

## **DRUG-FREE POLICY**

### **I. DRUG-FREE WORKPLACE POLICY STATEMENT**

Franklin Asset Management Company, Inc. (FAM, Inc.) acknowledges the problem of substance abuse (including alcohol) in our society. Furthermore, we see substance abuse as a serious threat to our staff, residents and shareholders. We are, therefore, addressing this problem through implementation of this policy, designed to insure that the Company can provide a drug-free workplace for all of its employees and for employees and residents of properties managed by FAM, Inc. Drug and alcohol are complex yet treatable diseases. For this reason, our substance abuse policy is targeted at alleviating these problems through encouraging affected employees to seek assistance.

While FAM, Inc. understands that employees and applicants who are under a physician's care may be required to use prescription drugs, abuse of prescribed medications will be dealt with in the same manner as the abuse of illegal substances.

The ultimate goal of this policy is to balance our respect for individual privacy with our need to keep a safe, productive, drug-free environment. Indeed, all information received for the administration of this policy will be maintained in separate, confidential medical files, pursuant to applicable state and federal laws. Our intention is to prevent substance abuse. We encourage those who use drugs or abuse alcohol to seek help in overcoming their problem. In this way, fully rehabilitated employees may return to work as employees in good standing.

### **II. DEFINITIONS**

- A. "Legal Drug" – Any prescribed or over-the-counter drug which has been legally obtained and is being used solely for the purpose for which it was prescribed or manufactured.
- B. "Illegal Drug" – Any drug which (a) is not legally obtainable; (b) may be legally obtained but has not been legally obtained; and/or (c) is being used in a manner or for a purpose other than as prescribed or for which manufactured.
- C. "Abuse" – Misuse and/or inappropriate use.
- D. "Reasonable Suspicion" – A conclusion which is based on an objective and justifiable belief.
- E. "Company premises" – Any of the facilities, parking lots, apartment units, vehicles and any other real property owned or leased by the Company or managed by the Company pursuant to a Management Contract between the Company and the owners of the apartment community.
- F. "Under the influence of" – Testing positive for, as determined through urinalysis and/or breathalyzer testing, and as defined by thresholds listed in Section V of this policy.

- G. “Drug and/or alcohol test” – An urinalysis and/or breathalyzer test designed to detect any or all of the substances listed in Section V of this policy, conducted by an independent Company-approved facility, utilizing specific collection, transport, and chain-of-custody procedures as outlined by that facility, including waiver and authorization forms signed by the employee.

### **III. POLICY AND WORK RULES**

The Company’s policy is to employ a workforce free from use of illegal drugs and abuse of alcohol, either on or off the job. Any employee determined to be in violation of this policy is subject to termination. It is a Standard of Professional Conduct of FAM, Inc. that its employees, or any employees of properties which it has been contracted to manage, shall not use illegal drugs or abuse alcohol. In order to maintain this Standard, the Company has established and will maintain the policies and rules set forth below.

#### **A. Procedures**

An employee reporting for work who is visibly impaired or unable to properly perform required duties will not be allowed to work. If possible, the employer supervisor shall first seek another supervisor’s opinion to confirm the employee’s condition. Then the supervisor shall consult privately with the employee to determine the cause of the observed condition, including whether substance abuse has occurred. If in the opinion of the supervisor, the employee is considered impaired, then the employee shall be sent home or to a medical facility by taxi or other safe transportation alternative. Depending on the severity of the observed impairment, the supervisor or another designated employee may accompany the employee. An impaired employee will not be allowed to drive under any circumstances.

#### **B. Pre-Employment Drug Abuse Screening**

No applicant will be considered for employment with FAM, Inc. or by FAM, Inc., or any of the properties which it has been contracted to manage, unless he/she is drug-free. All applicants who have been deemed by management to otherwise meet requirements for employment shall receive a copy of this policy.

#### **C. Present Employee Drug and Alcohol Abuse Screening**

The Company will conduct a routine random drug and/or alcohol testing program to identify employees who use illegal drugs as herein defined, or abuse alcohol, whether on or off the job. It shall be a condition of continued employment for all employees to submit to routine random testing when selected, as well as to testing under the following circumstances:

- (1) When there is reasonable suspicion that an employee is using or has used illegal drugs, as herein defined, or is abusing or has abused alcohol;
- (2) When there is any mishap or accident involving an employee in which injury to persons or damage to property has occurred;
- (3) Upon observed marked changes in behavior and deteriorating work performance not attributable to other factors;

- (4) Upon observed alcohol or illegal drug use during work hours;
- (5) Upon return to work, and on a random basis thereafter, following completion of an approved assistance/rehabilitation program for drug or alcohol related problems.

D. Grounds for Termination or Discipline

1. Refusal to Test

An employee who refuses to submit to a drug and/or alcohol test pursuant to this policy shall be terminated from employment immediately.

2. Positive Test Results

An employee who tests positive in a Company-mandated drug and/or alcohol test shall be terminated from employment, subject to the right to explain or challenge, as outlined in Section III.(F) below.

