

Associate Handbook 2019

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WELCOME TO ESSEX PROPERTY TRUST, INC.

A MESSAGE FROM THE PRESIDENT AND CEO...



Welcome to Essex Property Trust - The Proven Leader in West Coast Apartments.

Essex is a fully integrated real estate investment trust (REIT) that acquires, develops, redevelops, and manages multifamily residential properties in selected West Coast communities, including Southern California, the San Francisco Bay Area, and the Seattle metropolitan area. The Company currently has ownership interests in 240+ apartment communities comprised of over 60,200 apartment homes and is a top-performing REIT. The Company made its public debut in June 1994 and is traded on the New York Stock Exchange under ticker symbol (“ESS”). Essex was founded on, and pursues, certain core principles - including investing in the right markets at the right time and maintaining a disciplined business strategy with a sound financial structure. To continue its success, Essex needs its Associates to diligently, urgently, and tirelessly pursue and accomplish assigned tasks in accordance with Company policy, and to effectively communicate issues and opportunities to appropriate personnel.

We believe in the importance of your individual success, and that your performance will directly affect the overall results of the Company. To that end, we encourage you to learn about the Company, and suggest the Investor Relations department, Human Resources, and the Company’s website, www.essexapartmenthomes.com, as useful resources.

Best regards,

Michael J. Schall
President and Chief Executive Officer

The Essex Property Trust Mission Statement

Our mission at Essex is to provide quality apartment homes in premier markets throughout the West Coast. We strive to operate our business with governing core values - integrity, fairness, accountability and unwavering urgency.

This is Essex - The proven leader in West Coast Apartments.

ESSENTIAL LEGAL PROVISIONS

Introduction

We hope that your employment at Essex Property Trust, Inc. and all of its affiliated and related entities (individually or collectively referred to as “Essex” or the “Company”) is rewarding and challenging. The policies in this Associate Handbook (the “Handbook”) apply to all officers and employees (collectively, “Associates”) of the Company.

The quality of our Associates is a major factor in the success of the Company. Accordingly, we strive to be careful in selecting our new Associates and we expect Associates to contribute to the success of the Company.

This Handbook sets forth some of the Company’s policies related to the employment, benefits, and work rules for all Associates. We expect each Associate to read this Handbook carefully and to abide by the policies set forth herein. The policies contained in the Handbook are guidelines only and, with the exception of the at-will policies, are not intended to create any contractual rights or obligations, express or implied. Except for the at-will employment policy and the arbitration policy and mutual agreement to arbitrate, which can only be changed by the President of the Company, Essex reserves the right to revise, delete, and add to the provisions of this Handbook and any policies, benefits, and practices at any time without advance notice. All revisions, deletions, or additions to the at-will employment and arbitration policies must be in writing and must be signed by the President of the Company and the affected Associate. No oral statements or representations can change the provisions of this Associate Handbook. In addition, no one other than the President has the authority to enter into any employment or other agreement that modifies Company policy. Any such modification must be in writing and signed by the President or his or her authorized representative.

This Handbook is designed to familiarize you with major Company policies and is not intended to address every possible situation. Also, additional policies that are not covered in this Handbook may apply to our Associates. Your supervisor, manager, or Human Resources will be happy to answer any questions you may have about the application of any particular policy or the existence of additional policies at your location.

Nothing in this Handbook or in any other document or policy is intended to violate any local, state, or federal law. Nothing in this Handbook or in any other document or policy is intended to limit any concerted activities by Associates relating to their wages, hours, or working conditions, or any other conduct protected by Section 7 of the National Labor Relations Act (NLRA). Furthermore, nothing in this Handbook prohibits an Associate from reporting concerns to, filing a charge or complaint with, making lawful disclosures to, providing documents or other information to, or participating in an investigation or hearing conducted by the Equal Employment Opportunity Commission (“EEOC”), National Labor Relations Board (“NLRB”), Securities and Exchange Commission (“SEC”), or any other federal, state, or local agency charged with the enforcement of any laws.

This Handbook contains the policies and practices in effect at the time of publication. All previously issued manuals or handbooks and any inconsistent policy or benefit statements (except as may be expressly described in the first paragraph of the section titled “Benefits” below) or memoranda are hereby expressly superseded.

At-Will Employment

Employment at Essex is at-will. This means that employment may be terminated at any time by the Associate or the Company for any reason or no reason, with or without cause, and with or without advance notice. Additionally, at-will employment means that an Associate’s employment is neither for a definite period of time, nor is it permanent. Associates also may be demoted or disciplined, and the terms of their employment may be altered at any time, with or without cause, at the sole discretion of the Company.

No one other than the President of the Company has the authority to alter this arrangement, to enter into an agreement for employment for any specified period of time, or to make any agreement contrary to this policy, and any such agreement must be in writing and signed by the President of the Company or his or her authorized representative.

Equal Opportunity Employment

Essex is an equal opportunity employer and makes employment decisions on the basis of merit, qualifications, and competence. Our objective is to have the best-qualified person in every job. Company policy prohibits discrimination based on race, color, religion, religious creed, sex and gender (including pregnancy, childbirth, lactation, and related medical conditions), gender identity, gender expression (including transgender individuals who are transitioning, have transitioned, or are perceived to be transitioning to the

gender with which they identify), sexual orientation, marital status (including registered domestic partnership status), national origin, ancestry, physical or mental disability, medical condition, genetic information, age (40 and over), family or medical leave status, Civil Air Patrol status, military and veteran status, or any other consideration made unlawful by federal, state, or local laws, and/or retaliation for protesting illegal discrimination related to one of these categories.

For purposes of this policy, discrimination on the basis of “national origin” also includes discrimination against an individual because that person holds or presents the California driver license issued to those who cannot document their lawful presence in the United States, as well as discrimination based upon any of the following: an individual’s or individual’s ancestors’ actual or perceived physical, cultural, or linguistic characteristics associated with a national origin group; marriage to or association with individuals of a national origin group; tribal affiliation; membership in or association with an organization identified with or seeking to promote the interests of a national origin group; attendance or participation in schools, churches, temples, mosques or other religious institutions generally used by persons of a national origin group; or a name that is associated with a national origin group. An Associate’s or applicant for employment’s immigration status will not be considered for any employment purpose except as necessary to comply with federal, state, or local law.

Equal employment opportunity will be extended to all persons in all aspects of the employer-employee relationship, including recruitment, hiring, training, compensation, promotion, transfer, discipline, demotion, layoff, recall and termination. This policy applies to all persons involved in the operations of the Company and to all areas of employment. It prohibits discrimination by any Associate of the Company, including supervisors, managers and co-workers.

The Company allows Associates to self-identify their gender, name, and/or pronoun, including gender-neutral pronouns. The Company will use an Associate’s gender or legal name as indicated on a government-issued identification document, only as necessary to meet an obligation mandated by law. Otherwise, the Company will identify the Associate in accordance with the Associate’s current gender identity and preferred name.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, the Company will make reasonable accommodations for the known physical or mental disability or known medical condition of an applicant or an Associate, unless undue hardship for the Company would result.

Any applicant or Associate with a disability who requires an accommodation in order to perform the essential functions of the job should contact their supervisor or Human Resources and request an accommodation. If possible, the individual with the disability should specify what accommodation he or she believes is necessary. The Company then will work with the applicant or Associate to identify what reasonable accommodations, if any, will help the individual perform the essential functions of his or her job. The Company will provide reasonable accommodations that do not impose an undue hardship on the conduct of the Company’s business.

If Associates believe they have been discriminated against or have witnessed an act of discrimination, the Associate must report the facts of the incident to their supervisor, Human Resources, or to any other member of management as soon as possible. Associates are not required to report the incident to their supervisor or manager first. If Associates believe their supervisor or manager engaged in discrimination or harassment, the Associate must report the incident immediately to Human Resources. Supervisors or managers who receive complaints of discrimination must inform Human Resources immediately. The Company takes all complaints of discrimination seriously and wants to resolve them at the earliest opportunity. Any Associate, whether co-worker, supervisor or manager, who is found to have violated the Company’s policy against discrimination will be subject to appropriate disciplinary action up to and including the possibility of immediate discharge from employment.

Policy Against Harassment And Discrimination

Essex is committed to providing a work environment that is free of harassment and discrimination. The Company prohibits harassment of any kind in violation of this policy, including harassment on the basis of race, color, religion, religious creed, sex and gender (including pregnancy, childbirth, lactation, and related medical conditions), gender identity, gender expression (including transgender individuals who are transitioning, have transitioned, or are perceived to be transitioning to the gender with which they identify), sexual orientation, marital status (including registered domestic partnership status), national origin, ancestry, physical or mental disability, medical condition, genetic information, age (40 and over), family or medical leave status, Civil Air Patrol status, military and veteran status, or any other consideration made unlawful by federal, state, or local laws, and/or retaliation for protesting illegal discrimination related to one of these categories.

This policy prohibits harassment, as identified above, by and against any Associate, including unpaid interns and volunteers, or agent of the Company, including managers, supervisors and co-workers, any applicant, and any non-employee, including customers, clients, vendors, or any other non-Associate with whom the Company has a business, service, or professional relationship. In such situations, the Company will take all reasonable steps to prevent discrimination and harassment from occurring. If such harassment occurs on the

Company's premises or is directed toward an Associate or a third party interacting with the Company, the procedures in this policy should be followed.

Harassment that is prohibited by the Company may take many forms, including, without limitation:

- a) **Verbal Harassment** such as epithets, derogatory jokes, slurs, unwelcome sexual advances or invitations, remarks about an individual's body, dress, clothing, color, or physical appearance, questions about a person's sexual practices, and/or patronizing terms or remarks;
- b) **Physical harassment** such as physical interference with normal work, impeding or blocking movement, assault, unwelcomed physical contact or touching, and threatening, intimidating or hostile acts because of sex, race, or any other protected basis;
- c) **Visual harassment** such as derogatory, offensive and/or sexually oriented posters, calendars, photographs, cartoons, drawings or gestures; displays with sexually suggestive or lewd objects; unwelcomed and offensive letters or notes; or any other graphic material that denigrates or shows hostility or aversion toward an individual because of the individual's protected characteristics;
- d) **Virtual harassment** such as harassing comments made or actions taken using electronic communications systems, including computers, e-mail, blogs, instant messages ("IMs"), smartphones (e.g., iPhones, etc.), connections to the Internet and World Wide Web, and other internal or external networks, voicemail, video conferencing, facsimiles, and telephones, or using social media (e.g., Twitter, Facebook, LinkedIn, personal or public blogs, etc.); and
- e) **Retaliation** for having reported or threatened to report harassment, or for opposing harassment, or for participating in investigations of suspected harassment.

This behavior is unacceptable in the workplace, and in other work-related settings such as business trips, Company-related networking events, in Company vehicles or during Company-sponsored social events.

Sexual harassment in any form is strictly prohibited. Sexual harassment occurs when submission to, or rejection of, unwelcome sexual conduct by an individual is used as a basis for employment decisions, or when sexual harassment is made a condition for receiving concrete employment benefits. Sexual harassment also occurs when unwelcomed sexual conduct unreasonably interferes with an individual's job performance or creates an intimidating, hostile, or offensive working environment, even if it does not lead to tangible or economic job consequences. Sexual harassment includes the harassment of women by men, harassment of men by women, and gender-based harassment by individuals of the same sex.

If Associates believe they have been harassed or have witnessed an act of harassment, the Associate must report the facts of the incident to their supervisor, Human Resources, or to any other member of management as soon as possible. Associates are not required to report the incident to their supervisor or manager first. If Associates believe their supervisor or manager engaged in discrimination or harassment, the Associate must report the incident immediately to Human Resources. Supervisors or managers who receive complaints of harassment must inform Human Resources immediately. The Company takes all harassment seriously and wants to resolve them at the earliest opportunity. Any Associate, whether co-worker, supervisor, or manager, who is found to have violated the Company's policy against harassment will be subject to appropriate disciplinary action up to and including immediate discharge from employment.

Company's Complaint Procedure

The Company's complaint procedure provides for a thorough and objective investigation of any discrimination, retaliation, or harassment claim, and appropriate disciplinary action against anyone found to have engaged in prohibited unlawful conduct. An Associate may have a claim of discrimination, retaliation, or harassment even if he or she has not lost a job or some economic benefit.

We recommend that Associates who believe they have been discriminated or harassed on the job or who are aware of the discrimination or harassment of others immediately provide a written or verbal complaint to Human Resources or their own or any other supervisor, or any other member of management. Associates are not required to make a complaint directly to their immediate supervisor. The complaint should include details of the incident(s), names of individuals involved, and the names of any witnesses. **Supervisors and managers must immediately report all discrimination or harassment complaints or incidents of discrimination or harassment which they observe to Human Resources and/or the General Counsel of the Company.**

The Company's Compliance Program has been established to prevent, detect, and correct violations of law and Company policies and procedures. As part of the program, Associates may submit complaints, concerns, and information regarding suspected improper

accounting, false or misleading public statements, securities fraud, or other similar misconduct taken by Company Associates or its agents directly to Global Compliance's anonymous and confidential hotline service called AlertLine. All such submissions regarding suspected improper accounting, false or misleading public statements, securities fraud or other similar misconduct may be made **on an anonymous basis** and shall be treated as confidential. Associates may forward complaints to AlertLine in the following manner:

Telephone Hotline Service: AlertLine
1-866-752-5307

All incidents of discrimination and/or harassment that are reported will be investigated. The Company will undertake an effective, thorough and objective investigation of the discrimination or harassment allegations by qualified personnel in a manner as confidential as possible, but consistent with a thorough investigation. Associates must cooperate with and participate in these investigations so that the Company can fully investigate and resolve any issues promptly and efficiently as possible. Failure to do so could lead to corrective action up to and including termination. Information obtained during the investigation will be disclosed only on a need-to-know basis. The investigation will be completed and a determination regarding the discrimination or harassment alleged will be made and communicated to the Associate(s) who complained, to the accused harasser(s), and when appropriate, to other persons who are directly concerned.

If the Company determines that discrimination or harassment in violation of this policy has occurred, the Company will take effective remedial action commensurate with the severity of the offense. Disciplinary action for a violation of this policy can range from verbal or written warnings up to and including immediate termination. For non-Associates, remedial action may include, but is not limited to, notice to the non-Associate's employer that such conduct is not tolerated and must cease, or a demand that a vendor send a different person to the Company's workplace. Appropriate action will also be taken to deter any future discrimination and/or harassment.

The federal Equal Employment Opportunity Commission (EEOC) and the California Department of Fair Employment and Housing (DFEH) will accept and investigate charges of unlawful discrimination or harassment at no charge to the complaining party. Information may be located by visiting the agency website at www.eeoc.gov or www.dfeh.ca.gov.

Retaliation

The Company will not tolerate unlawful retaliation of any kind, including retaliation against any Associate who files a complaint or who participates or assists with the Company's complaint and investigation procedures, or against any Associate who files, testifies, assists, or participates in any manner in any investigation, proceeding, inquiry or hearing conducted by a federal or state enforcement agency, or against any Associate who discloses a violation of or noncompliance with law to a government or law enforcement agency, a person with authority over the Associate, or an Associate with authority to investigate, or against an Associate who refused to participate in an activity that would result in a violation or noncompliance with law. We recommend that Associates who believe they have been subjected to retaliation report their concerns to Human Resources.

Any Associate of Essex, whether co-worker, supervisor or manager, who is found to have violated the Company's policy against retaliation will be subject to appropriate disciplinary action up to and including the possibility of immediate discharge from employment.

Open-Door Policy

Suggestions for improving the Company are always welcome. At some time, you may have a complaint, suggestion, or question about your job or working conditions. Your complaints, questions and suggestions are of concern to the Company. We ask that you take your concerns first to your supervisor or Human Resources, following these steps:

1. As soon as possible after the events that cause the concern, bring the situation to the attention of your immediate supervisor or Human Resources who will then investigate and attempt to provide a solution or explanation.
2. If the problem persists, you may make a written complaint and present it to an officer of the Company (e.g., Divisional Manager or Sr. VP of Human Resources) or the General Counsel/Secretary of the Company, who will refer the matter to the appropriate parties for investigation and resolution. The Company will investigate the matter and attempt to provide a solution or explanation. It is recommended that you bring the matter to the officer of the Company as soon as possible after you believe that your immediate supervisor or Human Resources has failed to resolve the matter.

The Company will attempt to keep all such expressions of concern, the results of any investigation, and the terms of the resolution as confidential as practicable. In the course of investigating and resolving the matter, however, some dissemination of information to others may be necessary or appropriate.

This procedure, which we believe is important for both you and the Company, cannot result in every problem being resolved to your satisfaction. However, the Company values your input and you should feel free to raise issues of concern in good faith, without the fear of retaliation.

Arbitration

Essex has developed and implemented a mutual agreement to arbitrate that provides for a fair hearing before an impartial, objective neutral arbitrator that has been selected by both sides. If you have any questions regarding arbitration, please contact Human Resources.

EMPLOYMENT POLICIES AND PRACTICES

Working Hours and Schedules

Generally, Community office hours are 9:00 a.m. to 6:00 p.m. However, this may vary as determined by the Regional Portfolio Manager based on the business needs of the property. The corporate office hours are generally 8:30 a.m. to 5:30 p.m. However, depending upon the requirements of your job and the needs of your office, your hours may be different. If your schedule differs from the foregoing, your supervisor will provide you with your working hours and schedule, which may be changed at any time at your supervisor’s discretion.

Meal Periods and Rest Breaks (California Associates Only)

a) Meal Periods (California Associates Only)

The Company provides at least a 30-minute meal period to California Associates who work more than five hours and a second 30-minute meal period to California Associates who work more than 10 hours in a workday, unless they have elected to waive a meal period in accordance with the Company’s policy and state law. California Associates are relieved of all of their duties during meal periods and are allowed to leave the premises, and are therefore not required to respond to email, cell phones, or pagers during meal periods.

The Company provides meal periods as follows:

Number of Actual Hours Worked Per Shift	Number of Meal Periods	Comments
0 to ≤ 5.0	0	A California Associate who does not work more than five hours in a workday is not provided with a meal period.
> 5.0 to ≤ 10.0	1	A California Associate who works more than five hours in a workday, but who does not work more than ten hours in a workday, is provided with a 30-minute meal period available before working more than five hours, subject to any meal period waiver in effect.
> 10.0	2	A California Associate who works more than ten hours in a workday is provided with a second 30-minute meal period available before working more than ten hours, subject to any meal period waiver in effect. The meal period waiver will be invalidated if the California Associate works more than 12 hours.

The Company does not pay non-exempt California Associates for meal periods, and consequently, non-exempt California Associates must record the start and stop times of their meal periods in the timekeeping system.

b) Rest Breaks (California Associates Only)

California Associates are authorized and permitted to take a 10-minute paid rest break for every four hours worked, or major fraction thereof (i.e., more than two hours), for shifts of at least three and one-half hours. California Associates are relieved of all of their

duties during rest periods and are allowed to leave the premises, and are not required to respond to email, cell phones or pagers during rest breaks. The Company authorizes and permits rest breaks as follows:

Number of Actual Hours Worked Per Shift	# of 10 Minute Rest Breaks	Comments
0 to < 3.5	0	A non-exempt California Associate who works less than 3.5 hours in a workday is not entitled to a rest break.
3.5 to ≤ 6	1	A non-exempt California Associate who works between 3.5 and 6 hours in a workday is entitled to one 10-minute rest break.
> 6.0 to ≤ 10.0	2	A non-exempt California Associate who works more than 6 hours in a workday but who does not work more than 10 hours in a workday is entitled to two 10-minute rest breaks.
> 10.0 to ≤ 14.0	3	A non-exempt California Associate who works more than 10 hours in a workday but who does not work more than 14 hours in a workday is entitled to three 10-minute rest breaks. ¹

Whenever practicable, rest breaks should be taken near the middle of each four-hour work period. California Associates may not accumulate rest breaks or use rest breaks as a basis for starting work late, leaving work early, or extending a meal period. Because rest breaks are paid, non-exempt California Associates should not clock out for them.

c) Responsibilities (California Associates Only)

Supervisors are responsible for administering their department’s meal periods and rest breaks.

Any non-exempt California Associate who is not provided with a meal period or authorized and permitted to take a rest break pursuant to the terms of this Policy is immediately entitled to a meal period or rest break premium. Supervisors will be responsible for authorizing meal period or rest break premiums. Any supervisor who knows or should reasonably know that a meal period or rest break was not provided in accordance with this Policy should arrange for a premium to issue to the California Associate. California Associates are responsible for reporting to their supervisor any meal period that was not provided or any rest break not authorized and permitted where the supervisor would have no reason to otherwise know of this fact. Any California Associate who feels that he or she is owed a premium as a result of this Policy, but has not received the premium, should report the missing premium immediately to his or her supervisor on a Missed Punch form.

Meal Periods and Rest Breaks (Washington Associates Only)

a) Meal Periods (Washington Associates Only)

Non-exempt Washington Associates working more than five hours in a shift will be provided a meal period of at least 30 minutes. The meal period must be taken between the second and the fifth hour of work. An additional meal period will be provided for each additional five hours of work and will be given within five hours from the end of the first meal break. Non-exempt Washington Associates who work three or more hours longer than the normally scheduled shift will be provided at least one 30-minute meal period before or during that extra work time.

Uninterrupted meal periods of at least 30 minutes, during which the Washington Associates is completely relieved from duty, are unpaid. Because meal periods are unpaid, Washington Associates must record their start and stop times. Meal periods may be voluntarily waived by a Washington Associate. Any such waiver may be revoked by the Washington Associates or the Company. A Washington Associate who is required to work through some or all of a 30-minute meal period or whose 30-minute meal period is interrupted should report it to Human Resources. If a Washington Associate does not report a missed or interrupted meal period, the Company will assume the Washington Associate voluntarily waived the meal period.

