promoting business, gaining new business, retaining first-class employees, recruiting new employees and marketing our products and services.

While the Company does not wish to control employees’ actions outside of work, it is important that employees practice caution and use discretion when posting content on the Internet, and especially on social networking sites that could affect our business operations or reputation. All employees should read and understand the Company policy on online social networking.

The purpose of this policy is to:

- Guarantee a constructive relationship between the Company and its employees
- Reduce the possibility of risk to its reputation
- Discourage the use of company time for personal networking
- Ensure employees are aware of their actions while engaging in social networking, the number of individuals who can access information presented on social networking sites and the consequences associated with these actions

Social networking is defined as any activity that involves interaction in online communities of people. This interaction includes, but is not limited to, browsing other users’ profiles, browsing other users’ photos, reading messages sent through social networking forums and engaging in online communities’ instant messaging services.

Social networking sites are specific online communities of users, or any website that links individuals electronically and provides a forum where users can connect and share information. These websites can be general or tailored to specific interests or certain types of users. Examples of popular social networking sites include Facebook®, Twitter®, MySpace®, Flickr®, Friendster®, Classmates.com®, LinkedIn®, Xanga®, Instagram, and Bebo®. The list of domains that are considered social networking sites is ever-growing and changing because of the nature of the Internet.

Using a social networking site for the Company's gain, usually as a task or assignment given by a manager or supervisor is allowed during working hours. This can be done either through a specific company account on a given social networking site or through a personal account for the purposes of recruiting or marketing for the Company.

It is important that employees use their time while at work to conduct company business. Employees are not blocked from access to social networking sites on computers because, under some circumstances, social networking is a powerful business tool that can be channeled to gain positive publicity for the company and to connect with clients. However, access to such Web sites does not mean they can be used at any time. The following actions are prohibited during working hours:

- Using social networking sites to conduct personal or non-company business.
- Browsing social networking sites for non-company business on company time.
- Reading e-mail alerts regarding personal social networking account activity or using e-mail to correspond with personal social networking contacts.
- Updating information, uploading photos or otherwise engaging with one's personal social networking profile for non-business purposes.
- Micro-blogging, or publishing recent whereabouts, thoughts or activities, for a non-business purpose on a social networking site throughout the day, whether it is on a company-provided computer or a personal smart phone device
- Having your own, individual social networking account and using it on your own time is certainly permissible, however, keep in mind that some actions on your personal site are visible for the entire social networking community and are no longer private matters. While the company will not be continuously monitoring employees' personal conduct on social networking sites, it might be a good guideline to assume that anything posted on your personal social networking profile could potentially be seen by anyone at the Company. It is for your own security and defense that you follow these guidelines.

3.06 MEDIA RELATIONS POLICY

The Company is committed to providing the media with accurate information. To avoid discrepancies, specific guidelines should be followed when a media inquiry is received. All media inquiries regarding the Company and its operation must be immediately referred to the President, VP of Resource Development & Partnerships, or VP of Real Estate Development, who are authorized to make or approve public statements regarding company business.

Unless specifically designated by the President or VP, you are not authorized to make those statements. If you wish to write or publish an article, paper or other publication on behalf of the Company, you must first obtain approval.

Media inquiries include, but are not limited to, the following:

- Press releases
- Advertisements
- Requests for interviews
- Information on:
 - Management changes
 - Financial data
 - Working conditions
 - Wages

Please see the President with any questions or concerns you have regarding the Media Relations Policy.



SECTION IV: COMPENSATION & LEAVE POLICIES

A. COMPENSATION

4.01 COMPENSATION OVERVIEW & PAY DAY

Employees are compensated on either a salary basis or an hourly rate. The terms of your compensation should be identified at the time you are hired. Employees are required to keep a record of his/her hours worked each day and to submit that record monthly or weekly (as specified) to supervisors.

For all employees the standard pay period is semi-monthly. Paychecks are delivered on the 15th day and last day of each month. When a payday falls on a weekend or holiday, paychecks will be distributed on the last working day prior to the holiday or weekend. For salaried employees, pay is up to and including the pay day. All non-salaried employees are paid according to their weekly timesheets approved prior to the payroll processing date.

DHIC offers direct deposit for all employees, which is encouraged, but not mandatory. Paperwork should be provided with your other hiring paperwork and may begin immediately or an employee may begin direct deposit at a later date.