3. Illegal Drug Use

Any employee who brings onto the Company premises, has possession of, is under the influence of, possesses in his/her body, blood or urine in any detectable amount, uses, consumes, transfers, sells or attempts to sell or transfer any form of illegal drug, as herein defined, while on company business or at any time of the day during the employee's scheduled work hours, whether on duty or not, is guilty of misconduct. The employee will be terminated from employment for any such act.

4. Alcohol Abuse

An employee who is under the influence of alcoholic beverages at any time while on company business or at any time of the day during the employee's scheduled work hours, whether on duty or not, is guilty of misconduct. Immediate disciplinary action will be taken in each such instance, up to and including termination, even for a first offense. An employee will be considered under the influence of alcohol if the employee's normal faculties are visibly impaired due to alcohol consumption or if the employee has a blood alcohol level of 0.05 g/dl% or higher.

E. Employee Assistance

The Company will keep a listing of resources for approved employee assistance and rehabilitation programs. Should an employee desire assistance or treatment for a drug or alcohol related problem, he/she should request information from the employee benefits/insurance coordinator. All requests will be kept confidential. An employee who voluntarily seeks such assistance prior to a drug testing event and prior to any drug or alcohol related incident outlined in the above Section III.(D) will not be disciplined or terminated at that time, but will be referred to a Company-approved treatment program. Based upon the

independent assessment of professionals within the program, a leave of absence may or may not be required. If required, the leave of absence will be unpaid, except for any accrued and unused benefits provided by the Company Sick Leave policy. Upon successful completion of the treatment program, an employee who has been placed on leave will be reinstated at the same or similar position and compensation.

Should the employee fail to successfully complete any assistance or treatment program within the time scheduled for that program, or should the employee subsequently be involved in any drug or alcohol related incident as outlined in Section III.(D) above, then the Company shall discipline or terminate the employee per this Policy.

FAM, Inc. does not provide monetary assistance for drug or alcohol rehabilitation or treatment. However, some Company medical benefits may apply to individual circumstances. An employee who has a question about medical benefit coverage for treatment should consult the employee benefits/insurance coordinator.

#### F. Challenge to Test Results

All drug or alcohol tests which initially show positive will be reviewed by a physician, who will contact and interview the employee prior to releasing the test result to the Company. If in the physician's opinion the positive reading results from proper use of prescription or non-prescription medicine, he/she will report a negative result to the Company.

In addition, for a period of five working days after receiving notice of a positive confirmed drug or alcohol test result, the employee will be allowed to submit information explaining or challenging the test results. This explanation or challenge will be submitted to a physician for further review.

If, after further physician review, an employee's explanation or challenge is unsatisfactory to the Company, it will respond with a written explanation as to why the employee's explanation or challenge is unsatisfactory, along with a report of the positive test results, within fifteen days of receipt of the employee's explanation or challenge. At that time the employee will be disciplined per this policy.

If, after further physician review, an employee's explanation or challenge is satisfactory to the Company, then the Company will eliminate the positive test result from the employee's record.

### **IV. CONFIDENTIALITY**

All information, interviews, reports, statements and drug and alcohol test results, written or otherwise, received or generated by the Company pursuant to its drug and alcohol abuse policy are confidential communications and will not be used or disclosed in any public or private proceedings, except for purposes of administering this policy. All such information shall be retained in a separate, confidential medical file, which shall only be available to those with a need to know within the Company. Release of this information under any other circumstances will only occur through voluntary written consent of the employee unless such release is compelled by a court of competent jurisdiction.

## V. DRUGS TO BE TESTED

FAM, Inc., or any properties that it has been contracted to manage, may test for any or all of the following drugs listed below. Test thresholds for each substance are also listed.

Alcohol (Booze, Drink)	0.05 g/dl%
Amphetamines (Benzphetamine, Desoxyn, Dexedrine, Uppers, Speed, Crank, Meth, Whites, Black Beauties, Dexies)	1,000 ng/ml
Cannabis (Marijuana, Hashish, THC, Hash, Hash Oil, Pot, Joint, Roach, Spleaf, Grass, Weed, Reefer, Dope, Toot, Blow, Mary Jane, Acapulco Gold)	50 ng/ml
Cocaine (Coke, Toot, Blow, Nose Candy, Snow, Flake, Crack, White Candy, Free Base, C, Gold Dust)	300 ng/ml
Phencyclidine (PCP, Angel Dust, Hog, Elephant, Dummy Dust)	25 ng/ml
Methaqualone (Quaalude, Mequine, Ludes, Soapers, Quads)	300 ng/ml
Opiates (Opium, Dover's Powder, Paregoric, Parepectolin)	300 ng/ml
Barbiturates (Phenobarbital, Tuinal, Amytal, Seconal, Levsin, Donnatal, Mebaral, Plexonal, Downers, Dolls, Reds, Rainbows, Yellows, Tunia, Goof Balls, Blues)	300 ng/ml
Benzodiazepines (Ativan, Agency, Clonopin, Dalmone, Diazepam, Halcion, Librium, Poxipam, Restoril, Serax, Transene, Valium, Vertron, Xanax, Downers)	300 ng/ml
Methadone (Dolophine, Methadose, Done)	300 ng/ml
Propoxyphene (Darvocet, Darvon N., Dolene)	300 ng/ml