¹ Non-exempt California Associates who work more than 14 hours in a workday may be entitled to additional rest breaks.

b) Rest Breaks (Washington Associates Only)

Non-exempt Washington Associates must take a 10-minute paid rest break for every four hours worked and must not work more than three consecutive hours without a paid 10-minute rest break. A rest break taken in a 10-minute block must be scheduled as near as possible to the midpoint of the work period. A Washington Associate's paid rest breaks do not have to be scheduled in 10-minute blocks if the nature of the work allows the Washington Associate to take shorter, intermittent rest breaks totaling 10 minutes for every four hours worked. A Washington Associate may not waive a paid rest break.

Any Washington Associate who does not receive a rest break in accordance with this policy should report it to Human Resources. If a Washington Associate does not report a missed rest break, the Company will assume the Washington Associate took his or her rest breaks as required by this policy.

c) Responsibilities (Washington Associates Only)

Washington Associates are expected to take their meal periods and rest breaks and management is expected to ensure that Washington Associates take meal periods and rest breaks in accordance with this policy. Supervisors may not pressure or coerce Washington Associates to work through their meal periods or rest breaks. Any Washington Associate who feels he or she has been pressured or coerced into working through a meal period or rest break should immediately report the situation to Human Resources.

Any Washington Associate, supervisor, or manager who fails to observe the applicable guidelines in this policy will be subject to discipline, up to and including termination of employment. Violations of this policy should be reported to Human Resources. Every report will be fully investigated, and corrective action will be taken when appropriate. The Company will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the Company's investigation of such reports.

Questions and Complaints

It is essential that we accurately record time so that Associates can be fully and properly paid all wages they are owed.

The Company has a timekeeping hotline for Associates to use if they are asked to violate our timekeeping policies or if they are asked or directed to inaccurately record their time or work off the clock. The hotline number is 949-863-4239. Hotline calls are reported to the Human Resources department, who will either address the issue directly or will forward the issue to the appropriate personnel. Otherwise, calls to the hotline will be kept confidential to the extent possible. Consistent with the Company's stringent policy against retaliation of any kind, the Company will not retaliate against Associates in any way for calling the hotline and/or reporting violations of policy.

It is against Company policy for a supervisor or manager to discourage or prohibit an Associate from reporting a meal period or rest break that was not provided in accordance with this policy. Associates will not be retaliated against in any way for reporting meal periods or rest breaks that have not been provided to them. However, deliberate falsification of a Missed Punch form is a violation of Company policy, and may subject Associates to disciplinary action, up to and including termination.

Off the Clock Work

Off the clock work is never allowed. Associates must immediately report to Human Resources any situation where they are directly or indirectly asked or directed to work off the clock or to edit their time records by shaving off actual work time. Human Resources will investigate and take prompt action to address any such situation. Falsification of time records in any way, either by including time that was not worked, directing Associates to omit time, or omitting time that was worked, is entirely improper, expressly prohibited, and could lead to disciplinary action, up to and including termination.

On-Call Policy

Maintenance Associates who are specifically assigned "on-call" responsibilities must be available to receive pages and respond by telephone while they are in an on-call capacity, except during their meal periods and rest breaks during which they will be relieved of all of their duties and the Company relinquishes any control over how they spend their time. While they are working on-call, Associates must be alert and prepared at all times to work on the property. On-call Associates are free to be wherever and do whatever they wish while on-call, there is no geographic restriction. They can sleep, exercise, engage in recreational pursuits, entertain, or participate in any other activities as long as they are able to respond to calls in a responsible manner. Associates are not considered "alert and prepared," however, if they are impaired by intoxicating beverages, illegal drugs or medications that could create a safety issue (please refer to Drug and Alcohol Use Policy for further information).

Associates are expected to respond to calls in a reasonable and prompt manner. There is no set or mandated response time for Maintenance Associates to respond while on-call. This simply means that on-call Associates who are paged should respond promptly by calling the appropriate person. In most instances, this can be handled by making a simple, brief phone call to the resident to determine whether it is necessary to return to the property and what the appropriate response to the resident's needs should be.

Associates who respond to pages or phone calls or perform other work outside of work hours must report this time on the call-back log in order to be paid for their time. This applies even if the Associate does not report to work and handles the page through a phone call.

Associates who ignore pages and fail to call are subject to disciplinary action, up to and including termination, for not responding to pages while on-call.

In cases where it is necessary for an on-call Associate to report to the property to work, the Associate is expected to be able to report within a reasonable amount of time. Because on-call responsibilities are assigned during evenings and weekends when there typically is less traffic, Associates normally are able to report within thirty (30) minutes, particularly if they reside within thirty (30) minutes of the property. However, there is no thirty (30) minute rule or other strict time limitation. Associates are simply asked to respond in a reasonable amount of time under the existing circumstances and be responsible. In rare cases when an emergency arises that requires immediate attention before the Associate can report to the property, the Associate should first attempt to contact another Associate or, if another Associate is not available, arrange for the appropriate vendor to address the emergency. If neither is available, the Associate should contact the supervisor.

Please remember that Associates who handle on-call duties must have either a Company-provided cellular phone or pager in order to respond while on-call. On-call Associates are not expected or required to use personal phones for Company-purposes. If there are any questions about this, please contact Human Resources.

Lactation Accommodation

The Company will provide a reasonable amount of break time to accommodate an Associate desiring to express breast milk for the Associate's infant child. Associates needing breaks for lactation purposes may use ordinary paid rest breaks or may take other reasonable break time when needed. If possible, the lactation break time should run concurrently with scheduled meal periods and rest breaks already provided to the Associate. If the lactation break time cannot run concurrently with meal periods and rest breaks already provided or additional time is needed, the lactation break time will be unpaid for non-exempt Associates.

Associates will be relieved of all work-related duties during any unpaid break. When unpaid breaks or additional time are required, Associates should work with their supervisor regarding scheduling and reporting the extra break time.

Because exempt Associates receive their full salary during weeks in which they work, all exempt Associates who need lactation accommodation breaks do not need to report any extra break time as "unpaid."

The Company will provide Associates with the use of a room or a private area, other than a bathroom or toilet stall, that is shielded from view and free from intrusion from co-workers and the public. The Company will make a reasonable effort to identify a location within close proximity to the work area for the Associate to express milk. This location may be the Associate's private office, if applicable. Lactation is considered a pregnancy-related condition under California law.

Associates should discuss with their supervisor, manager, or Human Resources the location for storage of expressed milk. In addition, Associates should contact Human Resources during their pregnancy or before their return to work to identify the need for a lactation area.

The Company will otherwise treat lactation as a pregnancy-related medical condition and address lactation-related needs in the same manner that it addresses other non-incapacitating medical conditions, including requested time off for medical appointments, requested changes in schedules and other requested accommodations.

Lactation Accommodation (San Francisco Associates Only)

The Company complies with the San Francisco Lactation in the Workplace Ordinance ("LWO") and, in accordance with that law, will provide a reasonable amount of break time to accommodate a San Francisco Associate who performs 56 or more hours of work in San Francisco in a calendar year and wants to express breast milk for the San Francisco Associate's child. San Francisco Associates needing breaks for lactation purposes may use ordinary paid rest breaks or may take other reasonable break time when needed. If possible, the lactation break time should run concurrently with scheduled meal periods and rest breaks already provided to the San

San Francisco Associate. If the lactation break time cannot run concurrently with meal periods and rest breaks already provided or additional time is needed, the lactation break time will be unpaid for non-exempt San Francisco Associates.

San Francisco Associates will be relieved of all work-related duties during any unpaid break. When unpaid breaks or additional time are required, San Francisco Associates should work with their supervisor regarding scheduling and reporting the extra break time. The time a San Francisco Associate spends walking to and from the designated lactation location and/or a refrigerator or sink will not be counted as part of the San Francisco Associate's break time.

Because exempt San Francisco Associates receive their full salary during weeks in which they work, all exempt San Francisco Associates who need lactation accommodation breaks do not need to report any extra break time as "unpaid."

The Company will provide San Francisco Associates with the use of a room or a private area, other than a bathroom or toilet stall, in close proximity to their work area that is shielded from view and free from intrusion from co-workers and the public (the "Lactation Location"). The Lactation Location may be the San Francisco Associate's normal work area, if suitable. The Lactation Location will: be safe, clean and free from toxic or hazardous materials; contain a surface (e.g., a table or shelf) to place a breast pump and other personal items; contain a place to sit; and have access to electricity. The Company will also provide access to a refrigerator where San Francisco Associates can store breast milk and access to a sink with running water.

San Francisco Associates have a right to request lactation accommodation. To request a lactation accommodation, San Francisco Associates should request an accommodation from Human Resources. The Company will respond to a request for accommodation within five business days and will engage in an interactive process with the San Francisco Associate to determine the appropriate break periods and the Lactation Location for the San Francisco Associate. If the Company denies a request for lactation accommodation, it will provide a written statement identifying the reason(s) for doing so.

The Company prohibits retaliation against San Francisco Associates who request a lactation accommodation, file a complaint, or otherwise report an alleged violation of the LWO, cooperate in an investigation of an alleged violation of the LWO, or inform another person about his or her rights under the LWO.

Lactation is considered a pregnancy-related condition under California law. The Company will otherwise treat lactation as a pregnancy-related medical condition and address lactation-related needs in the same manner that it addresses other non-incapacitating medical conditions, including requested time off for medical appointments, requested changes in schedules, and other requested accommodations.

Job Duties

Your supervisor will explain your job responsibilities and the performance standards expected of you. Be aware that your job responsibilities may change at any time during your employment. From time to time, you may be asked to work on special projects or to assist with other work necessary or important to the operation of your department or the Company. Your cooperation and assistance in performing such additional work is expected.

The Company reserves the right, at any time, with or without advance notice, to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities.

Employment Classification

Associates are classified in various ways, some of which overlap, as set forth below.

By Eligibility for Overtime:

Exempt. Exempt Associates generally are those whose job assignments meet specific tests established by the federal Fair Labor Standards Act (FLSA) and applicable state wage and hour laws and who are exempt from minimum wage and overtime pay requirements. Exempt Associates are not eligible for overtime compensation. Associates will be informed whether their status is exempt or non-exempt and should consult their supervisor, manager, or Human Resources with any questions or concerns regarding this status.

Associates who are characterized by the Company as exempt from the overtime provisions of state and federal law are paid a salary that is intended to fully compensate them for all hours worked each week, however few or many those hours are. The salary consists of a predetermined amount constituting the exempt Associate's compensation. That amount is not subject to a reduction because of variations in the quality or quantity of the Associate's work. As a general rule, an exempt Associate's salary is not subject to

deductions; however, exceptions to the general rule will apply only when they are expressly authorized under applicable state and federal laws. This may occur, for example, when an Associate has exhausted all accrued PTO benefits and misses additional full days of work for personal reasons. No deductions will be made unless they are permitted by the regulations issued under the Fair Labor Standards Act and any applicable state laws.

Any Associate who believes that an improper deduction or violation of the laws regulating salaries has occurred is encouraged to advise the Human Resources department as soon as possible. The matter will be promptly investigated and, if a mistake occurred, corrected. Associates may file complaints without fear of any retaliation.

If an Associate is aware of a mistake, but fails to report it, they could be subject to disciplinary action, up to and including termination.

Non-exempt. Non-exempt Associates generally are those whose job positions do not meet FLSA or applicable state law exemption tests and who are not exempt from minimum wage and overtime pay requirements. Non-exempt Associates are eligible for overtime compensation in accordance with the provisions of applicable wage and hour laws. Associates will be informed whether their status is exempt or non-exempt and should consult their supervisor, manager, or Human Resources with any questions or concerns regarding this status.

By the Number of Hours Worked:

Full-time. Full-time Associates are those who are normally scheduled to work and who do work a schedule of thirty (30) hours or more a week.

Part-time. Part-time Associates are those who are normally scheduled to work and who do work a schedule of less than thirty (30) hours a week.

By Length of Employment:

Regular. Regular Associates are those who are hired to work on an at-will basis and may be either full-time or part-time.

Temporary. Temporary Associates are hired on an as-needed basis for a particular assignment or project. Temporary Associates are generally hired to temporarily supplement the workforce or assist in the completion of a specific project. These temporary employment assignments are of limited duration.

Paychecks and Paydays

Your total paycheck includes direct and indirect compensation in terms of contributions made by Essex on your behalf in the following areas:

Group Health Insurance
Life Insurance
Unemployment Insurance
Social Security

Workers' Compensation Insurance
Administration of a 401(k) Retirement Savings Plan

Paydays are every other Friday, on a bi-weekly pay cycle. Pay periods are a two-week period beginning on the third Monday prior and ending on Sunday prior to the payday. There are typically twenty-six (26) pay periods during the year.

Paystubs will include actual hours worked during the pay period.

Adjustments for overtime, paid time off, and leave without pay are made on the next payday after the pay period ends. If payday falls on a holiday, payday will be on the prior business day.

We ask that you notify Human Resources if you move, change your name, telephone number, your beneficiary, or your contact in case of an emergency. **For benefits reasons, a change in marital status should be reported to the Human Resources Department.**

Overtime

As necessary, Associates may be required to adjust their work schedule and work overtime. For purposes of determining which hours constitute overtime for non-exempt Associates, only actual hours worked in a seven (7) day workweek will be counted. The Company's seven (7) day workweek is midnight on Monday morning through 11:59 p.m. on Sunday. Please see the section "Working Hours and Schedules" above for further information.

All non-exempt Associates must get authorization for overtime hours by their supervisor prior to working any overtime. Associates are paid for all hours worked, including unauthorized overtime in accordance with law, but may be disciplined for working overtime without obtaining authorization. The Company provides overtime compensation for all overtime hours worked by non-exempt Associates in accordance with applicable state and federal law.

If you have questions regarding overtime pay, please contact Payroll for assistance. For non-exempt Associates, all hours worked in excess of eight (8) hours in a workday (for California Associates only) or forty (40) hours in one workweek (for all Associates) will be treated as overtime. A workday begins at midnight and ends twenty-four (24) hours later.

For non-exempt Associates in California, overtime compensation for hours worked in excess of forty (40) for the workweek, or in excess of eight (8) but not more than twelve (12) for the workday, and for the first eight (8) hours on the seventh (7th) consecutive day of work in one workweek, shall be paid at a rate of one and one-half (1.5) times the Associate's regular rate of pay. Associates will receive double time at twice their regular rate of pay for all hours worked over twelve (12) in one workday, and for all hours over eight on the seventh (7th) consecutive day of the workweek (in California).

For non-exempt Associates in Washington, overtime compensation for hours worked in excess of forty (40) for the workweek shall be paid at a rate of one and one-half (1.5) times the Associate's regular rate of pay.

Compensatory time off in lieu of overtime pay is not allowed.

Exempt Associates may have to work hours beyond their normal schedule, as work demands require. No overtime compensation or compensatory time off will be paid to exempt Associates.

Inclement Weather

If the Company decides to close an office due to inclement weather or for reasons beyond the Company's control, such as power failures, flood, fire, earthquake, etc., Associates will be paid for the time they were scheduled to work. The determination to close the office must be made by the Company Executive managing the office.

In the event the office needs to be closed for a period of more than one (1) day, the President will determine, based on the specific circumstances, whether Associates will continue to be paid for scheduled work beyond one (1) day.

If an Associate chooses to stay home and not report to work due to inclement weather, or for reasons beyond the Company's control, such as power failures, flood, fire, earthquake, etc., and the Company did not determine a need to close the office, this will be viewed as an unexcused absence and the Associate will be required to use accrued paid time off, or take the time as unpaid if they have no remaining PTO to use.

Performance Evaluations

Supervisors will conduct periodic performance reviews for Associates, typically on an annual basis, although your supervisor may discuss your performance with you more frequently depending upon length of service, job position, past performance, changes in job duties, or recurring performance problems. Your performance evaluations may include factors such as the quality and quantity of the work you perform, your knowledge of the job, your initiative, your work attitude, and your attitude toward others. The purpose of the performance evaluation is to evaluate your current level of performance, and to help you become aware of your progress, areas of improvement, and objectives or goals for future work performance. Satisfactory performance evaluations do not guarantee increases in salary or promotions, which are solely within the discretion of the Company and depend upon many factors in addition to performance. After the review, you will be required to sign the evaluation report acknowledging that it has been presented to you and discussed with you by your supervisor, and that you are aware of its contents.

Opportunities for Advancement/Job Posting

The Company generally prefers qualified in-house candidates for open positions, although external recruitment methods may be used simultaneously and the Company reserves the right to offer the position to the person it believes is most qualified regardless of whether it is an internal or external candidate. Internal applicants must apply for any position that they are interested in via the Essex website or applicant tracking system, and must notify their manager that they are applying for another position. It is the responsibility of the Associate to review the postings to find out about any job that is open and to apply online. Associates can contact their manager or Human Resources with any questions.

All part-time and full-time positions at the manager level and below will be posted; however, the Company reserves the right to not post positions in connection with reorganization, reductions in force, job eliminations, or for other business reasons. Typically, Associates must have received an overall rating of "Meets Expectations" or higher on their most recent performance assessment and/or not been disciplined within the last six (6) months, as well as have the experience, skills, and competencies identified in the Job Description.

Personnel Files

a) California

Upon written request, a current or former Associate or a designated representative may inspect and receive a copy of the Associate's personnel file and records that relate to the Associate's performance or to any grievance concerning the Associate in the presence of a Company representative at a mutually convenient time, at the Associate's expense. Associates may add their version of any disputed item to the file. The Company will comply with a written personnel file request at reasonable intervals and reasonable times within 30 calendar days of the written request. The parties may agree to a date beyond 30 calendar days provided it is not longer than 35 calendar days from the employer's receipt of the written request.

For a current Associate, personnel records will be available for inspection where the Associate reports to work or at another location that is mutually agreeable. For a former Associate, personnel records will be available for inspection where the records are stored or at another location that is mutually agreeable.

Current and former Associates also may inspect their payroll records upon written or oral request, and may request a copy of these records. The Company will comply with written payroll records requests as soon as practicable, but no later than 21 calendar days following the request. Current and former Associates who request a copy of their payroll records may be charged a reasonable fee related to the cost of copying the requested documents.

Only authorized members of management and Human Resources have access to an Associate's personnel file. Only Human Resources is authorized to release information about current or former Associates on behalf of the Company. However, the Company will cooperate with – and provide access to an Associate's personnel file to – law enforcement officials or local, state, or federal agencies in accordance with applicable law, or in response to a subpoena.

b) Washington

The Company shall, at least annually, upon the request of an Associate, permit that Associate to inspect any or all of his or her own personnel file. Associates who wish to review their personnel files should contact Human Resources. Associates will be allowed access to their file locally and within a reasonable period of time. For purposes of this policy, a personnel file does not include records relating to an investigation of a possible criminal offense or certain records compiled in preparation for an upcoming or ongoing lawsuit.

Washington Associates may annually petition that the Company review all information in the Associate's personnel file that is regularly maintained as part of its business records or are subject to reference for information given to persons outside of the Company. Upon review, the Company shall determine if there is any irrelevant or erroneous information in the file and shall remove or correct such information. If an Associate does not agree with the Company's determination, the Associate may, at his/her request, have placed in the personnel file a statement containing the Associate's rebuttal or correction.

Former Associates can rebut or correct information in their personnel file for up to two years following their separation from employment.

Letter of Reference/Recommendation and Employment Verification

The Company has a policy of not providing letters of reference or recommendation. Verification of employment can be obtained by contacting Human Resources. The only information released is an Associate's dates of employment and job title. Associates who wish the Company to release information regarding their salary may submit their request in writing to either Human Resources.

Our policy prohibits the release, on the Company's behalf, of any personal or work-related information by anyone other than a representative of the Human Resources Department. Associates – other than those in the Human Resources Department designated by the Company – shall not, at any time, release, on the Company's behalf, personnel or employment information regarding current or former Associates to anyone outside of the Company. Associates should refer any individual or organization requesting personnel or employment information from the Company to Human Resources. This includes giving recommendations on social media sites such as LinkedIn.

Credit for Prior Employment

Associates who are terminated as a result of a reduction in force and are re-hired by Essex within a year of their termination will receive credit for their past service with the Company in calculating benefits based on length of service. Associates who voluntarily resign and are later rehired by Essex will not receive credit for their past service, except for Associates who resign and move to another region in which Essex has properties and are re-employed by Essex within three (3) months following their move.

Rehire Policy

Human Resources must pre-approve offers of employment to any applicant who previously worked for Essex. Hiring managers will request an approval by sending an inquiry to Human Resources, who will review employment history of the potential rehire. No job offers may be extended to a former Associate until this review has been completed.

The process of reviewing potential rehires may include checking their rehire eligibility status in our HRIS system, checking their previous performance records, and checking with their prior supervisor. Questions regarding eligibility of a re-hire should be directed to Human Resources.

STANDARDS OF CONDUCT

Associate Conduct

The Company has high standards for work from our Associates. We try to work with Associates to correct any performance or conduct issues that may arise, but in some cases, disciplinary action (up to and including immediate termination) may be deemed appropriate. The Company may issue verbal warnings, written warnings, demotions, suspensions, and/or any other form of discipline that it deems appropriate under the circumstances, up to and including immediate termination of employment.