4.02 OVERTIME

All regular full-time staff members are expected to work a 40-hour week unless other arrangements are made with the employee's supervisor. Employees may be required from time to time to work in-excess of 40 hours. Exempt employees who have work commitments which require them to work at irregular times may work on a flexible basis during the week or pay period in which they are required to have this irregular schedule. All non-exempt employees will be compensated for overtime at 1.5 times their regular hourly rate of pay.

4.03 PAYROLL DEDUCTIONS

The following payroll deductions are made for regular full-time, temporary and part-time employees as required by state and federal law:

1. Federal and state income taxes.
2. Medicare contributions.
3. Social Security contributions.

All DHIC employees are members of the Social Security system. As noted above, your contributions are automatically deducted from your paycheck and an equal amount is paid by DHIC. Your Social Security benefits include retirement and disability payments and survivor's insurance.

Regular full-time and eligible part-time employees may also elect a deduction for their retirement plan contribution. Other voluntary deductions can be arranged for dependent health or life insurance, recurring donations to the company, parking, and/or cell phone plans, if eligible.

It is the Company's intent to make all deductions in compliance with state and federal laws. If you believe a deduction has been made in error, please contact the CFO. Your complaint will be investigated and you will be advised of the outcome. If the deduction was made in error, you will be reimbursed on the next scheduled pay period.

4.04 PAY INCREASES

Merit Increases:

Merit pay increases will be based upon the annual performance evaluation and will take effect at the beginning of the next pay period. Merit increases are based solely on the employee's satisfactory work performance. The amount of the merit increase available for all employees is at the discretion of the Board of Directors. All merit increases must be recommended by your supervisor and approved by the President. The effective date of the merit increase will be determined annually by the Board of Directors or the President.

Other Compensation:

At the discretion of the Board of Directors, bonuses may be distributed to the staff and/or individual staff members based on the overall performance of the employee and an overall assessment of DHIC's accomplishments.

Compensation Analysis:

DHIC management may periodically review salary levels and responsibilities to ascertain whether salaries are competitive in the marketplace. Such evaluations may lead to salary adjustments.

4.05 WAGE GARNISHMENT

Garnishment of wages results when an unpaid creditor has taken the matter to court. A garnishment is legal permission for creditors to collect part of an employee's pay directly from the corporation. Although the corporation does not wish to become involved in an employee's private matters, we are required by law to administer the court's orders.

In doing so, the CFO will contact the employee to explain the details of garnishment and how it affects wages. The possibility of resolving the situation before turning it over to implementation will also be explored. Employees are encouraged to resolve these matters privately to avoid the corporation's involvement in this mutually unpleasant situation.

4.06 RECORDING WORK HOURS

Generally all employees are expected to be in the office during our core business hours as referenced in Section 2.05 *Work Schedule, Core Work Hours* unless they are away from the office attending to company business. You and your supervisor may arrange for you to work on a flexible schedule which is different from our regular business hours but it must not interfere with the on-going business of DHIC and other staff. DHIC recognizes that there may be weeks in which work commitments require you to work an alternative schedule.

It is the policy of DHIC to comply with applicable laws that require records to be maintained of the hours worked by our employees. To ensure that accurate records are kept of the hours you actually work (including overtime hours where applicable) and of the accrued leave time you have taken, and to ensure that you are paid in a timely manner, you will be required to record your time worked and your absences on DHIC's official time record form. This form should be completed, signed, and forwarded to your supervisor on a weekly or monthly basis, as requested by your supervisor. After reviewing the form and resolving any discrepancies, your supervisor will sign the form and forward it to payroll for processing.

Please ensure that your actual hours worked and leave time taken are recorded accurately. Falsifying a time record is a breach of company policy and is grounds for disciplinary action, including the possibility of termination.

B. LEAVE

4.21 HOLIDAYS

Regular full-time employees who work at least 32 hours per week are eligible for holiday pay. The following paid holidays will be observed:

New Year's Day	Labor Day
Martin Luther King's Birthday	Veteran's Day
Good Friday	Thanksgiving (2 days)
Memorial Day	Christmas Day (3 days)
Independence Day	

Other religious holidays of a staff member's own faith shall be granted by the supervisor, provided the employee has sufficient leave time available or substitution of holiday leave is approved.