As explained elsewhere in this Handbook, employment will continue only at the mutual consent of the Associate and the Company. Employment is therefore terminable at-will, at any time, either by the Associate or the Company, with or without cause or advance notice. Accordingly, the Company does not adhere to any formal system of discipline. Nonetheless, where the Company determines it to be appropriate in the exercise of its discretion, it may give an Associate a prior verbal or written warning or other corrective action and an opportunity to improve or correct a performance and/or conduct issue before termination.

Associates will always be expected to conduct themselves in a professional manner, in the best interests of the Company, residents, community, and co-workers. In order to provide Associates some guidance concerning types of conduct that are impermissible and that may lead to disciplinary action, possibly including immediate termination, the following are some examples, although it is not possible to provide an exhaustive list of all types of impermissible conduct and performance:

- Unsatisfactory job performance.
- Theft, fraud, removal, unauthorized use or unauthorized possession of Company property, or the property of a resident or another Associate. This includes all intellectual property, such as computer programs and records, customer and vendor lists, etc.
- Excessive absenteeism or tardiness unless protected by applicable law.

- Insubordination - refusal to follow reasonable instructions or Company procedures.
- Disrespectful, discourteous, or unprofessional conduct to customers, fellow Associates, vendors, or residents.
- Dishonesty, making fraudulent statements, or falsifying, altering or omitting material statements on Company records, such as timesheets, employment applications or expense reports. This includes failure to accurately and completely record time worked.
- Violating any Company policy prohibiting discrimination or harassment against a customer, vendor, resident, supervisor, subordinate, or co-worker.
- Violating a safety rule or practice or not using required safety equipment for a task. Also, failure to participate in a safety investigation or to promptly report an unsafe condition.
- Failure to follow your work schedule, including taking unapproved additional time for lunch or breaks, working through a meal or rest period, or leaving your work area prior to the end of a scheduled shift.
- Misusing, destroying or damaging any Company property, property of a resident or property of another Associate.
- Possessing dangerous weapons or hazardous substances on Company premises or while conducting Company business.
- Fighting or disorderly conduct.
- Failure to return to work following an approved leave of absence on the date specified by the Company, or after being released by a doctor following an approved leave of absence.
- Coercion, intimidation or threats against customers, vendors, residents, supervisors, subordinates or co-workers, including stalking, harassing or threatening communications.
- Possession, use, sale or being under the influence of alcohol or illegal drugs on Company premises, while conducting Company business off premises, or while operating a Company vehicle or potentially dangerous equipment, or reporting to work under the influence of alcohol or illegal drugs (as defined in this policy which includes use of prescription medications by an individual to whom the medication has not been prescribed or use of either prescription medications in a manner that is inconsistent with the prescription or over the counter medications in a manner that is inconsistent with the manufacturers' packaging instructions). During Company-sponsored social functions, alcohol may be served. Associates are not expected or even encouraged to consume alcohol at such events, and the decision to do so is voluntary. If an Associate chooses to consume alcohol at such events, he or she must do so in moderation, and at all times Company policies continue to apply, including the Company's offensive behavior, harassment and workplace violence policies. If an Associate ever uses alcohol while working or while in attendance at a Company-sponsored social function, he/she should NEVER drive home if he/she might be impaired. If an associate calls or contacts a taxi-cab or a similar service to get home, the Company will automatically reimburse the Associate for the cost of the fare, no questions asked. On the other hand, if an Associate drives home while impaired, he/she will be subject to immediate discharge. Finally, in no event may any minors in attendance at Company-sponsored social functions consume alcohol.
- Gambling on Company premises or while conducting Company business.
- Abuse of any Company benefits or programs (e.g., Associate Housing Discount, Educational Reimbursement, etc.).
- Failing to report to management any romantic/sexual relationship with a resident, vendor, fellow Associate, or other business relationship.
- Failure to cooperate with a Company investigation.
- Violation of any rule or regulation contained in the Associate Handbook or any Company document, including the Company's Code of Business Conduct and Ethics and Conflict of Interest policies.
- Conviction of any crime that indicates unfitness for the job or raises a threat to the safety of the Company, our Associates, our property, residents or customers, to the extent permissible under law.
- Misconduct, including any unlawful or criminal conduct.

- Any other conduct that is unprofessional, unethical or otherwise detrimental to the interest of the Company, our Associates or residents.

Code of Business Conduct and Ethics

- Overview

The Company's Code of Business Conduct and Ethics applies to the Company's employees, officers, and directors. Please contact Human Resources to obtain a full copy of the Company's Code of Business Conduct and Ethics.

The Company conducts business in compliance with all applicable laws and regulations. It is critical that employees and directors observe these laws and regulations while conducting business on the Company's behalf. The Company also promotes and expects ethical behavior in all employees. Any employee who has doubt about the best course of action in a particular situation should talk to a supervisor, manager, or Human Resources for guidance.

- Conflicts of Interest; Corporate Opportunities

Employees and directors are expected to avoid situations that create an actual or potential conflict. A conflict of interest exists when one's loyalties or actions are divided between the Company's interests and those of another such as a competitor, supplier, or customer. Employees and directors must avoid any activity, agreement, business investment, or interest that could be in conflict with the Company's interests or could interfere with their duty and ability to serve the Company as well as possible.

Employees and directors are prohibited from (a) taking for themselves personal opportunities that are discovered through the use of corporate property, information or position; (b) using corporate property, information, or position for personal gain; and (c) competing with the Company. Employees and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. The Company has also developed, and publicly disclosed, certain guidelines for potentially competitive activities by its non-employee directors. Non-employee directors who have questions about such guidelines should contact the President of the Company.

Situations of actual or potential conflict of interest are to be avoided by all employees. Personal, financial, or romantic involvement with a competitor, client, supplier, resident, or subordinate employee of the Company, which impairs an employee's ability to exercise good judgment on behalf of the Company, creates a conflict of interest. Supervisor-subordinate romantic or personal relationships also can lead to supervisory problems, possible claims of sexual harassment, and morale problems.

An employee involved in any of the types of relationships or situations described in this policy should immediately and fully disclose the relevant circumstances to his/her immediate supervisor, or any other appropriate supervisor, for a determination as to whether a potential or actual conflict exists. Employees unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with their immediate supervisor for clarification. If an actual or potential conflict is determined, the Company will take appropriate corrective action. Failure to adhere to this policy, including the failure to disclose any actual or potential conflict of interest shall constitute grounds for disciplinary action, up to and including termination of employment.

While employed by the Company, employees are expected to devote their energies to their jobs with the Company. For this reason, outside employment is strongly discouraged. Prohibited forms of outside employment include, but are not limited to:

1. Employment that conflicts with an employee's work schedule, duties and responsibilities at Essex;
2. Employment that creates an actual conflict of interest with the employee's employment at Essex;
3. Employment that impairs or has a detrimental effect on the employee's work performance at Essex;
4. Employment that requires the employee to conduct work-related activities on Essex's property during working hours or the use of Essex's facilities and/or equipment; or
5. Employment that directly or indirectly competes with the business of the Company.

Employees who wish to engage in outside employment must notify the Company in writing explaining the details of the outside employment. If no conflict of interest exists and the outside employment is therefore approved, the Company assumes no responsibility for the outside employment. The Company shall not provide workers' compensation coverage or any other benefit

for injuries occurring from or arising out of the outside employment. Authorization to engage in outside employment can be revoked at any time.

Confidentiality

Each employee and director is responsible for safeguarding information considered proprietary or confidential by the Company. Proprietary information includes all information relating in any manner to the business of the Company and its affiliates, consultants, customers, clients, and business associates produced or obtained by Company employees and directors during the course of their work. All proprietary information that is not known generally to the public or the industry, or is known only through improper means, is confidential information. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed.

In the course of your work, you may have access to proprietary or confidential information regarding the Company, its clients, its operations, its suppliers or even co-workers. In addition, Federal Securities Laws generally prohibit the private dissemination of material non-public information. It is your responsibility not to use or divulge any such proprietary or confidential information unless it is necessary for you to do so in the performance of your duties. Access to confidential information should be on a “need- to-know” basis and must be authorized by your supervisor.

These obligations remain even after an employee’s employment relationship or a director’s directorship with the Company ends. On termination of such employment or directorship, whether voluntarily or involuntary, all Company documents, including media and customer lists, computer records, and other tangible Company property in the employee’s possession or control, or in the director’s possession or control, must be returned to the Company. Any breach of this policy will not be tolerated and will be considered grounds for discipline including appropriate legal action.

However, Associates shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, in the event that an Associate files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Associate may disclose the trade secret to his or her attorney and use the trade secret information in the court proceeding, if the Associate: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

Workplace Violence

The Company strives to provide a safe workplace for all Associates. We do not tolerate any type of workplace violence committed by or against Associates. Associates, consultants, vendors, customers, resident, visitors, or anyone else on Company premises or on duty are prohibited from making threats, behaving in a violent or threatening manner, or any other conduct that may be dangerous to others.

The following list of behaviors provides some examples of conduct that is prohibited:

- Causing physical injury to another person.
- Making threatening remarks of any kind.
- Aggressive or hostile behavior that creates a reasonable fear of injury to another person or subjects another individual to emotional distress.
- Intentionally damaging or defacing Company property or property of another Associate.
- Possession of a weapon or hazardous device or substance while on Company property or while conducting Company business.

Any potentially dangerous situations, whether by or against an Associate, must be reported immediately to a supervisor or Human Resources. Associates must not place themselves in peril. Personal safety is first and foremost. Associates should not try to place themselves in harm’s way; they must call police or emergency services immediately if they think there may be a need to do so.

Associates are asked to use professional judgment on a case-by-case basis in determining when local authorities or 911 emergency services should be called immediately. The Company recommends erring on the side of caution and notifying authorities when in doubt.

All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. The Company will not tolerate retaliation against any Associate who reports workplace violence. The Company will protect, as much as is practicable, the identity of Associates making the report. In order to maintain workplace safety and the integrity of its investigation, Associates may be suspended, either with or without pay, pending investigation.

Threats, threatening conduct, or any other acts of aggression or violence in the workplace will not be tolerated. Any Associate determined to have committed such acts will be subject to disciplinary action, up to and including the possibility of immediate termination. Non-Associates who engage in violent acts on Company premises will be reported to the proper authorities, and the Company will take any other action it deems necessary to provide a safe workplace.

Drug and Alcohol Use

- Purpose and Scope

The Company values its employees and desires a safe, productive and healthy workplace. Drug and/or alcohol abuse and their lingering effects adversely affect productivity, work quality and dependability, as well as pose a significant threat to the safety, security and welfare of the Company, its employees, customers, residents, vendors and the general public. Such abuse can also affect an employee's opportunity for advancement and successful employment. Accordingly, the Company has established and administers this Policy to maintain a workplace free from drug and alcohol abuse and to establish Company Drug and Alcohol Use rules and expectations. This Policy applies to all Associates and the testing provisions of this Policy apply to all applicants.

- Definitions

"Illegal drugs" means (a) all drugs the use or possession of which is illegal under federal, state, or local law, (b) prescription medication which is used in a manner inconsistent with the prescription or for which the individual does not have a valid prescription; (c) any medication or substance not being used for the purpose(s) for which it was prescribed or was intended, or (d) any medication or substance used without any proper medical purpose to mimic the mind-altering effects of a chemical substance that is not legally obtainable.

Note: individuals subject to this Policy should be aware that medications obtained outside the United States may contain ingredients that are unlawful to import, use or possess within the United States and take steps to ensure that they do not use any such unauthorized medications.

"Under the influence of alcohol" means (1) the presence of alcohol in the individual's system which equals or exceeds an alcohol concentration of 0.04; or (2) behavior, appearance, speech, or bodily odors that lead a supervisor to reasonably suspect that the Associate is impaired by alcohol during working time or on Company premises.

"Under the influence of illegal drugs" means: (1) the presence of any detectable amount of a drug or its metabolites demonstrated by a confirmed positive drug test result verified by the Company's Medical Review Officer, or (2) behavior, appearance, speech, or bodily odors that lead a supervisor to reasonably suspect that the Associate is impaired by illegal drugs.

"During working time" means time during which an Associate is at work or being paid to work for or represent the Company or an Associate is in fact representing the Company's interests. The term includes all break and meal periods.

Prohibited Conduct and Consequences for Violations

The following rules and standards of conduct apply to all Associates any time they are either on Company owned or leased property or in Company owned or leased vehicles, while working or conducting Company business and as otherwise provided in this Policy. The Company strictly prohibits the following:

1. Being under the influence of alcohol.
2. Driving a Company owned or leased vehicle, driving a personal vehicle while conducting Company business or operating potentially dangerous equipment while under the influence of alcohol or illegal drugs.
3. Distribution, transfer, manufacture, sale or purchase of an illegal drug.
4. Possession, use or being under the influence of an illegal while on the job, driving a personal vehicle while conducting Company business or driving a Company owned or leased vehicle.

5. Refusing to submit to a drug or alcohol test under this Policy as requested or required by the Company or having a confirmed positive test result on a drug or alcohol test requested or required by the Company under this Policy.

Additional rules pertaining to prohibited alcohol and illegal drug use conduct are set forth in the Standards of Conduct – Associate Conduct section of this Handbook, and Associates should refer to and abide by those rules as well.

Violation of the Company’s drug and alcohol use rules and standards as set forth throughout this Handbook will not be tolerated. Any Associate violating such rules and standards will be subject to disciplinary action up to and including the possibility of immediate employment termination. The Company may also bring the matter to the attention of appropriate law enforcement authorities.

The Company reserves the right to request or require that an Associate who has violated this Policy whom it chooses to retain to: (1) enter into a last chance, return-to-work or similar agreement; (2) submit to evaluation or assessment by a Substance Abuse Professional (SAP); (3) abide by the SAP’s recommendations, including any recommended education, counseling, treatment or rehabilitation, behavior modification and abstinence, after-care (e.g., Alcoholics Anonymous or Narcotics Anonymous meetings) and follow-up sessions; (4) submit to return-to-duty and/or follow-up testing and (5) if requested by the Company, consent to communicate with any SAP, Employee Assistance Program or rehabilitation or treatment program provider or recovery group such as AA or NA. In addition, if/when an Associate’s employment is terminated following a drug/alcohol test or refusal to test, he/she will be barred from re-applying for a period of six months following receipt of the test results by the Company.

- Policy Enforcement

In order to enforce this Policy and achieve its goals, the Company reserves the right to, among other things, conduct searches and workplace drug/alcohol tests and implement other measures necessary to deter and detect violations of this Policy.

- Searches

The Company reserves the right to conduct searches at any time on Company property for alcohol or illegal drugs . While provided for Associate convenience, offices, desks, cabinets, lockers, and other areas remain Company property. Associates should have no reasonable expectation of privacy while at work with respect to alcohol and illegal drug searches under this Policy. Searches may include, among other things, an Associate’s office, desk, file cabinets, locker, or Company vehicle as well as utilization of drug sniffing dogs. If potentially illegal conduct is identified as a result of a search the Company will engage law enforcement in its discretion and as may be required under law.

- Drug/Alcohol Testing

The Company reserves the right, subject to applicable law, to:

- (1) test samples or specimens for the presence of drugs and/or alcohol (samples or specimens may include but are not limited to urine, saliva, breath, sweat, blood, hair and/or other body component samples, as well as breath);
- (2) conduct on-site specimen collections, and on-site testing (also known as point-of-collection testing);
- (3) use results from tests conducted by third parties, including but not limited to law enforcement agencies and hospitals, as the basis for determining whether an Associate has committed misconduct under this Policy or violated this Policy or any Policy prohibitions.

The Company will pay all testing costs for tests it requests or requires.

- Required Tests

Circumstances when testing will take place include, but are not limited to, the following:

1. **Pre-Employment Tests.** The Company conditions employment offers on an applicant’s voluntary consent to taking a drug test and a test result satisfactory to the Company. If an applicant does not have a test result satisfactory to the Company or refuses to undergo testing, the employment offer will be withdrawn. Further, applicants who do not have a test result satisfactory to the Company or who refuse to submit to testing may not re-apply for a period of six months after receipt of the confirmed positive test result by the Company or the refusal to test.

- 2. Reasonable Suspicion Tests.** An Associate will be asked to submit to a drug and/or alcohol test if reasonable suspicion exists indicating that Associate has violated this Policy. Reasonable suspicion means a basis for forming a belief based on specific facts and rational inferences drawn from those facts. Reasonable suspicion determinations relating to Associates who are potentially working under the influence of or impaired by drugs or alcohol may be based on, among other things, specific, contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of the Associate.

San Francisco Urine/Blood Reasonable Suspicion Tests. With respect to Associates who work for salary or wages within the City and County of San Francisco, the Company will only conduct urine or blood reasonable suspicion tests if: (1) the Company has reasonable grounds to believe that an Associate's faculties are impaired on the job; and (2) the Associate is in a position where such impairment presents a clear and present danger to the physical safety of the Associate, another Associate or to a member of the public. With respect to such urine or blood reasonable suspicion tests the Company will, additionally, comply with all provisions of San Francisco Ordinances, Police Code §§ 3300A.2 and 3300A.5. Note that at all times the Company reserves the right to otherwise conduct **Reasonable Suspicion Tests** of such San Francisco Associates when the Company has reasonable suspicion that Associates have violated this Policy via alternative samples/specimens (samples/specimens other than urine or blood, e.g., oral fluids/saliva).

Transportation. For reasonable suspicion testing referrals the Company will make arrangements for transportation to the sample/specimen collection site and from the collection site home and Associates must cooperate with those arrangements. Associates who refuse to cooperate with such arrangements are subject to discipline up to and including employment termination and the Company reserves the right to contact law enforcement and explain the facts surrounding the referral and the make, model, color and license plate number of the Associate's vehicle.

- 3. Return-to-Duty Tests.** Associates who violate this Policy whom the Company chooses to retain will be subject to and must pass, with a result satisfactory to the Company, a return-to-duty drug and/or alcohol test as directed by the Company. Additionally, the Company reserves the right to the fullest extent permitted under law to request or require a return-to-duty test during and/or following completion of a substance abuse evaluation, counseling, treatment or rehabilitation program when an Associate voluntarily discloses illegal drug use even when no policy violation has occurred or voluntarily discloses a substance problem and the Associate works in a safety sensitive position).
- 4. Follow-Up Tests.** An Associate who has been removed from his/her job duties on the basis of a Policy violation and whom the Company chooses to retain will be subject to unannounced drug and/or alcohol testing under this Policy to determine whether he or she is under the influence of alcohol or illegal drugs at work or while working.

In addition, the Company reserves the right to the fullest extent permitted under law to request or require unannounced follow-up testing a during and/or following completion of a substance abuse evaluation, counseling, treatment or rehabilitation program when an Associate voluntarily discloses illegal drug use even when no Policy violation has occurred or voluntarily discloses a substance abuse problem and the Associate works in a safety sensitive position. Follow-up testing may continue up to twenty-four (24) months from the return-to-work date.

The Company will provide applicants and Associates with copies of positive test results. In addition, the Company will provide, through its Medical Review Officer, an opportunity to explain a positive drug test result.

Convictions for Illegal Sale/Possession of Controlled Substances

Subject to applicable law, an Associate's conviction on a charge of illegal sale or possession of any controlled substance, either on or off Company property while employed by the Company, will not be tolerated because such conduct, even if off-duty, reflects adversely on the Company. In addition, the Company believes that it must keep people who illegally sell or possess controlled substances off the Company's premises in order to protect the health and safety of its Associates residents and customers.

- Prescription/Over-the-Counter Drug Use Reporting

Any Associate who is using prescription or over-the-counter drugs that may impair the Associate's ability to safely perform the job, or would otherwise affect the safety or well-being of others, must notify a supervisor of such impairment immediately. Reasonable accommodation will be made where legally required and appropriate. The Associate is not required initially to identify the medication or the underlying illness or condition, however, the Company may ask the Associate to discuss this information in order to determine when the Associate is able to resume work and/or is in need of a reasonable accommodation.

- Employee Assistance Program

The Company has contracted with Managed Health Network to provide information, resources and referral services as well as Employee Assistance Program (EAP) professional counseling services. The EAP is available to all Associates and is a free confidential service that may be accessed, either through self-referral or a referral source, 24 hours a day, seven days a week. You can receive assistance with a wide variety of problems or concerns, including substance abuse. If an Associate wishes to utilize the Company's EAP, he/she may call 855-789-5915 or visit www.mhn.advantageengagement.com.

- Voluntary Self-Disclosure of Drug/Alcohol Dependency/Abuse Issues/Problems

The Company supports and will reasonably accommodate Associates who voluntarily choose to disclose a drug and/or alcohol dependency or abuse issue or problem, including those who wish to seek treatment or rehabilitation. Leave is available to Associates who disclose such issues/problems, per and within the terms of applicable leave/disability laws and Company leave and non-discrimination policies. The Company will maintain confidentiality in connection with any such disclosures and related communications as may be required under applicable law and will only use or disclose such information in accordance with law or as permitted by law.

The Company is not obligated, however, to continue to employ any person whose behavior or job performance is impaired because of current illegal drug or alcohol use or drug/alcohol abuse – in other words, Associates may not escape discipline by first self-disclosing a dependency/abuse issue or problem after being selected for testing under this Policy or violating the Company's policies and rules of conduct. Nor will such self-disclosure excuse Associates from compliance with the Company's performance or behavior/conduct standards.