Employees may not elect financial compensation in lieu of taking time off for a holiday. If an employee is requested to work on a holiday, an alternate day off will be allowed in lieu of taking the holiday.

If a holiday falls on a weekend, the holiday will be observed on the closest Friday or Monday, or on the customary day.

4.22 VACATION LEAVE

All regular full-time employees who work 32 hours per week or more are eligible for vacation. Part-time employees working less than an average of 32 hours per week are not eligible for paid vacation leave. Temporary employees working 32 hours per week or more may be eligible for vacation on a case-by-case basis. Part-time employees and interns can arrange for uncompensated time off with the approval of the supervisor.

Annual vacations are determined by length of service and are accrued as follows for regular full-time employees working 40 hours per week:

Length of Service	Days of Vacation	
	per month worked	per year
Less than 3 years	1.00 (8 hours/mo.)	12 days per year
3 to 10 years	1.25 (10 hours)	15
10 to 15 years	1.50 (12 hours)	18
15 to 20 years	1.75 (14 hours)	21
20 years or more	2.00 (16 hours)	24

Carry-Over: an employee may carry up to 40 days of vacation leave from one calendar year to the next.

Regular full-time employees working less than 40 hours per week will accrue vacation time on a pro-rata basis. (i.e. If an employee works an average of 32 hours per week, they would accrue 80% of the schedule above.)

Vacations may be taken at any time during the year as requested and approved by the employee's supervisor. DHIC requests discretion to avoid conflicts with other employees' vacations and with busy periods of the year. Please notify the President and supervisor of specific vacation date requests at the earliest possible date.

Occasionally, an employee may find they need to take more time off than is available in their vacation account. The employee may coordinate the time off that creates the negative balance with their supervisor and CFO. Negative leave may be corrected by either earning the time back per the accrual rate or deducting the leave from the employee's paycheck, to be agreed upon before creating the negative balance.

Accrued Vacation Leave: an employee will be paid for a maximum of 30 days of unused vacation leave upon separation of employment. Additional details regarding vacation leave balances upon termination are listed in Section 2.11 *Separation of Employment*.

4.23 SICK LEAVE

All regular full-time employees accrue sick leave at the following rate, for any length of service:

Sick leave per month: 1 day Sick days per year: 12 days

Carry-Over: an employee may carry up to 60 days of sick leave from one calendar year to the next.

Full-time employees who work less than 40 hours per week accrue sick leave on a pro-rata basis. Part-time employees working less than 32 hours per week are not eligible for sick leave pay. Temporary employees working 32 hours per week or more may be eligible for sick leave on a case-by-case basis.

Sick Leave may be taken for the illness, injury, disability, and medical and dental appointments of the employee and members of your immediate family. Sick leave may also be used for the birth or adoption of a child. If you request sick leave you may be required to furnish documentation from a medical services provider verifying either your inability to work or the medical condition of your eligible family member.

For purposes of administering the sick leave provisions, immediate family is defined as spouse, partner, mother, father, daughter, son, sister, brother, grandson, granddaughter, grandmother, grandfather, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law, brother-in-law, half-sister, half-brother, stepmother, stepfather, stepdaughter, stepson, stepsister, stepbrother or any relative living with the employee.

Accrued Sick leave: an employee will not be paid for unused sick time upon separation of employment.

4.24 ALTERNATIVE PAID TIME OFF (PTO) POLICY - OPTION FOR COMBINING ANNUAL & SICK LEAVE

Employees at DHIC may opt for an alternate plan which combines sick and annual leave in lieu of the vacation and sick policies noted above and applies to any length of service. Under this plan the employee earns:

Alternative PTO per month: 2.083 days Alternative PTO per year: 25 days

Carry-Over: an employee may carry up to 10 days of combined PTO from one calendar year to the next.

Prior to December 31 of each year, existing DHIC employees may change their current vacation and sick leave plans to this alternative plan where such leave is combined. Full-time employees who work less than 40 hours per week would be eligible for Combined Annual and Sick Leave on a pro-rata basis.

In order to avoid bookkeeping difficulties, the leave program that you select may not be changed without approval of the President. It is not anticipated that employees will be allowed to switch back and forth between the two leave programs on a regular basis. Employees are asked to check with their supervisor prior to taking discretionary leave under this plan to ensure that the timing of leave does not adversely impact the flow of work at DHIC. Pay for combination leave may require documentation from a medical provider when the paid leave is for your medical condition or a medical condition of an eligible family member.