Depending on an Associate's position and the surrounding circumstances and facts, and subject to applicable law, the Company reserves the right to request or require that a self-disclosing Associate: (1) enter into a return-to-work or similar agreement; (2) submit to evaluation or assessment by a Substance Abuse Professional (SAP); (3) abide by the SAP's recommendations, including any recommended education, counseling, treatment or rehabilitation, behavior modification and abstinence, after-care (e.g., Alcoholics Anonymous or Narcotics Anonymous meetings), and follow-up sessions; (4) submit to return-to-duty and/or follow-up testing and (5) if requested by the Company, consent to communicate with any SAP, EAP or rehabilitation or treatment program provider or recovery group such as AA or NA. Determinations of whether to request or require any of these things of a self-disclosing employee will be made on a case-by-case basis. Variations in this Policy may be made consistent with applicable law.

Punctuality and Attendance

As an Associate of the Company, you are expected to be punctual and regular in attendance. Any tardiness or absence causes problems for your co-workers and your supervisor, and your work generally must be performed by others or go undone. Associates are expected to report to work as scheduled, on time and prepared to start work. Associates are also expected to remain at work for their entire work schedule, except for meal or break periods, or when required to leave on authorized Company business or other authorized reason. Unapproved late arrivals, early departures, or other absences from scheduled hours are disruptive and must be avoided.

If an Associate is going to be late, is unable to report for work, or needs to leave early, he or she must notify the supervisor directly, as far in advance as possible. If advance notice cannot be given, personal contact on the telephone with the appropriate supervisor is required within thirty (30) minutes of the scheduled time to report to work indicating the reason for the absence and when a return to work will be made (unless it is impossible to do so, in which case the Associate must call as soon as possible thereafter). Unless the Associate is on an approved leave of absence, a personal call to the supervisor is required every day of the absence. Failure to report an absence may result in disciplinary action, up to and including termination. Associates who need to leave early must notify their supervisor or manager as soon as they learn that they will not be able to complete their scheduled shift. The Company may inquire about the general reason for an absence, tardiness, or early departure.

Except instances where time off work is permitted by law, excessive or repeated tardiness and/or absenteeism (excused or not) will not be tolerated and may result in disciplinary action, up to and including termination, unless the absence or tardiness is excused or approved. The following are examples of types of time off that will not be considered grounds for disciplinary action under this policy:

- Time off that was previously approved, including vacation;
- Paid sick and safe time provided under a mandatory sick and safe time leave law;

- Approved state and federal leaves of absence, including but not limited to jury duty leave, military leave, leave protected under the Family and Medical Leave Act or similar state laws, and time off or leave specifically approved by the Company as an accommodation under the Americans with Disabilities Act or similar state laws; and/or
- Time off due to a work-related injury that is covered by workers' compensation.

Each situation of absenteeism, tardiness or early departure will be evaluated on a case-by-case basis. Even one unexcused absence or tardiness may be considered excessive, depending upon the circumstances. However, the Company will not subject Associates to disciplinary action or retaliation for an absence, tardiness, or early departure for which discipline may not be imposed under applicable law. If the Associate believes that his or her absence, tardiness, or early departure is (or should be) excused pursuant to applicable law, the Associate should notify his or her supervisor or manager of this fact as soon as possible, but no later than at the time of the absence, tardiness, or early departure. (For the required timing of an Associate's notice of the need for a foreseeable leave of absence, see the applicable leave policy.) If an Associate believes he or she has been mistakenly subject to disciplinary action for an absence, tardiness, or early departure that the Associate believes is or should be excused/approved, the Associate should promptly discuss the matter with his or her supervisor, manager, or Human Resources. The Company will investigate the situation and any errors will be corrected.

Failure to Report to Work

If you fail to report for work without any notification to your supervisor, you may be subject to discipline, including the possibility of immediate termination. If your absence continues for a period of three consecutive days, the Company will consider you to have abandoned and voluntarily terminated your employment at the end of the third day. The Company also will consider you to have abandoned and voluntarily terminated your employment if you fail to return from an approved leave of absence on the date specified by the Company. All Company- owned property (vehicles, keys, uniforms, credit cards, etc.) must be returned immediately upon termination of employment or upon any earlier request by the Company.

Community Relationships

The Company discourages Associates from developing romantic relationships with community residents. Associates must disclose the existence of any romantic relationship with a resident, whenever one exists, to management or Human Resources before, or immediately upon the establishment of such romantic relationship. In addition, Associate residents need to understand the issues with resident friendships and must disclose the existence of any resident friendship to management or Human Resources before, or immediately upon the establishment of such friendship. Personal relationships with residents must never affect the Associate's exercise of impartial judgment in the performance of his or her duties. Furthermore, an Associate must not discuss proprietary or confidential Company information with, or provide special services or favors to, any resident.

At community-sponsored events, at least one Associate from the community must be in attendance. Although Associates may dress more casually during community-sponsored events, they still represent the Company and should behave appropriately.

Associates must remember that when they deal with customers, even during private time away from work, they still represent the Company in the eyes of our customers and must be aware of how their personal relationships may affect their business responsibilities.

Associates living at an Essex community may use amenity areas whenever they are off-duty. However, they should remember that they are recognized as an Associate of the Company and are open to scrutiny as such. Associates living on site should always conduct themselves in a manner that does not adversely affect the residents' opinion of the Company.

Employment of Relatives

Essex has a policy of not hiring or employing relatives of present Associates within the same department or community unless (1) the individuals concerned will not work in a direct supervisory relationship, and (2) the employment of the individuals concerned will not pose difficulties for supervision, security, safety, or morale.

Associates who become relatives during their employment with the Company (e.g., Associates who marry or who become related by marriage) should inform their manager and/or the Human Resources department of the new relationship. Present Associates who become relatives during their employment with the Company will be permitted to continue employment with the Company if they do not work within the same department or community in a direct supervisory relationship with one another, or otherwise pose potential difficulties for supervision, security, safety, or morale. If the affected Associates do work within the same department or property in a direct supervisory relationship with one another, or otherwise pose potential difficulties for supervision, security, safety, or morale, the Company will work with the affected Associates to determine a plan to resolve the situation. In most cases, the Company will attempt

to reassign one of the Associates to another position, for which he or she is qualified, if such a position is available. If no such position is available, then one of the Associates will be required to leave the Company. The decision as to which Associate leaves will be left to the relative-Associates. In the event that no alternative position is available and neither Associate voluntarily leaves the Company, the Associate with lesser seniority will be terminated.

Corporate Managers who wish to hire or promote a candidate who is a relative of a current Corporate Associate must notify and receive approval from the CEO and/or SVP of Human Resources to hire the candidate, even if the candidate and relative will not work in the same department. Managers who wish to hire a candidate who is a relative of a current Associate for a non-supervisory position should disclose that relationship to the Regional Manager and Human Resources prior to extending an offer of employment. All Associates also have an obligation to notify their manager and/or Human Resources if they are aware that a relative, as defined below, is a candidate for employment with the Company. Failure to disclose this information may result in disciplinary action.

For purposes of this policy, “relatives” are defined as spouses, domestic partners, children (including adopted and stepchildren), parents (including in-laws and stepparents), siblings (including in-laws and stepsiblings), aunts and uncles, and grandparents.

Essex conducts all of its hiring and promotion practices, and other conditions of employment, strictly on merit, and in a manner that does not violate the Company policy on discrimination and harassment.

Dress Code and Professional Appearance

Because each Associate is a representative of the Company, we ask that all Associates dress in a manner consistent with accepted business attire. Associates who report to work inappropriately dressed may be asked to leave work and return in acceptable attire.

There may be special circumstances or occasions where deviations from these guidelines may be necessary. Your supervisor must approve any deviation from these guidelines. However, if an accommodation or exception to these guidelines is needed for religious, medical, or disability-related reasons, please contact Human Resources.

- Operations Associates - Career Apparel

All leasing and management professionals on-site will wear career apparel while at the office or while conducting business for Essex. New Associates will not be eligible to order career apparel until after their first thirty (30) days of employment. Until that time, they should dress in business professional attire. Career apparel will be purchased by the Company. Associates submit receipts for any cleaning expenses and will be reimbursed.

Please see your manager for more detailed information on the Career Apparel Program.

- Corporate Office - Corporate Attire Policy

Please see your manager or Human Resources for further details regarding the dress code in the corporate offices, or refer to the Corporate Appearance and Dress Guidelines.

Telephone Use

Each Associate is expected to exercise restraint and discretion in placing or receiving personal telephone calls during the workday, whether on Company landlines or cell phones or personal cell phones. When they are necessary, please keep them as brief as possible. Personal calls, texting, or other cell phone use should not interfere with an Associate’s work. Personal cell phones should be turned off while at work or set on silent mode and should not be answered while with clients. Associates are expected to keep a record of time and charges for any personal long-distance telephone calls made through the Company’s telephone system and to reimburse the Company for such charges. However, if you must work late and need to call home, the Company will pay the toll charge, if any. All international calls on Company phones are prohibited.

Associates are entitled to reimbursement for personal cellular phone use necessarily incurred in discharging their employment duties. Please contact the Human Resources department for details pertaining to this reimbursement policy, or refer to the Cell Phone Policy.

Essex discourages the use of cellular phones by Associates while driving on Company business. The use of a cellular phone while driving can seriously impair your ability to focus on other cars, pedestrians, and road conditions. Safety must be the first priority while driving on Company business or on Company property. Cellular phones should not be dialed while the driver is operating a moving vehicle. Associates should pull to a safe area and stop the vehicle and then place calls. Conversations in a moving vehicle should be kept to a minimum and avoided when possible by allowing the voicemail to pick up incoming calls. Associates should not read, take notes, or

text while driving and using a cellular phone. When driving, Associates are required to make use of hands-free devices if speaking on their cellular phones as required by law. Associates should be familiar with the cellular phone's operations before use.

Associates who violate these policies may be subject to disciplinary action, up to and including termination.

Automobile Usage & Travel

Any Associate using his or her own automobile to conduct Company business must have personal liability insurance as required by law. Associates using their own vehicles for Company business are covered solely by their own automobile insurance policy.

Associates should wear safety belts, follow all posted signs and speed limits, and take sufficient breaks when driving for extended periods of time. It is also important that drivers make every effort to minimize distractions.

Revocation, limitation, or suspension of an Associate's driver's license and/or failure to provide automobile insurance as required automatically revokes the Company's approval for the Associate to drive as a part of his/her job. Failure to inform the Company that an Associate is or has become uninsured or has lost any driving privileges also may result in disciplinary action, up to and including termination of employment. If it is necessary for you to use your personal vehicle for Company business or drive your vehicle on Company property, you must have comprehensive liability and medical insurance coverage consistent with state law. Depending on the position, not having a valid driver's license may affect the Associate's ability to perform the required functions of the job.

New hires who will be using a Company-owned or leased vehicle may be required to provide the Company with a list of all violations of motor vehicle traffic laws of which the driver has been convicted (excluding sealed or expunged convictions) during the past twelve (12) months, and on an annual basis thereafter.

The Company reserves the right, in its sole discretion, to require Department of Motor Vehicle records to verify the validity of current driver's license and vehicle registration on an annual basis or as needed for anyone who drives a Company-owned or leased vehicle.

Associates who violate these policies may be subject to disciplinary action, up to and including termination.

Associates are entitled to reimbursement for personal automobile expenses necessarily incurred in discharging their employment duties. Please contact the Human Resources department for details pertaining to this reimbursement policy.

With regard to other issues pertaining to Associate travel and the reimbursement of expenses associated therewith, please refer to the Employee Travel & Entertainment Policy and Guidelines, and please contact the Human Resources department for details pertaining to this policy.

Vendor Selection

The Company selects suppliers on the basis of the needs of its business. Consequently, only reputable, licensed (if required by law), insured, and qualified individuals or firms will be selected. Anyone in the position of selecting a vendor must have the authority to do so. Please see your manager about authorization. Final approval of all vendors must be given by the Procurement Department. If an Associate is considering hiring a vendor who is a relative of the Associate, the Associate must notify his or her manager of that relationship prior to selecting a vendor. For the definition of "relative," please see the policy on the "Employment of Relatives" located above in this Handbook.

Gifts and Favors

The Company will not tolerate an Associate's acceptance of any type of payment or gift, including "kickbacks" or "bribes," which are intended to influence favorable decisions and/or governmental actions. This is not intended to apply to routine, reasonable business entertainment or gifts of minor value (up to \$100) customary in local business relationships, provided that no law or Company policies are violated and full disclosure is made to the Associate's immediate supervisor. Associates cannot accept "cash" gifts. Any type of discounted product and/or service is/are to be approved in advance by the Associate's supervisor.

OPERATIONAL CONSIDERATIONS

Safety Policy

The Company is committed to providing a safe and healthful work environment. Accordingly, it has implemented an Injury and Illness Prevention Program (IIPP). Every Associate receives safety training as part of this program. A complete copy of the IIPP is available on the Company's intranet (Buzz) and through the Human Resources department. The Company strongly encourages every Associate to report any unsafe condition or accident (no matter how minor) so that it can take prompt corrective action.

Essential components of the Company safety policy are:

- a) No Associate should undertake a job until he/she has received instructions on how to do it properly and safely and is authorized to perform the job;
- b) No Associate should undertake a job that appears to be unsafe;
- c) No Associate should undertake any job or use any machine or vehicle while under the influence of illegal drugs or alcohol or report to work or work while using a prescription or over-the-counter medication that may create a safety issue without following the Prescription/Over-the-Counter Drug Use Reporting procedures set forth in the Drug and Alcohol use provisions of this Handbook;
- d) Every Associate is required to promptly report to a manager or other designated individual any unsafe condition encountered during work;
- e) Every Associate must take all of the breaks provided to him or her during the workday;
- f) An Associate must promptly report to management any work-related injury or illness that the Associate sustains, no matter how slight; and
- g) Associates must promptly report any accident or injury sustained by a visitor to a manager or other designated individual.

The Company is dedicated to providing Associates with a safe work environment and urges Associates to join in its efforts to prevent accidents on the job.

In accordance with the Company disciplinary policy, Associates may be subjected to discipline, up to and including termination, for violation of our safety rules, including, but not limited to, doing any of the following:

- a) Violating any established safety rule or practice;
- b) Undertaking a job before receiving instructions on how to perform the job properly and safely, and before being authorized to perform the job;
- c) Undertaking a job that appears to be unsafe;
- d) Reporting to work while under the influence of illegal drugs or alcohol or reporting to work or working while using a prescription or over-the-counter medication that may create a safety issue without following the Prescription/Over-the-Counter Drug Use Reporting procedures set forth in the Drug and Alcohol use provisions of this Handbook;
- e) Failing to report unsafe conditions to a manager or other designated individual;
- f) Failing to report any work-related injury or illness;
- g) Interfering with or impeding any investigation of an unsafe condition or a work-related injury, illness or accident;
- h) Engaging in horseplay;

- i) Violating any established Company rule or procedure and thereby creating a hazard to themselves, another Associate or a member of the public; and
- j) Violating any other expected standard of performance or safety.

Discipline may be imposed even if an Associate is injured or hospitalized. While Associates will not be disciplined for making a claim for workers' compensation, or for cooperating or assisting in any such claim, the existence of a claim for workers' compensation will not prevent the Company from enforcing its policies and standards through its disciplinary policy

Security

The security of facilities as well as the welfare of our Associates requires that every individual be constantly aware of potential security risks. You should immediately notify your supervisor when anyone is acting in a suspicious manner in or around the facilities, or when keys or access cards for offices or parking structures are lost or misplaced.

Housekeeping

All Associates are expected to keep their work areas clean and organized. Common areas, such as lunchrooms, kitchens, locker rooms, and restrooms should be kept clean by those using them.

Reception areas and conference rooms are not to be used for lunch except when used for a business luncheon or special occasion. Parking

Associate vehicles may be parked in designated areas if space permits. Associates may not use parking spaces specifically marked VISITOR, FUTURE RESIDENT, or RESERVED. The Company is not responsible for any loss or damage to Associate vehicles or contents while parked on Company property.

Smoking Policy

Smoking in any form or "vaping" with e-cigarettes is not allowed in any of the Company's offices or facilities. Smoking includes the use of tobacco products through pipes, cigars, and cigarettes and the use of e-cigarettes regardless of whether they contain tobacco.

Those Associates wishing to smoke or vape may do so in open air areas and outside of the offices and other Company facilities during each of the meal periods and rest breaks identified above and other non-working hours. Associates may smoke or vape only in the designated areas, as available, at the community locations.

Inspections And Searches On Company Premises

The Company believes that maintaining a workplace that is free of harmful materials is vital to the health and safety of its Associates and to the success of the Company's business. These harmful materials include: firearms or other weapons; explosives and/or hazardous materials or articles; illegal drugs; illegal drug-related paraphernalia; alcoholic beverages (except as noted below*); and/or unauthorized possession or use of Company property or proprietary and confidential information that an Associate is not authorized to have in his or her possession. In addition, the Company intends to assure its access at all times to Company premises and Company property, equipment, information, records, documents, and files. Accordingly, the Company has established this policy concerning inspections and searches on Company premises. This policy applies to all Associates of the Company.

*Note: If an Associate receives at work a bottle of wine, beer, or distilled spirits as a gift, the Associate will not be in violation of this Policy provided that the gift is not opened, it remains sealed, and the Associate removes the gift from the premises as soon as practicable.

In order to assure access at all times to Company property, the Company reserves the right to conduct a routine inspection or search at any time for Company property on Company premises. Associates have no reasonable expectation of privacy in the workplace.

Routine searches or inspections for Company property may include an Associate's office, desk, file cabinet, closet, Company vehicles, computer files, voicemail, electronic mail, Company-provided cellular phone, or similar places where Associates may store Company property or Company-related information, whether or not the places are locked or protected by access codes and/or passwords.

Inspections or searches for prohibited materials also may include, among other things, an Associate's office, desk, file cabinets, locker, or Company vehicle. Associates should have no expectation of privacy with regard to the foregoing and other related routine searches or inspections. Because even a routine search for Company property might result in the discovery of an Associate's personal

possessions, all Associates are encouraged to refrain from bringing into the workplace any item of personal property that they do not wish to reveal to the Company. In addition, the Company always reserves the right to conduct inspections and searches based on reasonable suspicion. Further information on this policy is available in the Human Resources department.

Associates who are found to be in possession of prohibited materials in violation of this policy, who refuse or fail to cooperate fully with an inspection or who violate other Company policies contained in this handbook, will be subject to discipline, up to and including termination, regardless of the Company's reason for conducting the search or inspection.

Essex Acceptable Internet Use Policy Statement and Guidelines

- Policy Statement

Essex is dedicated to sustaining the integrity and security of corporate data and intellectual property and maintaining the responsiveness of our network by limiting certain unauthorized activities. Further, Essex is committed to complying with the laws and regulations governing use of the Internet, e-mail transmission and text messaging and preserving for all of those users (including both Essex Corporate Network Users and Essex Guest Network Users) that have agreed to the Essex Terms and Conditions of Internet Use (collectively, "Essex Network Users") the ability to use the Essex Corporate Network and the Essex Guest Network without interference or harassment from other users. This Acceptable Internet Use Policy Statement and Guidelines ("AUSG") will assist in protecting Essex's Associates and the Company from illegal or damaging actions by individuals, either knowingly or unknowingly.

- Scope and Application of the AUSG

This AUSG applies to the Essex services that provide or include access to the Internet, or are provided over the Internet or wireless data networks (collectively "IP Services"). By using IP Services, Essex Network Users agree to comply with the terms of this AUSG and remain responsible for complying with this AUSG. Essex reserves the right to change or modify the terms of this AUSG at any time, effective when posted on Essex's web site at www.essex.com/AUSG. Essex Network Users' use of the IP Services shall constitute acceptance of any changed or additional terms to this AUSG.

- Connection to Essex Corporate Network and Essex Guest Network

Internet/Intranet/Extranet-related systems, including, but not limited to, computer equipment, software, operating systems, storage media, network accounts providing electronic mail, WWW browsing, and FTP, are the property of Essex. These systems are to be used for business purposes in serving the interests of ESSEX and of Essex's Associates, vendors, contractors and subcontractors in the course of normal operations.

ESSEX CORPORATE NETWORK: The Essex Corporate Network consists of the network equipment, computers, laptops, and mobile devices. Only devices owned and paid for by Essex are allowed to connect to the Essex Corporate Network. Personally owned devices are **NOT** allowed to connect to the Essex Corporate Network.

ESSEX GUEST NETWORK: The Essex Guest Network consists of computers, laptops, and mobile devices. Personally owned devices may connect to the Essex Guest Network.

- Prohibited Activities

General Prohibitions: Essex prohibits use of the IP Services in any way that is unlawful, harmful to, or interferes with use of Essex's networks or systems, or the network of any other provider, interferes with the use or enjoyment of services received by others, infringes intellectual property rights, results in the publication of threatening or offensive material, or constitutes Spam/E-mail/Usenet abuse, a security risk, or a violation of privacy.

High-bandwidth activities (such as downloading a full length movie or downloading large quantities of music files) or use of streaming audio or video services, including but not limited to use of Spotify, iTunes, Pandora, Radio, Apple Music, iheartradio, Grooveshark, Netflix, Hulu, Amazon Prime, HBO Go and/or Apple TV, in excess of 62MB (megabytes) of data is prohibited, unless a higher usage is specifically authorized in advance by a member of the Senior Management Committee and may only be used for approved business purposes. By way of example, 62MB (megabytes) of data is approximately equal to a 1080p (higher definition) five (5) minute YouTube video.

Failure to adhere to the rules, guidelines, or agreements applicable to search engines, subscription Web services, chat areas, bulletin boards, Web pages, USENET, applications, or other services that are accessed via a link from the IP Services is a violation of this AUSG.

Unlawful Activities: IP Services shall not be used in connection with any criminal, civil, or administrative violation of any applicable local, state, provincial, federal, national, or international law, treaty, court order, ordinance, regulation, or administrative rule.

Violation of Intellectual Property Rights: IP Services shall not be used to publish, submit/receive, upload/download, post, use, copy or otherwise reproduce, transmit, re-transmit, distribute, or store any content/material or to engage in any activity that infringes, misappropriates, or otherwise violates the intellectual property rights or privacy or publicity rights of Essex or any individual, group, or entity, including, but not limited to, any rights protected by any copyright, patent, trademark laws, trade secret, trade dress, right of privacy, right of publicity, moral rights, or other intellectual property right now known or later recognized by statute, judicial decision, or regulation.

Threatening Material or Content: IP Services shall not be used to host, post, transmit, or re-transmit any content or material (or to create a domain name or operate from a domain name), that harasses, or threatens the health or safety of others. In addition, for those IP Services that utilize Essex provided web hosting, Essex reserves the right to decline to provide such services if the content is determined by Essex to be obscene, indecent, hateful, malicious, racist, defamatory, fraudulent, libelous, treasonous, excessively violent or promoting the use of violence, or is otherwise harmful to others.

Inappropriate Interaction with Minors: Essex complies with all applicable laws pertaining to the protection of minors, including when appropriate, reporting cases of child exploitation to the National Center for Missing and Exploited Children. For more information about online safety, visit www.ncmec.org.

Pornography, including Child Pornography: IP Services shall not be used to publish, submit/receive, upload/download, post, use, copy, or otherwise produce, transmit, distribute, or store pornography, including child pornography. Suspected violations of this prohibition may be reported to Essex at the following Telephone Hotline Service: AlertLine 1-866-752-5307. Essex will report any discovered violation of this prohibition involving child pornography to the National Center for Missing and Exploited Children and take steps to remove child pornography (or otherwise block access to the content determined to contain child pornography) from its servers.

Spam/E-mail/Usenet Abuse: Violation of the CAN-SPAM Act of 2003, or any other applicable law regulating e-mail services, constitutes a violation of this AUSG. Examples of violations of the CAN-SPAM Act of 2003 or other spam/email or usenet abuse include but are not limited to the following activities (unless approved by a member of the Senior Management Committee as a legitimate business use):

- sending multiple unsolicited electronic mail messages or “mail-bombing” to one or more recipient;
- sending unsolicited commercial e-mail, or unsolicited electronic messages directed primarily at the advertising or promotion of products or services;
- sending unsolicited electronic messages with petitions for signatures or requests for charitable donations, or sending any chain mail related materials;
- sending bulk electronic messages without identifying, within the message, a reasonable means of opting out from receiving additional messages from the sender;
- sending electronic messages, files or other transmissions that exceed contract for capacity or that create the potential for disruption of the ESSEX Guest Network or of the networks with which ESSEX interconnects, by virtue of quantity, size, or otherwise;
- using another site’s mail server to relay mail without the express permission of that site;
- using another computer, without authorization, to send multiple e-mail messages or to retransmit e-mail messages for the purpose of misleading recipients as to the origin or to conduct any of the activities prohibited by this AUSG;
- using IP addresses that the Essex Network Users does not have a right to use;

- collecting the responses from unsolicited electronic messages;
- maintaining your own website;
- sending messages that are harassing or malicious, or otherwise could reasonably be predicted to interfere with another party's quiet enjoyment of the IP Services or the Internet (e.g., through language, frequency, size, or otherwise);
- using distribution lists containing addresses that include those who have opted out;
- sending electronic messages that do not accurately identify the sender, the sender's return address, the e-mail address of origin, or other information contained in the subject line or header;
- falsifying packet header, sender, or user information whether in whole or in part to mask the identity of the sender, originator, or point of origin;
- using redirect links in unsolicited commercial e-mail to advertise a website or service;
- intercepting, redirecting, or otherwise interfering or attempting to interfere with e-mail intended for third parties;
- knowingly deleting any author attributions, legal notices, or proprietary designations or labels in a file that the user mails or sends;
- using, distributing, advertising, transmitting, or otherwise making available any software program, product, or service that is designed to violate this AUSG or the AUSG of any other Internet Service Provider, including, but not limited to, the facilitation of the means to spam.
- Security Violations

Essex Network Users are responsible for ensuring and maintaining security of their systems and the machines that connect to and use IP Service(s), including implementation of necessary patches and operating system updates.

IP Services may not be used to interfere with, gain unauthorized access to, or otherwise violate the security of Essex's (or another party's) server, network, network access, personal computer or control devices, software or data, or other system, or to attempt to do any of the foregoing. Examples of system or network security violations include but are not limited to:

- unauthorized monitoring, scanning, or probing of network or system or any other action aimed at the unauthorized interception of data or harvesting of e-mail addresses;
- hacking, attacking, gaining access to, breaching, circumventing, or testing the vulnerability of the user authentication or security of any host, network, server, personal computer, network access and control devices, software, or data without express authorization of the owner of the system or network;
- impersonating others or secretly or deceptively obtaining personal information of third parties (phishing, etc.);
- using any program, file, script, command, or transmission of any message or content of any kind, designed to interfere with a terminal session, the access to, or use of the Internet or any other means of communication;
- distributing or using tools designed to compromise security (including but not limited to SNMP tools), including cracking tools, password guessing programs, packet sniffers, or network probing tools (except in the case of authorized legitimate network security operations);
- knowingly uploading or distributing files that contain viruses, spyware, Trojan horses, worms, time bombs, cancel bots, corrupted files, root kits, or any other similar software or programs that may damage the operation of another's computer, network system, or other property, or be used to engage in modem or system hi-jacking;
- engaging in the transmission of pirated software;

- with respect to dial-up accounts, using any software or device designed to defeat system time-out limits or to allow Essex Network User's account to stay logged on while Essex Network User is not actively using the IP Services or using such account for the purpose of operating a server of anytype;
- using manual or automated means to avoid any use limitations placed on the IP Services;
- providing guidance, information, or assistance with respect to causing damage or security breach to Essex's network or systems, or to the network of any other IP Service provider;
- failure to take reasonable security precautions to help prevent violation(s) of this AUSG.
- Essex Network Users Responsibilities

Essex Network Users remain solely and fully responsible for the content of any material posted, hosted, downloaded/uploaded, created, accessed, or transmitted using the IP Services. Essex has no responsibility for any material created on the Essex Guest Network or accessible using IP Services. Such third-party website links are provided as Internet navigation tools for informational purposes only, and do not constitute in any way an endorsement by Essex of the content(s) of such sites.

Essex Network Users are responsible for taking prompt corrective action(s) to remedy a violation of this AUSG and to help prevent similar future violations.

AUSG Enforcement and Notice

Essex Network Users' failure to observe the guidelines set forth in this AUSG may result in Essex taking actions anywhere from a warning to a suspension or termination of Essex Network Users IP Services. When feasible, Essex may provide Essex Network Users with a notice of an AUSG violation via e-mail or otherwise allowing the Essex Network Users to promptly correct such violation.

Any Associate found to have violated this AUSG, particularly those who either (1) knowingly commit serious violations of the guidelines provided for in this AUSG such as illegal activities or security violations, or (2) repeatedly violate any of the guidelines provided in this AUSG especially after warning, may be subject to disciplinary action, up to and including termination of employment.

Essex reserves the right, however, to act immediately and without notice to suspend or terminate affected IP Services in response to a court order or government notice that certain conduct must be stopped or when Essex reasonably determines that the conduct may: (1) expose Essex to sanctions, prosecution, civil action, or any other liability, (2) cause harm to or interfere with the integrity or normal operations of Essex's network or networks with which Essex is interconnected, (3) interfere with another Essex Network Users' use of IP Services or the Internet, (4) violate any applicable law, rule, or regulation, or (5) otherwise present an imminent risk of harm to Essex or Essex Network Users.

Essex has no obligation to monitor content of any materials distributed or accessed using the IP Services. However, Essex may monitor content of any such materials as necessary to comply with applicable laws, regulations, or other governmental or judicial requests; or to protect the Essex network and its Essex Network Users.

- Incident Reporting

Any complaints (other than claims of copyright or trademark infringement) regarding violation of this AUSG by Essex Network Users should be directed to the Sr. VP, Human Resources and the Legal Department at the contact information provided for below. Where possible, include details that would assist Essex in investigating and resolving such complaint (e.g., expanded headers, IP address(s), a copy of the offending transmission, and any log files).

Copyright complaints: If you believe that your work has been copied and posted, stored or transmitted using the IP Services in a way that constitutes copyright infringement, please submit a notification to Essex 's Legal Department at:

Attn: Legal Department
 1100 Park Place, Suite 200
 San Mateo, CA 94403
 Phone: (650) 655-7932
 Email: Legal2@essex.com

Contact Information: Any notification that Essex sends to its Essex Network Users pursuant to this AUSG will be sent via e-mail to the e-mail address on file with Essex, or may be in writing to Essex Network Users' address of record. It is the Essex Network Users' responsibility to promptly notify Essex of any change of contact information.

- Administration of AUSG

This AUSG will be administered by the Chief Technology Officer in association with the General Counsel and the legal department. Exceptions to this AUSG may be made by a member of the Senior Management Committee and may only be used for approved business purposes.

Use of Company E-Mail and Internet

Access to the Internet and E-mail has been provided to Associates to facilitate business-oriented research and communication. Every staff member has a responsibility to maintain and enhance the Company's public image and to use the Internet and E-mail in a proper and productive manner consistent with their job responsibilities and Company policies.

Each Associate is required to follow the policy regarding Internet and E-mail usage:

- Internet Communications

Each Associate is responsible for the content of all text, audio, or visual materials that he or she places or sends over the Internet, and Associates have no reasonable expectation of privacy in what they send and receive. The Company expects that Associates will use the Internet in a responsible way and for business purposes. Associates may, however, use the Internet for incidental personal use so long as such use does not violate the policy regarding Unacceptable Use of the Internet (see below). All messages communicated on the Internet using Company equipment or devices should have your name attached. No messages are allowed under an assumed name. Users may not attempt to obscure the origin of any message. The Company monitors both the amount of time spent using Internet services and the sites visited by individual Associates. The Company reserves the right to monitor and limit such access by any means available to it, including revoking access altogether.

- Unacceptable Use of the Internet

Use of the Internet, including incidental personal use, should not interfere with the Associate's duties, be done for pecuniary gain, conflict with the Company's business, violate the law, or violate any Company policy. For example, under no circumstances are Associates permitted to use the Internet to access, download, or contribute to indecent or sexually-oriented materials, gambling sites, or illegal drug-oriented sites. Associates also may not transmit, receive, or store any information that is discriminatory, harassing, or defamatory in any way or that violates the proprietary, trademark, copyright, or other interests of third parties. Solicitation of non-Company business, engaging in non-Company business, and/or the disclosure of any proprietary or confidential Company information are each strictly prohibited.

- Software

All software in use on the Company's technology resources is officially licensed software. No software is to be installed or used that has not been duly paid for and licensed appropriately for the use to which it is being put. To prevent computer viruses from being transmitted through the system, unauthorized downloading of any software is prohibited. All software downloads must be authorized by the SVP of Information Technology and coordinated with the IT Department.

- Security

All messages sent and received, including personal messages, and all data and information stored on the Company's electronic-mail system, voice mail system, computer systems, Company-provided cellular phones or other electronic communication devices, or any other technology system are Company property regardless of the content. The Company reserves the right to access and monitor all messages, files, and information stored in or transmitted by or received by its electronic-mail, voicemail, computer, and other technology systems, as it deemed necessary and appropriate. At the Company's sole discretion, all communications and content including text and images can be disclosed to law enforcement or other third parties without prior consent of the sender or receiver.

- Harassment

Harassment of any kind is prohibited. No messages with derogatory or inflammatory remarks about an individual or group's race, sex, religion, national origin, disability, age, sexual orientation, or any other characteristic protected by state or federal law may be transmitted or stored on the Company's technology resources.

- E-mail and Voicemail

E-mail and voicemail are to be used for business purposes only. Associates may, however, use e-mail and voicemail for occasional personal communications so long as such use does not interfere with their job duties or violate any Company policy. The Company has the right to access voicemail and e-mail messages to ensure compliance with this policy at any time, without notice to the Associate. The confidentiality of any message should not be assumed. Even when a message is deleted or erased, it is still possible to retrieve and read that message. The Company retains the right to monitor and gain access to all messages to enforce its policies.

The e-mail system is not to be used to create or re-distribute any discriminatory, harassing, or otherwise offensive messages. Among those that are considered offensive are any messages that contain sexually explicit or racial slurs, jokes, or cartoons. This also includes any other comment that offensively addresses someone's race, color, creed, sex, religion, age, sexual orientation, religious beliefs, national origin or ancestry, physical or mental disability, medical condition, or any other consideration made unlawful by federal, state, or local laws.

- Violations of Policy

Any Associate who discovers a violation of these policies must notify the Sr. VP, Human Resources and the Legal Department immediately. Associates who violate these policies or use the Internet or e-mail system for improper purposes are subject to disciplinary action, up to and including the possibility of immediate termination.

Blogging, Social Networking, and Use of the Internet

Due to the widespread use of the internet to receive and send communications, the Company has established detailed policies regarding the use of electronic communications devices. As a result of the popularity of "blogs" and social media, the Company has established this policy identifying standards regarding activities associated with blogging and other social media, including posting information, pictures, or other material on web logs, blogs, social networking sites such as Facebook, or the internet; online publishing; and creating or maintaining blogs (referred to collectively as "social media"). Even though these social media are frequently used to express personal views, they can directly or indirectly impact the Company, as well as Associates and customers. This policy emphasizes the importance of good judgment, common sense, courtesy, and respect for customers, co-workers, and vendors.

Associates are reminded that compliance with all policies is essential. This includes the Company's policies regarding electronic communications devices and this policy. The following guidelines should be kept in mind.

- General Guidelines

The Company respects the right of Associates to use social media sites and blogs as a medium of self-expression and public conversation and does not discriminate against Associates who use these social media and blogs for personal interests and other lawful purposes. However, Associates may not (1) use any Company computer or other Company electronic communications device to access, review, or post information on social networking media; or (2) use a personal device to access, review, or post information on social networking media while they are on duty if it is of a personal nature. Sometimes these sites may be used for business purposes, such as Facebook Fan Pages, which would be acceptable. Associates should also recognize that the creation of or participation in a blog or other form of social media, even outside of work, can affect the Company and our customers. This fact should always be kept in mind.

- Please Use Common Sense and Good Judgment

We expect Associates to demonstrate respect for others when participating in social media associated with or linked to the Company. This includes customers, co-workers, and vendors. It should be remembered that blogs and postings by an Associate may be reviewed, copied, and re-disseminated by others, including competitors. Good judgment should also lead Associates to understand that statements or disclosures that violate the privacy, trade secret, intellectual property, or other proprietary rights of any individual or organization, including the Company, are inappropriate. We ask that Associates demonstrate the same respect for others as they would want for themselves.

- Our Equal Opportunity and Anti-Harassment Guidelines Apply At All Times

The Company is firmly committed to its equal employment opportunity policies. It does not condone or tolerate any form of discrimination regarding our customers, applicants, or Associates. It also prohibits all forms of harassment regarding our customers, applicants, or Associates, including harassment based on race, color, religion, sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, and related medical conditions), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, citizenship, primary language, mental or physical disability, medical condition, age, family or medical leave status, genetic characteristics and information, military and veteran status, or any other consideration made unlawful by federal, state, or local laws. Associates are prohibited from engaging in any conduct, activities, communications, or postings that violate these policies and principles. Associates should refrain from any conduct that violates the rights of others to be free of unlawful harassment or discrimination.

- Confidential, Proprietary, and Other Protected Information

The Company does not permit Associates to take pictures of customers or disseminate any images, pictures, or depictions of our customers, Associates, uniforms, or facilities for any purpose that is not expressly authorized in writing by the Company. We also do not permit the use of any Company logo, name, confidential or proprietary information without explicit authorization in writing. At the same time, the Company respects the rights of outside individuals and companies to confidential, trademark, copyrighted, trade secret, intellectual property, and other proprietary information that is protected by law. No Associate should make any improper use or disclosure of the confidential, proprietary, trademark, trade secret, intellectual property, copyrighted, or protected information of others. Associates should also refrain from using, posting, or disclosing any copyrighted, trademark, service mark, patent, or intellectual property of the Company, as well as outside individuals and organizations.

- Individual Expression and Disclaimers

The Company understands that social media often express the personal views of the individuals who post or communicate them and not the ideas, views, opinions, or positions of the Company. Associates must nevertheless understand that individuals who view a blog or social networking site may not recognize or fully appreciate this fact. Because of this, Associates who elect to mention the Company or their employment relationship with the Company should express their views in such a way as to make clear that the views expressed reflect only their personal views and not the views of the Company.

- Access to Social Media and Devices

The Company must retain the right and ability to enforce this and other Company policies and to monitor compliance with their terms. In order to do so, the Company reserves the right to access any of its computers and electronic communications devices and to monitor social media that are publicly available. Associates should not maintain any expectation of privacy with respect to information transmitted over, received by, or posted on such sites.

If an Associate believes that a social media communication violates Company policies, the Associate should immediately report this to the Human Resources Department. The Company will investigate the matter and determine whether there is a violation of its policies. Associates are reminded that a violation of any aspect of this policy or any policy implicated by social media, or other internet postings may result in disciplinary action, up to and possibly including immediate termination. Other legal action may also be taken where the rights of others are violated. However, this policy will not be construed or applied in a manner that interferes with Associates' rights under Section 7 of the National Labor Relations Act, California Labor Code Section 980, or any other state or federal law. Likewise, this policy will not be construed or applied in a manner that interferes with Associates participating in an investigation with a state or federal agency.

For details on what personal information Essex collects and for what purposes, please see our California Privacy Notice at www.essexapartmenthomes.com/privacy-policy.

BENEFITS

The Company provides comprehensive medical, dental, and vision insurance plans for regular full-time Associates and their dependents as well as a traditional 401(k) Plan for eligible Associates in order to assist in planning for their retirement with contributions made on a pre-tax or Roth post-tax deferral basis. More detailed information is set forth in the official plan documents and insurance policies that govern the plans. Accordingly, if there is any real or apparent conflict between the brief summaries contained in this Handbook and the terms, conditions, limitations or exclusions of the official plan documents, the provisions of the official plan documents will control. Associates who wish to inspect those documents can make an appointment with the Human Resources department for that purpose. For other benefits offered by Essex, please see the Benefits section on Buzz.

Training and Education

The Company encourages Associates to improve their skills and promotional qualifications. Toward this goal, the Company will reimburse an Associate up to \$3,000 per year of fees for continuing education through an accredited program that either offers growth in an area related to the Associate's position or might lead to promotional opportunities. To apply for education reimbursement, a Reimbursement Request Form must be completed *prior* to the first day of the course/program and the Associate must obtain RPM/Director approval as well as HR approval. For further detail, please see Buzz, consult the Educational Assistance policy, or ask Human Resources for further details on the Education Assistance policy.

This education assistance is provided to develop the skills and knowledge of Associates in order to allow them to progress within Essex, provide insight on resolving problems and make improvements, and assist Essex in the accomplishment of its business goals.

TIME OFF WORK

Holidays

The Company will provide holiday schedules at the beginning of each year. Please refer to the Company's intranet (Buzz).

All regular Associates will receive time off with pay at their normal base rate for each Company-observed holiday.

If a holiday falls on an Associate's scheduled day off or if the Associate works on a holiday, the Associate will be allowed an additional day off with pay. If an Associate is required to work on a designated holiday, the Associate will receive his or her regular rate of pay and any applicable overtime.

Paid Time Off

Paid Time Off (PTO) is designed to allow Associates to manage their time away from work as a combined pool of days. PTO includes vacation and sick/personal time for Associates. If scheduled in advance, up to eight (8) hours per pay period of unpaid time off work can be taken at the discretion of the manager before an Associate's PTO is exhausted. Otherwise, to the extent permitted by law, you will be required to use all of your PTO hours before you go on unpaid status.

Accrual and Cap

Associates begin to accrue PTO on their date of hire. Associates accrue PTO on a pro-rata basis in accordance with the following schedule, which is based on a 40-hour per week schedule:

Tenure	PTO Days	Maximum Accrual
0-3.99 years	14 days (112 hours)	21 days (168 hours)
4-8.99 years	19 days (152 hours)	28.5 days (228 hours)
9-13.99 years	24 days (192 hours)	36 days (288 hours)
14+ years	29 days (232 hours)	43.5 days (348 hours)

PTO accrues as service is performed. PTO accrues only for regular hours worked up to 40-regular hours worked in a work week. However, at no time will any Associate earn less than one hour of PTO per every 30 hours worked. An Associate will continue to earn PTO according to the above schedule until the Associate has accrued the equivalent of one and one-half times his or her annual rate, except in Washington where Associates do not have a cap on PTO accrual. Once the maximum accrual amount has been reached, no additional PTO will be earned until previously-accrued PTO is used. Associates will not be given retroactive credit for any period of time in which they do not accrue PTO because they were at the maximum. At year end, unused PTO at or below the maximum accrual amount will carry over to the subsequent year.

PTO accrues during periods of active employment only. Company-paid holidays and time away from the workplace using PTO and other paid leaves are considered active employment for purposes of PTO accrual. PTO does not accrue while on unpaid leaves of absence or other periods of inactive service.

Officers of the Company have different accrual rates and maximums for PTO. This is communicated with those Associates separately.