Accrued Alternative PTO: an employee will be paid for a maximum of 20 days of unused vacation leave upon separation of employment. Additional details regarding vacation leave balances upon termination are listed in Section 2.11 *Separation of Employment*.

4.25 PAID FAMILY AND MEDICAL LEAVE

Regular, full-time employees who have been with DHIC for at least one year are eligible to take 8 weeks of Paid Family and Medical Leave (Paid Leave) to care for themselves or an immediate family member recovering from major surgery or critical illness or for maternity/paternity/parental leave or for the adoption of a child. This Paid Leave may be taken in one 8-week period or two separate periods of 4 weeks each. Paid Leave must be taken within a 12-week period.

Employees are asked to provide as much advance notice as possible before taking Paid Leave. A physician's certification may be requested for any leave due to medical reasons and all leave must be pre-approved by the President or Interim/Acting President.

Employees must use 10 days of either sick, vacation or PTO leave before the commencement of approved Paid Family and Medical Leave begins. Employees who have not accrued 10 days of sick, vacation or PTO leave, but would like to take advantage of the Paid Leave policy, may borrow un-accrued time in order to take such leave. If the employment relationship is terminated either by the employee or DHIC, the value of any used, un-accrued PTO, will be deducted from the employee's final paycheck. PTO, vacation and sick time will continue to accrue in full during the Paid Family and Medical Leave period.

Employee compensation during the Paid Family and Medical Leave will be reduced by 20%, so the employee will receive 80% of the regular salary during this time. Salary may be adjusted for the regular annual merit increase, but will remain at the 80% of total salary during the Paid Family and Medical leave. The company sponsored Retirement Plan contribution may be adjusted accordingly, based on the reduced salary during the Paid Family and Medical Leave period.

Employees may remain on any other company sponsored benefits during the Paid Family and Medical Leave. However, during this time, the portion of the employee premium paid by DHIC will be reduced by 20%. Thus, during the Paid Family and Medical Leave, the employee's portion of premiums for insurance coverage (for themselves and/or dependents, as applicable) will continue to be deducted from regular payroll.

Regular, full-time employees who work less than 40 hours per week may be eligible for Paid Family and Medical Leave on a prorated basis but in no case shall this Paid Leave be granted to those who work less than 32 hours per week or have been employed for less than 12 months.

4.26 UNPAID FAMILY & MEDICAL LEAVE

Employees who have completed the Paid Family and Medical Leave and require additional leave to care for an immediate family member, a new baby/adopted child, their health or the health of a family member may be eligible for DHIC's Unpaid Family and Medical Leave.

Requests for Unpaid leave must be submitted in writing to, and approved by, the President and be accompanied by a physician's medical certification, if applicable, at least one week before the employee is due to return from Paid Family and Medical Leave.

A. 8-Week Unpaid Family and Medical Leave

Unpaid Family and Medical Leave will be granted for a period of 8 weeks during any 12-month period.

Employees may remain on Medical, Dental, Life and Long-Term Disability insurance plans during the 8-week Unpaid Family and Medical Leave under the premium payment arrangement that was established during Paid Family and Medical Leave. Retirement Plan contributions will cease during the 8-week Unpaid Family and Medical Leave, but other company sponsored benefits will remain in effect as outlined in the *Benefits Manual*. Payment for any premiums that are the employee's responsibility (for themselves and/or dependents, as applicable) will need to be reimbursed to the organization based on an agreed upon schedule set forth by the CFO, prior to the leave period. Failure to reimburse the organization for any premiums may result in the termination of benefits.

Prior to granting Unpaid Family and Medical Leave, the employee and DHIC will agree on an anticipated return to work date. The employee is expected to return to work on this designated date unless an extension has been approved. Failure to report to work on the agreed date will be considered a resignation from employment.

DHIC will make every effort to place an employee returning from an approved unpaid leave to their former job at their former pay rate. But all job reinstatements will be based upon business needs and available work at the time the employee is ready to return to work.