Permissible Uses

PTO may be used only if it has been earned. Associates may use PTO for paid vacation leave, paid sick or safe time (“PSST”), as defined below, or any other type of paid time off. PSST may be used for family members as defined below:

- Family Member: includes a biological, adopted, or foster child, stepchild, or legal ward, or a child to whom the Associate stands *in loco parentis*; a biological, adoptive, or foster parent, stepparent, or legal guardian of an Associate or the Associate’s spouse or registered domestic partner, or a person who stood *in loco parentis* when the Associate was a minor; spouse or registered domestic partner; grandparent; grandchild; sibling; any individual related by blood or affinity whose close association with the Associate is the equivalent of a family relationship; step-sibling; a guide, signal, or service dog of an Associate or covered relation; or a “designated person,” as defined below.
- Designated person: If an Associate does not have a spouse or registered domestic partner, the Associate may designate one person as to whom the Associate wishes to use PSST to aid or care for that person. Designation of this person must be done within 14 calendar days of the date the Associate begins accruing PTO. Thereafter, the Company will provide an opportunity to re-designate a designated person on an annual basis by January 31.
- Sick Time: Associates may use PTO as PSST for sick time purposes for themselves and their eligible family members: (a) for diagnosis, care, or treatment of an existing medical condition; (b) for preventative care; (c) to attend a medical or dental appointment; (d) to attend to or provide care for a family member with a mental or physical illness; and/or (e) to recover or recuperate from an injury or health condition. An Associate may also use PSST for purposes related to donating the Associate’s bone marrow or an organ of the Associate to another person. Further, an Associate may use PSST to care for or assist an eligible family member for purposes related to that family member’s donating bone marrow or an organ to another person.
- Safe Time: Associates may use PTO as PSST for safe time if the Associate or his/her family member is a victim of domestic violence, sexual assault, or stalking and time off is needed to attend to safety planning or other actions to assist the Associate, such as judicial assistance, medical attention, counseling, etc. Associates can also use PTO as PSST for safe time when time away from work is necessary due to domestic violence, sexual assault, or stalking, if time is used to allow the Associate to obtain for a family member one or more of the following: (a) medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking; (b) services from a victim services organization; (c) psychological or other counseling; (d) relocation due to the domestic violence, sexual assault, or stalking; or (e) legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.
- Other PSST Purposes: Associates may also use PTO for PSST when the Associate’s place of business is closed, or the Associate is providing care or assistance to a child whose school or child care provider is closed, by order of a public official due to a public health emergency.

PTO being taken for PSST is to be used in an initial increment of no less than one hour to cover all or just part of a work day.

Notice Requirements

Unless PTO is being used in conjunction with FMLA leave, another protected leave, emergencies, or for PSST reasons, and in order to balance business and personal needs, you should submit your PTO request through the timekeeping system for approval by your immediate supervisor as far in advance as possible. Should circumstances compel a change in your plans, you must give notice to your supervisor. Where PTO is used for other than PSST, your supervisor must approve your PTO in advance. Although the Company will make reasonable efforts to accommodate requests in scheduling PTO, except as otherwise required by law, all PTO is scheduled subject to Company business needs and may be postponed when business needs require. Conflicts in scheduling that cannot be otherwise resolved will be scheduled on the basis of seniority. With proper advance notice, the Company reserves the right to require you to use accrued PTO at times designated by the Company.

If an Associate is using PTO for PSST purposes and the need for PTO use is foreseeable, an Associate must provide reasonable advance notification – either orally or in writing – to his or her supervisor of any absence from work. If the use of PTO for PSST purposes is unforeseeable, an Associate must provide the notice – either orally or in writing – to his or her supervisor of the need to use PSST as soon as practicable. In all circumstances, an Associate is responsible for specifying that the time off is for PSST reasons, so that the absence may be designated as a PSST absence. Failure to obtain approval as soon as possible after determining the need to take PTO for PSST purposes may result in discipline.

Associates using PTO for PSST purposes are not required to search for or find a replacement Associate to cover the periods of time during which they are absent from work for PSST purposes.

Payment of PTO

PTO that is not taken for PSST purposes is paid at the Associate's regular straight-time rate of pay or base salary at the time it is taken. PTO that is taken for PSST purposes will be paid in accordance with applicable law.

If a paid holiday falls within an Associate's PTO period, the day will be treated as a holiday and not a PTO day.

Termination of Employment

Upon termination of employment, Associates will be paid for all PTO that has accrued but remains unused through the last day of work. PTO will be paid at the Associate's regular rate of pay at the time of termination of employment.

Applicable Paid Sick Leave Laws

Essex complies with applicable local paid sick leave ordinances in California and Washington through its PTO policy, which provides benefits more generous than those required by law. Essex also complies with the State of California Sick Leave Law and State of Washington Sick Leave Law through its PTO policy, which provides benefits more generous than those required by law.

For Associates in Seattle, an Associate may use PTO for safe time – i.e. where the workplace or child's school or place of care is closed by order of a public official to limit exposure to an infectious agent, biological toxin, or hazardous material – and only provide notice of the leave as soon as practicable if the need for such leave is unforeseeable.

Make-Up Time

Essex allows the use of make-up time when non-exempt Associates need time off to tend to personal obligations if the make-up work is performed during the same workweek in which the work time is lost. On each occasion an Associate desires to make up lost work time, the Associate shall provide a signed written request for make-up time at least twenty-four (24) hours before the desired time off or make-up time is worked, and the request must be approved by the supervisor. The written request must be completed and approved in advance of the day(s) on which the make-up hours will be worked. Requests for make-up time will be considered for approval based on the legitimate business needs of the Company at the time the request is submitted and at the sole discretion of the supervisor.

Associates may take time off and then make up the time later in the same workweek, or may work extra hours earlier in the workweek to make up for time that will be taken off later in the workweek. As set forth above, the Company's seven (7) day workweek is Monday through Sunday. Make-up time worked will not be paid at an overtime rate for non-exempt Associates unless the non-exempt Associate works more than eleven (11) hours in a day, or forty (40) hours in the workweek. However, Company policy prohibits Associates from working more than ten (10) hours in any one day when making up time. Associates may use up to a total of eight (8) hours of make-up time per year, in one (1) hour increments up to a maximum of two (2) hours per request.

Please contact your supervisor or the Human Resources/Payroll Department with any questions. The forms are available on Buzz.

Bereavement Leave Policy

Associates are allowed up to two (2) days off per year from regularly scheduled work in the event of the death of an immediate or extended family member as paid bereavement leave. The two (2) days of paid bereavement leave shall be used to allow an Associate to plan and/or attend funeral and memorial services. Family members include: an Associate's parent and parent-in-law, child, son-in-law and daughter-in-law, spouse, registered domestic partner, grandparent, sibling, aunt and uncle, niece and nephew.

An Associate who wishes to take time off for bereavement leave should notify his or her supervisor immediately. An Associate may, with his or her supervisor's approval, use any available PTO for additional time off as necessary.

Jury Duty and Witness Leave

The Company encourages Associates to serve on jury selection or jury duty when called. Associates will receive full pay while serving up to five (5) days of jury duty after which they will be granted an unpaid leave for jury duty (exempt Associates will be provided their full salary for any weeks in which they perform work). You may also be granted leave to serve as an expert witness in a judicial proceeding on behalf of the State. You may use any accrued PTO as part of your jury duty or witness leave after you have exhausted the 5 days paid by the Company. You should notify your supervisor of the need for time off for jury duty or witness leave as soon as a notice or summons from the court is received. You may be requested to provide written verification from the court clerk of having served on a jury. If work time remains after any day of jury selection, jury duty, or when you are serving as a witness, you will be expected to return to work for the remainder of your work schedule. Any mileage allowance, fee, etc., paid by the court for jury services may be retained by you.

Time Off for Voting (California Associates Only)

In the event that a California Associate does not have sufficient time outside of working hours to vote in a statewide election, the California Associate may take off enough working time to enable him or her to vote. Such time off shall be taken at the beginning or the end of the regular working shift, whichever allows for more free time, and the time taken off shall be combined with the voting time available outside of working hours, unless the California Associate and the Company agree otherwise. Under these circumstances, a California Associate will be allowed a maximum of two (2) hours on the Election Day without loss of pay; any additional time off that is needed by non-exempt California Associates will be unpaid. Where possible, the California Associate shall give his or her supervisor at least two (2) days' notice that time off to vote is needed.

Literacy Accommodation (California Associates Only)

California Associates who require time off to participate in an adult education program for literacy assistance should inform their supervisors or Human Resources. The Company will attempt to make reasonable accommodations, including by providing unpaid time off or an adjusted work schedule, and assist any Associate who reveals a problem of illiteracy and requests the Company's assistance in enrolling in an adult literacy education program provided the accommodation does not impose an undue hardship on the Company's business operations. Examples of assistance include providing Associates with the location of local literacy programs and arranging for jobsite visits by literacy education providers.

Associates who wish to self-identify as an individual with a literacy problem and request an accommodation should contact Human Resources. The Company will take reasonable steps to safeguard the privacy of any Associate who self-identifies. In addition, Associates who are performing satisfactorily will not be subject to termination of employment because they have disclosed literacy problems.

While Essex encourages Associates to improve their literacy skills, the Company will not reimburse Associates for the costs incurred in attending a literacy program. Time off to attend literacy programs may be provided as a reasonable accommodation unless doing so will result in an undue hardship. However, if time off is provided, the time off may be unpaid. If time off is unpaid, Associates wishing to take such leave may utilize their existing PTO or other accrued paid time off.

LEAVES OF ABSENCE

The Company may grant leaves of absence to Associates in certain circumstances. The specifics of the different leaves available to Associates are described below. It is important to direct any request for leave verbally or in writing to your supervisor or Human Resources as far in advance as possible, to keep in touch with your supervisor or Human Resources during your leave, and to give prompt notice to your supervisor or Human Resources if there is any change in your return date. When required by state or federal law, you will be reinstated to the same or equivalent position upon return from a leave of absence. During unpaid leaves of absence, the accrual of PTO will cease.

The Company will continue to pay premiums for health insurance coverage when required by state and federal laws. In all other cases, the Associate may self-pay the premiums under the provisions of COBRA. During the time that an Associate is on leave, the Associate contribution to the cost of the insurance premiums will continue to be due (the amount the Associates pay towards the cost of insuring themselves and/or their family members). You may obtain additional information on this subject from the Human Resources department.

Family Care and Medical Leave

a) Purpose and Eligibility

The Company will grant family and medical leave in accordance with the requirements of applicable federal and state law in effect at the time the leave is granted. Although the federal and state laws have different names, the Company refers to the federal Family and Medical Leave Act (Fed-FMLA) and the California Family Rights Act (CFRA) collectively as “FMLA Leave.” In any case, Associates will be eligible for the most generous benefits available under applicable law.

To be eligible for FMLA Leave, Associates must: (1) have been employed by the Company for a total of at least 12 month (52 weeks) at any time prior to the commencement of an FMLA leave; (2) have worked at least 1,250 hours over the previous 12 months as of the start of the leave; and (3) have worked at a location where at least 50 Associates are employed by the Company within 75 miles of the Associate’s worksite, as of the date the leave is requested. Eligibility requirements may differ for Associates who have been on a protected military leave of absence. If Associates are unsure whether they qualify for FMLA Leave, they should contact Human Resources.

b) Reasons for Leave

Federal and state laws allow FMLA Leave for various reasons. Because Associates’ legal rights and obligations may vary depending upon the reason for the FMLA Leave, it is important to identify the purpose or reason for the leave. Fed-FMLA leave and CFRA leave run concurrently except for the following reasons: to care for a registered domestic partner or a child of a registered domestic partner (CFRA only), incapacity due to pregnancy or prenatal care as a serious health condition (Fed-FMLA only), qualifying exigency leave (Fed-FMLA only) and military caregiver leave (Fed-FMLA only). Additionally, CFRA coverage for an Associate’s own serious health condition that also constitutes a disability under the California’s Fair Employment and Housing Act (FEHA) is separate and distinct from FEHA protections. If the Associate cannot return to work at the expiration of the CFRA leave, the Company will engage the Associate in the interactive process to determine whether an extension of the leave would be a reasonable accommodation under the FEHA.

FMLA Leave may be used for one of the following reasons:

- The birth, adoption or foster care of an Associate’s child within 12 months following birth or placement of the child (Bonding Leave);
- To care for an immediate family member (spouse, registered domestic partner, child, child of a registered domestic partner, or parent) with a serious health condition (Family Care Leave);
- An Associate’s inability to work because of a serious health condition (Serious Health Condition Leave);
- A “qualifying exigency,” as defined under the FMLA, arising from a spouse’s, child’s or parent’s “covered active duty” as a member of the military reserves, National Guard, or Armed Forces (Qualifying Exigency Leave); or

- To care for a spouse, child, parent, or next of kin (nearest blood relative) who is a “Covered Servicemember” (Military Caregiver Leave).

Definitions

“Child,” for purposes of Bonding Leave and Family Care Leave, means a biological, adopted or foster child; a stepchild; a legal ward; or a child of a person standing *in loco parentis*, who is either under age 18, or age 18 or older and incapable of self-care because of a mental or physical disability at the time that FMLA Leave is to commence. “Child,” for purposes of Qualifying Exigency Leave and Military Caregiver Leave, means a biological, adopted or foster child; stepchild; legal ward; or a child for whom the person stood *in loco parentis*, and who is of any age.

“Parent,” for purposes of this policy, means a biological, adoptive, step or foster father or mother, or any other individual who stood *in loco parentis* to the person. This term does not include parents-in-law. For Qualifying Exigency Leave taken to provide care to a parent of a deployed military member, the parent must be incapable of self-care as defined by the FMLA.

“Covered Active Duty” means (1) in the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country; and (2) in the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty (or notification of an impending call or order to active duty) in support of a contingency operation as defined by applicable law.

“Covered Servicemember” means (1) a member of the Armed Forces, including a member of a reserve component of the Armed Forces, who is undergoing medical treatment, recuperation or therapy; is otherwise in outpatient status; or is otherwise on the temporary disability retired list, for a serious injury or illness incurred or aggravated in the line of duty while on active duty that may render the individual medically unfit to perform his or her military duties; or (2) a person who, during the five years prior to the treatment necessitating the leave, served in the active military, Naval or Air Service, and who was discharged or released under conditions other than dishonorable (a “veteran” as defined by the Department of Veteran Affairs), and who has a qualifying injury or illness incurred or aggravated in the line of duty while on active duty that manifested itself before or after the member became a veteran. For purposes of determining the five-year period for covered veteran status, the period between October 28, 2009, and March 8, 2013, is excluded.

“Spouse” means a husband or wife. Husband or wife refers to the other person with whom an individual entered into marriage as defined or recognized under state law in the state in which the marriage was entered into or, in the case of a marriage entered into outside of any state, if the marriage is valid in the place where entered into and could have been entered into in at least one state. This definition includes an individual in a same-sex or common law marriage that either (1) was entered into in a state that recognizes such marriages; or (2) if entered into outside of any state, is valid in the place where entered into and could have been entered into in at least one state. For purposes of CFRA leave, a spouse includes a registered domestic partner or same-sex partners in marriage.

“Key Associate” means a salaried FMLA Leave eligible Associate who is among the highest paid 10 percent of all the Associates employed by the employer within 75 miles of the Associate’s worksite at the time of the FMLA leave request.

“Serious health condition” means an illness, injury, impairment, or physical or mental condition that involves either:

- Inpatient care (including, but not limited to, substance abuse treatment) in a hospital, hospice or residential medical care facility, including any period of incapacity (that is, inability to work, attend school or perform other regular daily activities) or any subsequent treatment in connection with this inpatient care; or
- Continuing treatment (including, but not limited to, substance abuse treatment) by a health care provider that includes one or more of the following:
 - A period of incapacity (that is, inability to work, attend school or perform other regular daily activities due to a serious health condition, its treatment or the recovery that it requires) of more than three consecutive calendar days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves treatment two or more times via an in-person visit to a health care provider, or at least one visit to a health care provider that results in a regimen of continuing treatment under the supervision of the health care provider.
 - Any period of incapacity due to pregnancy or prenatal care (under the Fed-FMLA, but not the CFRA).
 - Any period of incapacity or treatment for incapacity due to a chronic serious health condition that requires periodic visits to a health care provider, continues over an extended period of time and may cause episodic incapacity.

- A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective, such as Alzheimer's, a severe stroke and the terminal stages of a disease.
- Any period of absence to receive multiple treatments (including any period of recovery) by a health care provider either for (a) restorative surgery after an accident or other injury; or (b) a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment.

“Serious injury or illness” in the case of a current member of the Armed Forces, National Guard or Reserves is an injury or illness incurred by a covered servicemember in the line of duty on active duty (or that preexisted the member’s active duty and was aggravated by service in the line of duty on active duty) in the Armed Forces that may render him or her medically unfit to perform the duties of his or her office, grade, rank, or rating. In the case of a covered veteran, “serious injury or illness” means an injury or illness that was incurred in the line of duty on active duty (or existed before the beginning of the member's active duty and was aggravated by service in line of duty on active duty) and that manifested itself before or after the member became a veteran.

“Qualifying exigency” is defined by the Department of Labor and generally includes events related to short-notice deployment, military ceremonies, support and assistance programs, changes in childcare, school activities, financial and legal arrangements, counseling and post-deployment activities. Qualifying Exigency Leave may also be used to spend up to 15 days with military members who are on short-term, temporary, rest and recuperation leave during their period of deployment.

c) Length of Leave

If the reason for leave is common to both Fed-FMLA and CFRA and, therefore, running concurrently, the maximum amount of FMLA Leave will be 12 workweeks in any 12-month period when the leave is taken for: (1) Bonding Leave; (2) Family Care Leave; and (3) Serious Health Condition Leave. If the reason for leave is not common to both Fed-FMLA and CFRA and, therefore, not running concurrently, then an eligible Associate may be entitled to additional leave under applicable law.

When the reason for leave is Bonding Leave under the CFRA or Fed-FMLA and both spouses (Fed-FMLA) or both parents (CFRA) work for the Company and are eligible for leave under this policy, the spouses or parents, as applicable, will be limited to a total of 12 workweeks off between the two of them. However, the Company will not limit the Associates’ entitlement to CFRA for any qualifying reason other than Bonding Leave. When the reason for leave is Family Care Leave and if both spouses work for the Company and are eligible for leave under this policy, the spouses will be limited to a total of 12 workweeks off between the two of them under Fed-FMLA. The applicable “12-month period” utilized by the Company is the rolling 12-month period measured backward from the date an Associate uses his/her FMLA leave. Under this method the 12-month period is measured backward from the day the Associate uses any FMLA leave,

The maximum amount of Fed-FMLA Leave for an Associate wishing to take Military Caregiver Leave will be a combined leave total of 26 workweeks in a single 12-month period. A “single 12-month period” begins on the date of the Associate’s first use of such leave and ends 12 months after that date.

If both spouses work for the Company and are eligible for leave under this policy, under the Fed-FMLA, the spouses will be limited to a total of 26 workweeks off between the two when the leave is for Military Caregiver Leave only or is for a combination of Military Caregiver Leave, Bonding Leave, and/or Family Care Leave taken to care for a parent.

To the extent required by law, leave beyond an Associate’s FMLA Leave entitlement will be granted when the leave is necessitated by an Associate’s work-related injury or illness, a pregnancy-related disability or a “disability” as defined under the Americans with Disabilities Act (ADA) and/or the Fair Employment and Housing Act (FEHA). When the reason for CFRA leave was the Associate’s serious health condition, which also constitutes a “disability” under the FEHA and the Associate cannot return to work at the conclusion of the CFRA leave, the Company will engage in an interactive process to determine whether an extension of leave would constitute a reasonable accommodation under the FEHA.

d) Intermittent or Reduced Schedule Leave

Under some circumstances, Associates may take FMLA Leave intermittently, which means taking leave in blocks of time or reducing the Associate’s normal weekly or daily work schedule. An Associate may take leave intermittently or on a reduced schedule whenever it is medically necessary to care for the Associate’s child, parent, or spouse with a serious health condition or because the Associate has a serious health condition. The medical necessity of the leave must be determined by the health care provider of the person with the serious health condition.

Intermittent or reduced schedule leave may also be taken for absences where the Associate or his or her family member is incapacitated or unable to perform the essential functions of the job because of a chronic serious health condition, even if the person does not receive treatment by a health care provider.

Leave due to military exigencies may also be taken on an intermittent basis.

Leave taken intermittently may be taken in increments of no less than one hour. Associates who take leave intermittently or on a reduced work schedule basis for planned medical treatment must make a reasonable effort to schedule the leave so as not to unduly disrupt the Company's operations. Please contact Human Resources prior to scheduling medical treatment. If FMLA Leave is taken intermittently or on a reduced schedule basis due to planned medical treatment, we may require Associates to transfer temporarily to an available alternative position with an equivalent pay rate and benefits, including a part-time position, to better accommodate recurring periods of leave.

If an Associate using intermittent leave or working a reduced schedule finds it physically impossible to start or stop work mid-way through a shift in order to take CFRA leave and is therefore forced to be absent for the entire shift, the entire period will be counted against the Associate's CFRA entitlement. However, if there are other aspects of work that the Associate is able to perform that are not physically impossible, then the Associate will be permitted to return to work, thereby reducing the amount of time to be charged to the Associate's CFRA entitlement.

Requests for intermittent or reduced schedule leave for the birth or placement of a child may be directed to Human Resources and will be considered on a case-by-case basis depending on the needs of the Company. If the request is granted, the Company may require the Associate to transfer temporarily to an available alternative position.

CFRA leave for Bonding Leave does not have to be taken in one continuous period of time, but the minimum duration is two weeks. However, the Company will grant requests for additional occasions of leave lasting less than two weeks. Bonding Leave must be concluded within one year of the birth or placement of the child.

If Associates have been approved for intermittent leave and they request leave time that is unforeseeable, they must specifically reference either the qualifying reason for leave or the need for FMLA Leave at the time they call off.

e) Notice and Certification

Bonding, Family Care, Serious Health Condition, and Military Caregiver Leave Requirements

Associates are required to provide:

- When the need for the leave is foreseeable, 30 days' advance notice or such notice as is both possible and practical if the leave must begin in fewer than 30 days (normally this would be the same day the Associate becomes aware of the need for leave or the next business day);
- When the need for leave is not foreseeable, notice within the time prescribed by the Company's normal absence reporting policy, unless unusual circumstances prevent compliance, in which case notice is required as soon as is otherwise possible and practical;
- When the leave relates to medical issues, a completed Certification of Health Care Provider form within 15 calendar days (for Military Caregiver Leave, an invitational travel order or invitational travel authorization may be submitted in lieu of a Certification of Health Care Provider form);
- Periodic recertification (as allowed by law); and
- Periodic reports during the leave.

In addition to other notice provisions, Associates requesting leave for CFRA qualifying reasons must respond to any questions designed to determine whether an absence is potentially qualifying for leave under this policy. Failure to respond to permissible inquiries regarding the leave request may result in denial of CFRA leave protections. Similarly, an Associate or the Associate's spokesperson may be required to provide additional information needed to determine whether a requested leave qualifies for Fed-FMLA protections. An Associate's failure to adequately explain the reason for the leave may result in the denial of Fed-FMLA protections.

Certification forms are available from Human Resources. At the Company's expense, we may require a second or third medical opinion regarding the Associate's own serious health condition for Fed-FMLA purposes and, for CFRA purposes, the Associate's own serious health condition or the serious health condition of an Associate's family member. In limited cases, we may require a second or third opinion regarding the injury or illness of a Covered Servicemember. Associates are expected to cooperate with the Company in obtaining additional medical opinions that we may require.

When leave is for planned medical treatment, Associates must try to schedule treatment so as not to unduly disrupt the Company's operation. Please contact Human Resources prior to scheduling planned medical treatment.

If an Associate does not produce the certification as requested, the FMLA leave will not be protected.

Recertification After Grant of Leave

In addition to the requirements listed above, if an Associate's Fed-FMLA leave is certified, the Company may later require medical recertification in connection with an absence that the Associate reports as qualifying for Fed-FMLA leave. For example, the Company may request recertification if (1) the Associate requests an extension of leave; (2) the circumstances of the Associate's condition as described by the previous certification change significantly (e.g., Associate absences deviate from the duration or frequency set forth in the previous certification; Associate's condition becomes more severe than indicated in the original certification; Associate encounters complications); or (3) the Company receives information that casts doubt upon the Associate's stated reason for the absence. In addition, the Company may request recertification in connection with an absence after six months have passed since the Associate's original certification, regardless of the estimated duration of the serious health condition necessitating the need for leave. Any recertification requested by the Company will be at the Associate's expense.

In addition to the requirement listed above, a recertification under the CFRA may only be requested at the expiration of the time period in the original certification for time off for the Associate's own serious health condition.

If an Associate does not produce the recertification as requested, the leave will not be CFRA protected.

Qualifying Exigency Leave Requirements

Associates are required to provide:

- As much advance notice as is reasonable and practicable under the circumstances;
- A copy of the covered servicemember's active duty orders when the Associate requests leave and/or documentation (such as Rest and Recuperation leave orders) issued by the military setting forth the dates of the servicemember's leave; and
- A completed Certification of Qualifying Exigency form within 15 calendar days, unless unusual circumstances exist to justify providing the form at a later date.

Certification forms are available from Human Resources.

Failure to Provide Notice or Certification and to Return From Leave

Absent unusual circumstances, failure to comply with these notice and certification requirements may result in a delay or denial of the leave. If an Associate fails to return to work at the leave's expiration and has not obtained an extension of the leave, the Company may presume that the Associate does not plan to return to work and has voluntarily terminated his or her employment.

f) Compensation During Leave

Generally, FMLA Leave is unpaid. However, Associates may be eligible to receive benefits through state-sponsored programs or the Company's sponsored wage-replacement benefit programs. Associates may also choose to use accrued PTO, to the extent permitted by law and the Company's policy. If Associates elect to have wage-replacement benefits and accrued paid leave integrated, the integration will be arranged such that Associates will receive no greater compensation than their regular compensation during this period. The use of paid benefits will not extend the length of FMLA Leave.

g) Benefits During Leave

The Company will continue making contributions to Associates' group health benefits during their leave on the same terms as if the Associates had continued to actively work. This means that if Associates want their benefits coverage to continue during their leave, they must also continue to make the same premium payments that they are now required to make for themselves or their dependents. Associates taking Bonding Leave, Family Care Leave, Serious Health Condition Leave, and Qualifying Exigency Leave will generally be provided with group health benefits for a 12-workweek period. When the reason for leave is a pregnancy-related disability, which is a serious health condition under the Fed-FMLA but not the CFRA, and the Associate takes additional time off that qualifies as CFRA leave, the Company will continue the Associate's health insurance benefits for up to a maximum of 12 workweeks in a 12-month period. Associates taking Military Caregiver Leave may be eligible to receive group health benefits coverage for up to a maximum of 26 workweeks. In some instances, the Company may recover premiums it paid on an Associate's behalf to maintain health coverage if the Associate fails to return to work following FMLA Leave.

An Associate's length of service will remain intact, but benefits such as PTO may not accrue while on an unpaid FMLA Leave.

h) Job Reinstatement

Under most circumstances, Associates will be reinstated to the same position they held at the time of the leave or to an equivalent position with equivalent pay, benefits, and other terms and conditions of employment. If an Associate becomes unqualified during CFRA leave as a result of not attending a necessary course, or renewing a license, the Associate will be given a reasonable opportunity to fulfill those conditions upon returning to work. Further, the Company may grant an Associate's request to work a different shift, in a different or better position, or in a different location, that is better suited to the Associate's personal needs upon returning from CFRA leave. The Company will also consider a reasonable accommodation under the FEHA if the Associate is returning from CFRA leave for his or her own serious health condition. However, Associates have no greater right to reinstatement than if they had been continuously employed rather than taken leave. For example, if an Associate would have been laid off or his or her position would have been eliminated even if he or she had not gone on leave, then the Associate will not be entitled to reinstatement. However, if an Associate has been replaced or the Associate's position was restructured to accommodate the Associate absence, the Associate is entitled to reinstatement.

Key Associates may be subject to reinstatement limitations in some circumstances. If Associates are considered a "Key Associate," those Associates will be notified of the possible limitations on reinstatement at the time the Associate requests a leave of absence, or when leave begins, if earlier.

i) Confidentiality

Documents relating to medical certifications, recertifications, or medical histories of Associates or Associates' family members will be maintained separately and treated as confidential medical records, except that in some legally recognized circumstances, the records (or information in them) may be disclosed to supervisors and managers, first aid and safety personnel or government officials.

j) Fraudulent Use of FMLA Leave Prohibited

An Associate who fraudulently obtains FMLA Leave from the Company is not protected by the Fed-FMLA's or the CFRA's job restoration or maintenance of health benefits provisions. In addition, the Company will take all available appropriate disciplinary action against an Associate due to such fraud.

k) Nondiscrimination

The Company takes its FMLA Leave obligations very seriously and will not interfere with, restrain or deny the exercise of any rights provided by the Fed-FMLA or the CFRA. We will not terminate or discriminate against any individual for opposing any practice or because of involvement in any proceeding related to the Fed-FMLA or CFRA. If an Associate believes that his or her Fed-FMLA or CFRA rights have been violated in any way, he or she should immediately report the matter to Human Resources.

l) Additional Documentation

The Company's "Employee Rights and Responsibilities" notice provides additional details regarding Associates' rights and responsibilities under the Fed-FMLA. Associates may obtain a copy of the "Employee Rights and Responsibilities" notice from Human Resources.

Associates should contact Human Resources as to any Fed-FMLA or CFRA questions they may have.

m) Family and Medical Leaves Under Washington State Law

Associates in Washington may also have additional rights and leave options under Washington State Family Leave Act (“FLA”) through December 31, 2019. Starting January 1, 2020, Washington Associates may be able to apply for paid family and medical leave benefits pursuant to the Washington Paid Family and Medical Leave program (“WA PFMLA”), which will replace the FLA. Associates in Washington should contact Human Resources and/or their supervisor for information about leave of absence rights under state law.

Parental Leave [New Parent Leave Act] (California Associates Only)

The Company provides time off for the birth, adoption, or foster care of an eligible California Associate’s child in accordance with the California New Parent Leave Act (“NPLA”). Leave to bond with a new child must be taken within one year of the child’s birth, adoption or foster care placement.

a) Associate Eligibility

To be eligible for NPLA leave, California Associates must: (1) have been employed by the Company for more than 12 months (52 weeks) at any time prior to the commencement of a NPLA leave; (2) have worked at least 1,250 hours during the previous 12 months as of the start of the leave; (3) have worked at a location where at least 20, but not more than 49, Associates are employed by the Company within 75 miles of the Associate’s worksite; and (4) not be eligible for leave under the federal Family and Medical Leave Act (FMLA) or California Family Rights Act (CFRA). Eligibility requirements may differ for Associates who have been on a protected military leave of absence. If Associates are unsure whether they qualify for NPLA leave, they should contact Human Resources.

b) Length of Leave

The maximum amount of NPLA leave will be 12 workweeks in any 12-month period. A 12-month period begins on the date of the Associate’s first use of NPLA leave. Successive 12-month periods commence on the date of the Associate’s first use of such leave after the preceding 12-month period has ended.

If both parents work for the Company and are eligible for leave under this policy, they will be limited to a total of 12 workweeks off between the two of them. The Company may also require that the parents’ NPLA leaves of absence be taken at different times and not overlap.

NPLA leave is in addition to and will not run concurrently with leave taken in accordance with California’s pregnancy disability leave law.

c) Notice and Certification

When the need for the leave is foreseeable based on the expected birth or placement of a child, Associates must provide at least 30 days’ advance notice. If 30 days’ notice is not practicable, then Associates should provide notice as soon as practicable. Associates should provide notice by contacting Human Resources.

d) Failure to Provide Notice and to Return From Leave

Absent unusual circumstances, failure to comply with these notice requirements may result in a delay or denial of the NPLA leave.

If an Associate fails to return to work at the end of NPLA leave and has not obtained an extension of the leave, the Company may presume that the Associate does not plan to return to work and has voluntarily terminated his or her employment.

e) Compensation and Benefits During Leave

Generally, NPLA leave is unpaid. However, Associates may be eligible to receive benefits through a state-sponsored Paid Family Leave (“PFL”) insurance program. Associates may also choose to use accrued PTO or other paid time off. If Associates elect to have wage-replacement benefits and accrued paid leave integrated, the integration may be arranged such that Associates will receive no greater compensation than their regular compensation during this period. The use of paid benefits will not extend the length of NPLA leave.

The Company will continue making contributions to Associates' group health benefits during their leave on the same terms as if the Associates had continued to actively work. This means that if Associates want their benefits coverage to continue during their leave, they must also continue to make the same premium payments that they are now required to make for themselves or their dependents. Associates will generally be provided with group health benefits for a 12-workweek period. In some instances, the Company may recover premiums it paid on an Associate's behalf to maintain health coverage if the Associate fails to return to work following NPLA Leave for reasons other than continuation, recurrence, or onset of a serious health condition or circumstances beyond the Associate's control.

An Associate's length of service will remain intact, but benefits such as PTO may not accrue while on an unpaid NPLA leave.

f) Return to Work

At the conclusion of parental leave, Associates will typically be reinstated to the same position they held at the time of the leave or to a comparable position with equivalent pay, benefits, and other terms and conditions of employment. However, Associates have no greater right to reinstatement than if they had been continuously employed rather than taken leave.

g) Fraudulent Use of NPLA Leave Prohibited

An Associate who fraudulently obtains NPLA Leave from the Company is not protected by the NPLA's job restoration or maintenance of health benefits provisions. In addition, the Company will take all available appropriate disciplinary action against an Associate due to such fraud.

h) Nondiscrimination

The Company takes its NPLA leave obligations very seriously and will not interfere with, restrain, or deny the exercise of any rights provided by the NPLA. We will not terminate or discriminate against any individual for exercising his or her right to parental leave under the NPLA or for giving information or testimony regarding his or another person's parental leave in an inquiry or proceeding related to rights under the NPLA. If an Associate believes that his or her NPLA rights have been violated in any way, he or she should immediately report the matter to Human Resources.

Associates should contact Human Resources as to any NPLA questions they may have.

Family Care Leave (Washington Associates Only)

In accordance with Washington's Family Care Act (WFCA), Washington Associates may use their choice of earned sick leave or other earned paid time off (e.g., PTO) to care for a child of the Washington Associate with a health condition that requires treatment or supervision or to care for a spouse, state-registered domestic partner, parent, parent-in-law, or grandparent of the Washington Associate who has a serious health condition or an emergency condition.

When using paid time off for these purposes, the Washington Associate must comply with those terms of the applicable leave policy that do not conflict with the WFCA.

For purposes of this policy, the following definitions apply:

- "Child"—a biological, adopted, or foster child; a stepchild; a legal ward; or a child of a person standing *in loco parentis* who is: (1) under 18 years of age; or (2) 18 years of age or older and incapable of self-care because of a mental or physical disability;
- "Parent"—a biological parent of a Washington Associate or an individual who stood *in loco parentis* to a Washington Associate when the Washington Associate was a child;
- A "health condition that requires treatment or supervision" (for which a Washington Associate may use paid leave to care for his or her child) – any medical condition requiring treatment or medication that the child cannot self-administer, any medical or mental health condition that would endanger the child's safety or recovery without the presence of a parent or guardian, and any condition warranting treatment or preventive health care that a parent must be present to authorize, and when sick leave may otherwise be used for the Washington Associate's preventive health care.
- A "serious health condition" (for which a Washington Associate may use paid leave to care for an adult family member) – an illness, injury, impairment, or physical or mental condition that involves: (1) any period of incapacity or treatment

connected with inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility, and any period of incapacity or subsequent treatment or recovery in connection with such inpatient care; or (2) continuing treatment by or under the supervision of a health care provider or a provider of health care services and that includes any period of incapacity (i.e., inability to work, attend school or perform other regular daily activities).

- An “emergency condition” (for which a Washington Associate may use paid leave to care for an adult family member) – a health condition that is a sudden, generally unexpected occurrence or set of circumstances related to one’s health, which demands immediate action and is typically very short term in nature.

The Company may require certification or verification from a health care provider.

The Company will not terminate, demote, discipline or otherwise retaliate or discriminate against a Washington Associate for requesting or taking time off in accordance with this policy.

For further information or to request leave under this policy, contact Human Resources.

Parental Leave (Washington Associates Only)

Washington Associates who are adoptive parents or stepparents at the time of birth or placement of a child under the age of six will be permitted to take parental leave under the same terms as leave provided to biological parents. Leave is only available to adoptive or stepparents who are living with the child at the time of birth or initial placement for adoption.

For further information or to request leave under this policy, contact Human Resources.

Pregnancy-Related Disability Leave (California Associates Only)

Any California Associate who is disabled by pregnancy, childbirth, or a related medical condition (including medical conditions relating to lactation) is eligible for up to four months of pregnancy disability leave. If an Associate is also eligible for leave under the federal Family and Medical Leave Act (Fed-FMLA), the Fed-FMLA leave and the pregnancy disability leave will run concurrently.

For purposes of this policy, California Associates are “disabled by pregnancy” when, in the opinion of their health care provider, they cannot work at all or are unable to perform any one or more of the essential functions of their job or to perform them without undue risk to themselves, the successful completion of their pregnancy, or other persons as determined by a health care provider. The term “disabled” also applies to certain pregnancy-related conditions, such as severe morning sickness or the need to take time off for prenatal or postnatal care, bed rest, post-partum depression, and the loss or end of pregnancy (among other pregnancy-related conditions that are considered to be disabling).

a) Reasonable Accommodation for Pregnancy-Related Disabilities

Any California Associate who is affected by pregnancy may also be eligible for a temporary transfer or another accommodation. California Associates are “affected by pregnancy” if they are pregnant or have a related medical condition and their health care provider has certified that it is medically advisable for the Associate to temporarily transfer or to receive some other accommodation.

The Company will provide a temporary transfer to a less-strenuous or -hazardous position or duties or other accommodation to a California Associate affected by pregnancy if:

- She requests a transfer or other accommodation;
- The request is based upon the certification of her health care provider as “medically advisable”; and
- The transfer or other requested accommodation can be reasonably accommodated pursuant to applicable law.

No additional position will be created, and the Company will not terminate another Associate, transfer another Associate with more seniority, or promote or transfer any Associate who is not qualified to perform the new job as a part of the accommodation process.

Examples of reasonable accommodations include: (1) modifying work schedules to provide earlier or later hours; (2) modifying work duties, practices, or policies; (3) providing time off; (4) providing furniture (such as stools) and modifying equipment and devices; and (5) providing additional break time for lactation or trips to the restroom. If time off or a reduction in hours is granted as a reasonable

accommodation, the Company will consider the reduced hours/time off as pregnancy disability leave and deduct those hours from an California Associate's four-month leave entitlement.

b) Advance Notice and Medical Certification

To be approved for a pregnancy disability leave of absence, a temporary transfer, or other reasonable accommodation, California Associates must provide the Company with:

- 30 days' advance notice before the leave of absence, transfer or reasonable accommodation is to begin, if the need is foreseeable;
- As much notice as is practicable before the leave, transfer, or reasonable accommodation when 30 days' notice is not possible; and
- A signed medical certification from their health care provider that states that they are disabled due to pregnancy or that it is medically advisable for them to be temporarily transferred or to receive some other requested accommodation.

The Company may require Associates to provide a new certification if they request an extension of time for their leave, transfer, or other requested accommodation.

Failure to provide the Company with reasonable advance notice may result in the delay of leave, transfer, or other requested accommodation.

c) Duration

The Company will provide California Associates with pregnancy disability leave for a period not to exceed four months. The four months is defined as the number of days (and hours) the California Associate would normally work within four calendar months or 17.33 workweeks. This leave may be taken intermittently or on a continuous basis, as certified by the California Associate's health care provider.

The Company may require a California Associate to temporarily transfer to an available alternative position to meet the medical need of the California Associate to take intermittent leave or work on a reduced schedule as certified by the California Associate's health care provider. The California Associate must be qualified for the alternative position, which will have an equivalent rate of pay and benefits, but not necessarily equivalent job duties.

Any temporary transfer or other reasonable accommodation provided to a California Associate affected by pregnancy will not reduce the amount of pregnancy disability leave time the California Associate has available to her unless the temporary transfer or other reasonable accommodation involves a reduced work schedule or intermittent absences from work.

The length of the transfer will depend upon the California Associate's physical condition before and after childbirth.

d) Benefits

The Company will maintain a California Associate's health insurance benefits during a California Associate's pregnancy disability leave for a period of up to four months (as defined above) on the same terms as they were provided prior to the leave time. If California Associates take additional time off following a pregnancy disability leave that qualifies as leave under the California Family Rights Act (CFRA), the Company will continue their health insurance benefits for up to a maximum of 12 workweeks in a 12-month period.

In some instances, the Company may recover premiums it paid to maintain health insurance benefits if a California Associate fails to return to work following her pregnancy disability leave for reasons other than taking additional leave afforded by law or Company policy or not returning due to circumstances beyond the California Associate's control.

e) Integration With Other Benefits

Pregnancy disability leaves and accommodations that require California Associates to work a reduced work schedule or to take time off from work intermittently are unpaid. California Associates may use their accrued PTO benefits during the unpaid leave of absence, if applicable. However, use of PTO benefits will not extend the available leave of absence time. PTO hours will not accrue during any unpaid portion of the leave of absence, and California Associates will not receive pay for official holidays that are observed during their leave of absence except during those periods when they are substituting PTO for unpaid leave.

Any State Disability Insurance for which California Associates are eligible may be integrated with accrued PTO so that they do not receive more than 100 percent of their regular pay.

f) Reinstatement

If the California Associate and the Company have agreed upon a definite date of return from the leave of absence or transfer, the California Associate will be reinstated on that date if she notifies the Company that she is able to return on that date. If the length of the leave of absence or transfer has not been established, or if it differs from the original agreement, the California Associate will be returned to work within two business days, where feasible, after she notifies the Company of her readiness to return.

Before California Associates will be allowed to return to work in their regular job following a leave of absence or transfer, they must provide Human Resources with a certification from their health care provider that they can perform safely all of the essential duties of the position, with or without reasonable accommodation. If California Associates do not provide such a release prior to or upon reporting for work, they will be sent home until a release is provided. This time before the release is provided will be unpaid.

California Associates will be returned to the same position upon the conclusion of their leave of absence or transfer unless the position ceases to exist. In cases where the California Associate's position no longer exists, the Company will provide a comparable position on the scheduled return date or within 60 calendar days of that return date. However, California Associates will not be entitled to any greater right to reinstatement than if they had not taken the leave.

To the extent required by law, some extensions beyond a California Associate's pregnancy disability leave entitlement may be granted when the leave is necessitated by an California Associate's injury, illness, or "disability" as defined under the Americans with Disabilities Act and/or applicable state or local law.

The Company will not discriminate or retaliate against California Associates because they request or make use of leave, a transfer, or other accommodations in accordance with this policy. This policy does not limit a pregnant California Associate's rights under any other policy or laws protecting gender, pregnancy, and childbirth, or health conditions related to pregnancy or childbirth.