B. Extended 12-week Unpaid Leave and State Continuation Coverage

Any employee who has completed the 8-week Unpaid Family and Medical Leave period may be eligible to extend their unpaid leave for an additional 12 weeks for an employee's temporary disability as certified by a physician, and with the approval of the President or Interim/Acting President.

Any employee who has been on leave for the 8-week Paid Family and Medical Leave plus the 8-week Unpaid Family and Medical Leave may be eligible to continue medical insurance coverage under State Continuation pursuant to NC State Continuation, during the Extended 12-week Unpaid Leave period. While on State Continuation the employee must pay the full insurance premium and must submit this premium payment, under an agreed upon schedule set forth by the CFO, for coverage to continue. Eligible employees must have been covered by the company medical plan for at least 3 months. Failure to reimburse the organization for any premiums may result in the termination of medical insurance.

All other benefits, including dental, life and long term disability insurance, will cease once an employee has completed the 8-week Paid Family and Medical Leave plus the 8-week Unpaid Family and Medical Leave periods and begins the Extended 12-week Unpaid Leave period.

4.27 LACTATION ACCOMODATION

To ease the transition of mothers returning to work following the birth of a child, lactation accommodation will be provided for nursing mothers. For up to a year following a child's birth, nursing employees will be provided break time to express breast milk in private during the workday. The employee will be allowed a reasonable break time whenever she has the need to express milk throughout the day.

If you are returning from maternity leave, speak with your supervisor or the CFO regarding your nursing needs. Your supervisor will work with you to accommodate your break schedule as needed, knowing that your breaks may differ on a day-to-day basis. Personal time may need to be taken or consult with your supervisor to work out a flexible schedule.

4.28 SABBATICAL LEAVE

In order to provide additional incentive for employees to remain with DHIC and give long-term employees the opportunity to recharge after a number of years of service, a Sabbatical Leave program is available. Regular full-time employees are eligible for sabbatical leave. Full-time employees who work less than 40 hours per week are eligible for sabbatical leave on a pro-rata basis. The program works as follows:

- After five years of service, employees will receive a four-week paid leave.
- After ten years of service, employees will receive an eight-week paid leave.
- After each additional 5 years of service, employees will receive an eight-week paid leave.
- All DHIC-paid benefits during the sabbatical period will continue.
- The employee will be required to take the sabbatical within one year after the anniversary date of employment and may not receive compensation in lieu of time taken.

- The leave should be taken during one continuous period. If extenuating circumstances exist, the employee can request the 8 week sabbatical leave to be split into two periods, which will need to be approved by the President.

4.29 BEREVEMENT LEAVE

We have taken into consideration the personal needs that arise from the death of an immediate family member. You will be allowed leave up to three days with full pay until and including the day of the funeral. Funeral leave will not count against accrued paid time off (PTO), vacation or sick leave. Immediate family includes spouse, partner, mother, father, daughter, son, sister, brother, grandson, granddaughter, grandmother, grandfather, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law, brother-in-law, half-sister, half-brother, stepmother, stepfather, stepdaughter, stepson, stepsister, stepbrother or any relative or roommate who lives with the employee.

4.30 VOTING LEAVE

DHIC policy is to encourage its employees to participate in the election of government leaders. Therefore, adequate time off is allowed from the beginning or end of the workday to exercise this right. If the employee otherwise will be unable to vote, he/she may wish to inquire of their Registrar of Voters about the possibility of voting by absentee ballot.

4.31 PERSONAL LEAVE OF ABSENCE

Employees may request an unpaid personal leave of absence, which may be granted by the President, for up to a maximum of 30 days. An extension beyond 30 days will be considered in the event of serious or extenuating circumstances.

4.32 MILITARY LEAVE OF ABSENCE

An employee who is a member of the Armed Forces Reserve or the National Guard and who is required to attend annual active duty for training or other short-term reserve or Guard duty (i.e. forest fire fighting, police duty for natural disaster, etc.) is eligible for a military leave of absence. Such time off will not be considered vacation time. If the employee's military pay for the training is less than his/her average corporation earnings for a like period, DHIC will pay the difference to the employee for a period not exceeding two (2) weeks.

Military leaves are granted as required by law. Employees must present proper documentation prior to obtaining leave. Documentation will need to be approved by the President and CFO/HR Director.

Upon request, employees are eligible for a leave of absence to serve in the active or reserve military services of the United States in accordance with applicable law. DHIC complies with the Uniform Services Employment and Re-employment Rights Act (USERRA). This act applies to all employees who voluntarily perform services in the Armed Forces, Army National Guard,

Public Health Services, or any other category of service designated by the President in time of war or emergency.

Employees must provide DHIC with written orders for their leave and are required to give advanced written or verbal notice of an absence for military service unless circumstances make it unreasonable or impossible to do so.

Employees eligible for vacation or other paid leave time should contact the CFO for specific details.

Health Insurance For Military Leave:

Employees who are currently enrolled in DHIC offered health plans will have their benefits continued for up to 31 days from the leave of absence date. If the leave extends beyond 31 days, you may elect to continue your coverage under COBRA for up to (18) months, however, you may be required to pay all or part of the premium for the continuation of COBRA coverage.

Return From Military Duty:

Re-employment and/or reinstatement of employment will be made in accordance with all federal and/or state law. Employees should contact the President and CFO for specific information regarding return to work procedures.

4.33 JURY DUTY

DHIC will approve leave for employees requested to serve as a juror or testify as a witness for the government. DHIC will pay your regular earnings in addition to any fee you receive for jury service for up to 90 days per year. Please contact your supervisor and the CFO promptly after receiving notification to appear.

Please note that for an absence of more than 30 days the Corporation may find it necessary to move another person into your position to allow operations to continue in your absence. Employee reinstatement to their position will follow state regulation.

4.34 SCHOOL LEAVE

DHIC understands that parental involvement with a child's education is a benefit not only to the parent and the child, but also the community. Because the ability to take time off of work to attend functions and meetings at your child's school is important, you are allowed to take leave from work for this purpose.

All employees are able to use up to six hours of their paid sick leave or PTO each year to attend school functions, meet with school teachers and administration or assist in their child's classroom.

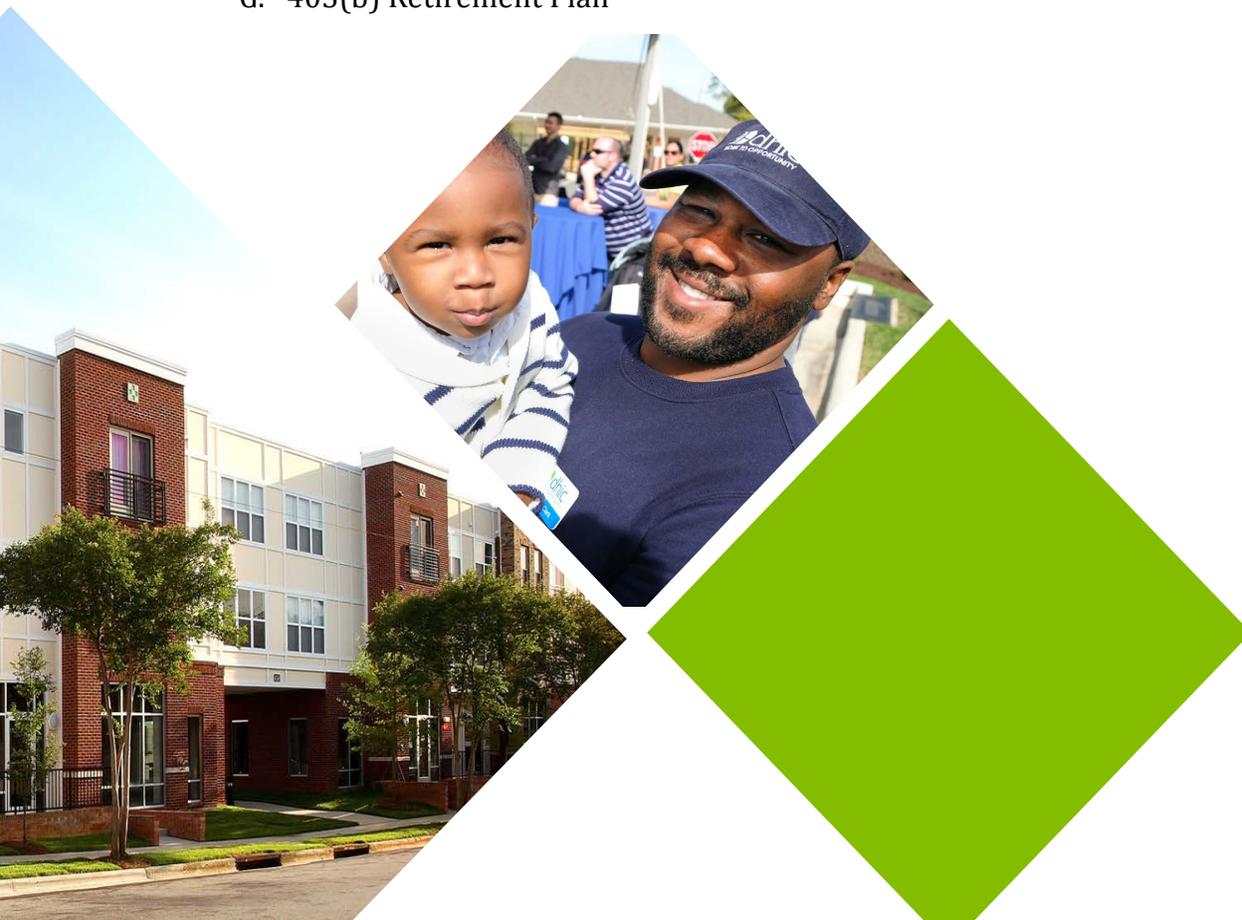
You are required to notify your supervisor ahead of time if you would like to use this type of leave. The ideal notice period is at least one week, but if this is not an option, it is expected that you will notify your supervisor as soon as possible.

SECTION V: MEDICAL & RETIREMENT BENEFITS OVERVIEW

All regular full-time employees are eligible for the benefits outlined in the *DHIC Benefits Manual*. Temporary full-time employees may be eligible for some benefits in the Personnel Manual on a case-by-case basis. Part-time employees will not be eligible for benefits with the exception that any employee working 30 hours or more per week will be eligible for medical insurance per federal regulation.

A list of benefits is included here, the details of which are include in the separate *DHIC Benefits Manual*, since those details could change year to year, based on federal guidelines, board approval or other changes that may be needed. Benefits include:

- A. Medical Insurance
- B. Health Savings, Flexible Savings and/or Health Reimbursement Accounts
- C. Dental Insurance
- D. Vision Insurance
- E. Life and Accidental Death or Dismemberment Insurance
- F. Long-Term Disability Insurance
- G. 403(b) Retirement Plan



PERSONNEL MANUAL ACKNOWLEDGEMENT

UNDERSTANDING BY EMPLOYEE

I understand that the information in DHIC's Handbook represents guidelines only and that the Company reserves the right to modify this Handbook or amend or terminate any policies, procedures, or employee benefit programs whether or not described in this Handbook at any time, or to require and/or increase contributions toward these benefit programs. I understand that I am responsible for reading the Handbook, familiarizing myself with its contents, and adhering to all of the policies and procedures of DHIC, whether set forth in this Handbook or elsewhere.

I understand that this Handbook is not a contract of employment, express or implied, between me and DHIC and that I should not view it as such, or as a guarantee of employment for any specific duration.

I further understand that no manager or representative of DHIC, other than the President or the CFO/VP of Finance & Administration has any authority to enter into any agreement offering employment. I also understand that any such agreement, if made, shall not be enforceable unless it is in a formal, written, signed agreement.

I acknowledge that no supervisor, manager, or other representative of DHIC has the authority to make any verbal promises, commitments, or statements of any kind regarding DHIC's policies, procedures, or any other issues that are legally binding on the Company.

I understand that all electronic communication systems and all information transmitted by, received from, or stored in these systems are the property of DHIC. I also understand that these systems, including the Internet, are to be used solely for job-related purposes and not for personal purposes, and that I have no expectation of privacy in connection with the use of this equipment or with the transmission, receipt, or storage of information in this equipment. I acknowledge and consent to DHIC monitoring my use of this equipment at any time at its discretion. Such monitoring may include printing and reading all e-mail entering, leaving, or stored in these systems as well as listening to my voice-mail messages in the ordinary course of business.

I acknowledge my responsibility to keep all Personally Identifiable Information secure and that I will not share this information with anyone that is not authorized to have access to it.

I hereby acknowledge the aforementioned information and my obligation to read the personnel manual provided to all DHIC employees.

Employee Name: _____

Employee Signature: _____ Date _____