California Associates who have questions about this policy or who wish to request leave, transfer, or other reasonable accommodation under this policy should contact Human Resources.

Pregnancy-Related Disability Leave (Washington Associates Only)

Washington Associates will be given a leave of absence for periods of sickness or temporary disability due to pregnancy or childbirth. Leave will be allowed for the entire period of pregnancy or childbirth-related disability and will be provided under the same terms and conditions as leave for other temporary disabilities.

The Company may require that a licensed health care provider certify the actual period of disability.

Pregnancy leave is for the period of disability only, and not for childrearing after the disability ends.

Upon return, a Washington Associate who takes leave in accordance with this policy will be reinstated to the same or a similar position with equal pay, unless the Company is unable to reinstate the Washington Associate for reasons related to business necessity.

California State Disability Insurance (SDI) and Paid Family Leave (PFL) (California Associates Only)

The State Disability Insurance (SDI) program provides wage replacement benefits to eligible workers. SDI benefits are payable when a covered Associate suffers a wage loss and cannot work due to a non-work-related illness, injury, or pregnancy. Paid Family Leave (PFL) provides wage replacement benefits are available to eligible California Associates who lose wages when they take time off from work to care for a seriously ill child, spouse, parent, parent-in-law, grandparent, grandchild, sibling, or registered domestic partner or to bond with a new child entering the family by birth, adoption, or foster care replacement. Benefits for both SDI and PFL are paid by the Employment Development Department (EDD).

Use of PTO, STD, STI, and/or PFL does not extend the length of the leave. Associates will not continue to accrue PTO during their leave unless receiving pay from PTO or other Company-provided paid time off benefits. Contact Human Resources for more information regarding SDI, PFL, or STD.

Workers' Compensation Disability Leave

The Company will grant a workers' compensation disability leave to Associates with occupational illnesses or injuries in accordance with state law. Leave taken under the workers' compensation disability policy runs concurrently with family and medical leave under both federal and state law where an Associate qualifies for leave under both laws.

1. Associates must immediately report all accidents, injuries, and illnesses, no matter how small, to their immediate supervisor. In addition, Associates requesting a workers' compensation leave must provide the Company with a certification from a healthcare provider.
2. Workers' compensation disability leaves are without pay. However, Associates may utilize accrued PTO during the leave. All such payments will be coordinated with any state disability, workers' compensation, or other wage reimbursement benefits for which you may be eligible. At no time shall an Associate receive a greater total payment than the Associate's regular salary.
3. An Associate taking a workers' compensation disability leave will continue to receive group health insurance coverage in accordance with applicable law. Associates should contact their supervisor for further information. An Associate will not continue to accrue PTO, but will be credited with service for the period of the disability. If the work-related medical disability leave of absence begins within fourteen (14) days of a scheduled Holiday, the Associate will receive Holiday pay.
4. Upon the submission of a medical certification that the Associate is able to return to work, the Associate will be reinstated in accordance with applicable law. If an Associate is disabled due to an industrial injury, the Company will attempt to accommodate the Associate. If the Associate is returning from a workers' compensation disability leave that runs concurrently with a family care and medical leave, then the provisions of the family care and medical leave policy will also apply.
5. Recreational Activities and Programs: The Company or its insurers will not be liable for the payment of workers' compensation benefits for any injury that arises out of an Associate's voluntary participation in an off-duty recreational, social or athletic activity that is not part of the Associate's work-related duties.

Non-work-related injuries reported as work related will not be tolerated. If there is suspicion that an injury is not work-related, this will be investigated and could lead to disciplinary action, up to and including termination, if an Associate provided false information about the injury.

Associates may be entitled to other types of leave pursuant to state law.

Military Leave

Both state and federal law provide Associates with the right to take leave in order to serve in the military. At the federal level, military leave rights are governed by the Uniformed Services Employment and Reemployment Rights Act of 1994, commonly referred to as USERRA. This policy first discusses military leave under USERRA and then describes additional military leave rights provided under California law and Washington law.

If an Associate plans to request leave based on military service, he or she should contact Human Resources for information on any additional rights or requirements, if applicable, under state law.

a) Eligibility for Leave – USERRA

The Company provides unpaid military leaves of absence to Associates who serve in the uniformed services as required by USERRA. The uniformed services are defined as the Army, Navy, Marine Corps, Air Force, Coast Guard, Army National Guard, Air National Guard, Commissioned Corps of the Public Health Service, and any other category of persons designated by the President of the United States in time of war or national emergency. The uniformed services also include participants in the National Disaster Medical System when activated to provide assistance in response to a public health emergency, to be present for a short period of time when there is a risk of a public health emergency, or when they are participants in authorized training.

Service consists of performing any of the following on a voluntary or involuntary basis: active duty, active duty for training, initial active duty, inactive duty training, full-time National Guard duty, absence from work for an examination to determine fitness for such duty, and absence to perform funeral honors duty. Total military leave time may not exceed five years during employment, except in certain, defined circumstances.

b) Notice of Leave – USERRA

Advance notice of leave is required, preferably in writing, unless giving notice is impossible or unreasonable or notice is prohibited by military necessity (which is defined by the United States Department of Defense). When notice is required, Associates must provide their supervisor with as much advance notice as possible of any anticipated leave of absence for military service.

c) Compensation and Benefits During Leave – USERRA

Accrued, unused PTO will be paid during military leave at the Associate's request. After 30 days of continuous military leave, Associates may elect to continue their health plan coverage at their own expense for up to 24 months or during the remaining period of service, whichever is shorter.

d) Reinstatement – USERRA

In order to be eligible for reinstatement, an Associate must have provided advance notice of the need for military leave (where required) and have completed his or her service on a basis that is not dishonorable or otherwise prohibited under USERRA.

Associates whose military service will be for fewer than 31 days must report back to work at the beginning of the first full, regularly scheduled workday following completion of service, after allowing for a period of safe travel home and eight hours of rest.

Associates whose military service will be for more than 30 days, but fewer than 181 days, must apply for reemployment within 14 days after completing service.

Associates whose service is greater than 180 days must apply for reemployment within 90 days after completing service.

As with other leaves of absence, failure to return to work or to reapply within applicable time limits may result in loss of reemployment rights. Full details regarding reinstatement are available from Human Resources.

In general, an Associate returning from military leave will be re-employed in the position and seniority level that the Associate would have attained had there been no military leave of absence. If necessary, the Company will provide training to assist the Associate in the transition back to the workforce.

PTO benefits do not continue to accrue during a military leave of absence. An Associate returning from military leave is entitled to any unused, accrued PTO benefits the Associate had at the time the military leave began minus any PTO benefits the Associate chose to use during the leave. Upon reinstatement, the Associate will begin to accrue PTO benefits at the rate he or she would have attained if no military leave had been taken.

e) California Military Leave (California Associates Only)

California Associates who are members of the National Guard or United States Reserve will be granted a temporary leave of absence without pay while engaged in military duty ordered for purposes of military training, drills, encampment, naval cruises, and special exercises or like activities. This leave is not to exceed 17 calendar days annually, including time involved in going to and returning from such duty. Collateral benefits will not be restricted or terminated because of a California Associate's temporary incapacity as a result of the California Associate's duty in the National Guard, Naval Militia, State Military Reserve, or federal reserve components of the United States Armed Forces, if the California Associate is ordered to duty or training for 52 weeks or less. Similarly, California Associates who are members of the state Military Reserve will be granted a temporary leave of absence without pay while engaged in military duty for purposes of military training, drills, unit training assemblies, or similar inactive duty training. This leave is not to exceed 15 calendar days annually, including time involved in going to and returning from that duty.

California Associates who are members of California's National Guard or the national guards of other states will be entitled to reinstatement upon return from a military leave for active service, so long as certain conditions are met. California Associates returning from leave who were full-time California Associates will be restored to the same position or to a position of similar seniority, status, and pay unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so and part-time California Associates will be restored to the same position or to a position of similar seniority, status, and pay, if any exists, so long as:

- The California Associate is an officer or enlisted member of the National Guard of any state;

- The California Associate was called to active duty by the Governor of the state in which he or she serves in the National Guard or by the President of the United States;
- The California Associate received a certificate of satisfactory service in the National Guard;
- The California Associate is still qualified to perform the duties of the position;
- If the California Associate left a full-time position, he or she made application for reemployment within 40 days of being released from service; if the California Associate left part-time employment, he or she made application for reemployment within five days of being released from service; and
- The California Associate's position was not temporary.

For one year following reemployment, the Company will not discharge the California Associate without cause.

The Company will not discriminate against members of the military or naval services of California or the federal reserve component of the United States Armed Forces. If the proper authority calls upon a California Associate to perform military service or duty or attend a military encampment or place of drill or instruction, the Company will not hinder or prevent the California Associate from performing that service.

f) Uniformed Service (Washington Associates Only)

Regular full- and part-time (i.e., non-temporary) Washington Associates who are members of the uniformed services, including the United States armed forces, reserves, National Guard, commissioned corps of the Public Health Service, Coast Guard, and any other category designated by the President in time of war or emergency, may take a military leave of absence for any of the following types of service:

- Active duty;
- Active and inactive duty for training;
- Initial active duty for training;
- Full-time National Guard duty; and
- Examination to determine fitness to perform any of these duties.

Washington Associates must notify their supervisor of membership in the uniformed services within a reasonable time upon accepting employment or becoming a member of the uniformed services.

Time off under this policy is without pay. Washington Associates will be considered as having been on furlough or a leave of absence during the leave and will be entitled to participate in insurance or other benefits offered by the Company in accordance with the established rules and practices regarding Washington Associate leaves of absence in effect at the time the Washington Associate is ordered to service.

The Company will reemploy Washington Associates returning from military leave unless reemployment is impossible or unreasonable because of changed circumstances, reemployment presents an undue hardship for the Company, or the position the individual held before leaving to serve was temporary. Unless one of these exceptions applies, the Company will reinstate Washington Associates, provided that the:

- Leave does not exceed four years, unless a period of additional service is imposed by law;
- Washington Associate provides proper notice of the intent to return to employment with the Company; and
- Washington Associate provides a receipt of an honorable discharge, report of separation, certificate of satisfactory service, or other proof of having satisfactorily completed service.

Washington Associates must notify the Company of their intent to return to employment following military service in accordance with the following timing requirements:

- For individuals whose period of service was fewer than 31 days, not later than the beginning of the first full regularly scheduled work period on the first calendar day following the completion of the period of service, safe transport to the individual's residence and an additional eight-hour period;
- For individuals whose period of service was more than 30 but fewer than 181 days, not later than 14 days after completion of the period of service;
- For individuals whose period of service was for more than 180 days, not later than 90 days after the completion of the period of service; and
- For individuals hospitalized for or convalescing from an illness or injury incurred in or aggravated during the period of military service, up to two years from the date of injury.

The Company may require documentation demonstrating that the Washington Associate has met advance notice requirements, has not exceeded the four-year leave limitation, and has not been dishonorably discharged. However, the Company will not deny reemployment to an Washington Associate who fails to meet a documentation requirement if the failure occurs because such documentation does not exist or is not readily available at the time of the request. However, if documentation becomes available subsequent to reemployment that establishes that the requirements outlined above were not met, the Company may terminate employment and any benefits provided.

Unless the Company's circumstances have so changed as to make it impossible or unreasonable to do so, Washington Associates returning from service will be reinstated to their prior position or a position of like seniority, status and pay, as long as they are still qualified to perform the duties of that position. If a Washington Associate is unable to perform the duties of his or her prior position due to a disability sustained during military service, but is qualified to perform the duties of another position, the Company will reinstate the Washington Associate to the other position with like seniority, status, and pay (or the closest approximation) consistent with the Washington Associate's circumstances.

A Washington Associate who is returning from military leave with the United States armed forces will not be terminated without cause for one year following the date of reemployment.

g) State Organized Militia (Washington Associates Only)

Washington Associates who are members of the state organized militia will be allowed a leave of absence of up to 12 weeks per calendar year when called to state-ordered active duty. When the Governor has declared a state of emergency necessitating a longer period of service, Washington Associates will be allowed up to 12 months of leave.

All Washington Associates who are members of the state organized militia and are called to active state service or inactive duty will be allowed to apply for job restoration, though reinstatement is only required for those whose military absence was under three months.

Family Military Leave (California Associates Only)

California Associates may take up to 10 days of unpaid leave if they work an average of 20 or more hours per week and their spouse (including a same-sex spouse) or registered domestic partner is on leave from deployment as a member of: (1) the Armed Forces of the United States deployed to an area of military conflict designated as a combat theater or combat zone by the President of the United States; or (2) the National Guard or Reserves deployed during a period of military conflict. For purposes of this policy "military conflict" includes "a period of war declared by the United States Congress" or a period of deployment for which a member of the Reserves is ordered to active duty either by the Governor or the President of the United States.

California Associates must provide the Company with notice of their intention to take leave within two business days of receiving official notice that their spouse or registered domestic partner will be on leave from deployment. The Company may also request that California Associates submit written documentation certifying that their spouse or registered domestic partner will be on military leave from deployment during the time of the requested leave.

Eligible California Associates may use all available accrued paid leave, such as PTO, during a period of unpaid family military leave. Leave taken under this policy will not affect a California Associate's right to any other benefits.

The Company will not discriminate against, or tolerate discrimination against, any California Associate who requests and/or takes leave under this policy.

Family Military Leave (Washington Associates Only)

Washington Associates who work 20 or more hours per week and have a spouse (including same-sex spouses and state-registered domestic partners) who is a member of the state military or the armed forces of the United States, National Guard, or reserves may take family military leave if, during a period of military conflict, the Washington Associate's spouse is notified of an impending call or order to active duty or is deployed.

Eligible Washington Associates will be allowed up to 15 days of leave per deployment, to be taken after the Washington Associate's spouse has been notified of an impending call or order to active duty and before deployment or when the spouse is on leave from deployment. Washington Associates may not use leave after the deployment has ended. Washington Associates are not required to use leave on a day when they are not scheduled to work. In addition, Washington Associates may split their 15 day leave between different periods of time (pre-deployment or while the servicemember is on leave during deployment). The total number of days of leave however, cannot exceed 15 days per deployment.

Washington Associates must give the Company advance notice of the intent to take leave within five business days of receiving official notice of the impending call or order to active duty, or of the spouse's leave from deployment. Washington Associates may use any available accrued paid leave or take the leave as unpaid time off. Washington Associates will be allowed to continue available group health benefits at their own expense.

Upon return from leave, Washington Associates will be restored to their prior position.

Washington Associates should contact Human Resources if they have any questions about this policy.

Domestic Violence, Sexual Assault, or Stalking Victim Leave (California Associates Only)

The Company will provide time off to any California Associate who is a victim of domestic violence, sexual assault, or stalking so that the California Associate may obtain or attempt to obtain relief and to help ensure the health, safety, or welfare of the California Associate or the California Associate's child. "Relief" includes, but is not limited to, a temporary restraining order, restraining order, or other injunctive relief. California Associates should give the Company reasonable notice of the need for leave, unless advance notice is not feasible. The Company also may require the California Associate to provide written verification of the need for the time off, such as a police report, court order, or documentation from a medical professional.

Additionally, a California Associate who is a victim of domestic violence, sexual assault, or stalking may take time off for any of the following reasons: (1) to seek medical attention for injuries caused by domestic violence, sexual assault, or stalking; (2) to obtain services from a domestic violence shelter, program, or rape crisis center; (3) to obtain psychological counseling; and (4) to participate in safety planning and to take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.

If the reason for the leave is also covered by the federal Family and Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA), the leave pursuant to this policy and FMLA/CFRA will run concurrently. Therefore, the length of leave is limited to that provided under the FMLA and CFRA. For example, a California Associate is not entitled to time off due to reasons in this policy if he or she has already exhausted the maximum 12 weeks of leave under the FMLA/CFRA.

California Associates may use accrued paid time off, such as PTO, in order to receive compensation during the leave of absence.

California Associates may also be entitled to a reasonable accommodation and should consult Human Resources for additional information.

The Company will keep all information submitted in connection with a California Associate's request for leave confidential to the extent permissible by law. If the law requires disclosure of information, the Company will notify the California Associate before any information is released.

The Company will not discriminate, harass, or retaliate against any California Associate because the individual is, or is perceived to be, a victim of domestic violence, sexual assault, or stalking or takes or requests leave in accordance with this policy.

California Associates who have questions about this policy or who wish to request a leave of absence under this policy should contact Human Resources.

Domestic Violence, Sexual Assault, or Stalking Leave (Washington Associates Only)

Washington Associates who are the victim of domestic violence, sexual assault, or stalking, or whose family member is the victim of domestic violence, sexual assault or stalking, may take reasonable leave from work to:

- Seek legal or law enforcement assistance or remedies to ensure the health and safety of the Washington Associate or the Washington Associate's family members;
- Seek treatment by a health care provider for physical or mental injuries caused by domestic violence, sexual assault, or stalking;
- Attend to health care treatment for a victim who is the Washington Associate's family member;
- Obtain, or assist a family member in obtaining, services from a domestic violence shelter, rape crisis center, or other social services program for relief from domestic violence, sexual assault, or stalking;
- Obtain, or assist a family member in obtaining, mental health counseling related to an incident of domestic violence, sexual assault, or stalking in which the Washington Associate or the Washington Associate's family member was a victim of domestic violence, sexual assault, or stalking; or
- Participate in safety planning, temporarily or permanently relocate or take other actions to increase the Washington Associate's safety, or the safety of the Washington Associate's family members from future domestic violence, sexual assault, or stalking.

For purposes of this policy, a "family member" includes a child (including a biological, adopted, foster, or step child, legal ward, or child for whom the Washington Associate stands *in loco parentis*, or in the place of a parent), spouse (including state-registered domestic partners and same-sex spouses) , parent, parent-in-law, grandparent, or person with whom the Washington Associate has a dating relationship.

When possible, Washington Associates must give the Company notice of their intention to take leave for these purposes at least two days in advance. When advance notice is not possible because of emergency or unforeseen circumstances due to domestic violence, sexual assault, or stalking, a Washington Associate or someone on the Washington Associate's behalf must give notice no later than the end of the first day the Washington Associate takes leave.

The Company may require verification that the Washington Associate or family member is a victim of domestic violence, sexual assault, or stalking and that the leave is being taken for one of the purposes described above. Verification may be provided by written statement confirming these facts or by other appropriate documentation, such as a police report or court order, and must be provided in a timely manner.

Washington Associates will not be required to provide additional information beyond this required verification, or information that would compromise the safety of the Washington Associate or his or her family member. Except as otherwise required or permitted by law, the Company will maintain the confidentiality of all information Washington Associates provide regarding this leave, including the fact that the Washington Associate or a family member is a victim or that the Washington Associate has requested leave for these purposes.

When taking leave under this policy, a Washington Associate may choose to use any available paid leave, including PTO. Otherwise, leave will be unpaid. Leave may be taken intermittently, on a reduced work schedule or in a single block of time, as the circumstances warrant. During the leave, the Company will maintain any health insurance coverage being provided in the same manner as if the Washington Associate had not taken leave.

The leave must be reasonable in duration, which will be determined by management and the affected Washington Associate, based upon the circumstances.

Upon return from leave under this policy, a Washington Associate will be reinstated to the position held prior to taking leave or to an equivalent position with equivalent benefits, pay and other terms and conditions of employment, subject to certain exceptions as provided under Washington law.

The Company will not terminate, threaten to terminate, demote, or otherwise discriminate or retaliate against a Washington Associate because the Washington Associate requests or takes leave in accordance with this policy, files or expresses an intent to file a complaint alleging a violation of Washington's law on leave for domestic violence victims, or participates or assists in another Associate's attempt to exercise rights under that law. Washington Associates may also be entitled to a reasonable accommodation and should consult Human Resources for additional information.

School Participation Leave (California Associates Only)

California Associates who are the parent, guardian, or grandparent with custody of a child or children who are of the age to attend a licensed child care provider, kindergarten, or grades one (1) through twelve (12) may take up to forty (40) hours of unpaid leave per school year to participate in any of the following:

- Finding, enrolling, or reenrolling the child in a school or with a licensed child care provider;
- Participating in school or child care-related activities; or
- Addressing a child care provider or school emergency.

"Parent" includes parent, guardian, stepparent, foster parent, grandparent, and persons who stand *in loco parentis* (in place of a parent) to a child.

Time off for reasons other than a child care provider or school emergency is limited to eight hours per calendar month. Child care provider or school emergencies occur when the child cannot remain in school or with a child care provider due to one of the following:

- The school or child care provider has requested that the child be picked up or has an attendance policy (excluding planned holidays) that prohibits the child from attending or requires that the child be picked up from school or child care;
- Behavioral or discipline problems;
- Closure or unexpected unavailability of the school or child care provider (excluding planned holidays);
- A natural disaster (e.g., fire, earthquake or flood).

California Associates wishing to take time off for a planned absence (e.g., to participate in scheduled school or child care provider activities or enroll a child in school or with a child care provider), must provide reasonable advance notice to their supervisor or manager. California Associates needing time off to address a child care provider or school emergency must provide notice to their supervisor or manager as soon as practicable.

The Company may require California Associates to provide documentation from the school or child care provider verifying that the California Associate participated in the school or childcare activity, including the date and time of the activity.

If both parents of a child work for Essex, only one parent – the first to provide notice – may take the time off, unless Essex approves both parents taking time off simultaneously.

California Associates must substitute any existing PTO for any part of this leave. California Associates who do not have PTO available will be allowed time off without pay.

School Discipline Leave (California Associates Only)

California Associates who are the parent or guardian of a child in kindergarten or grades one through 12 may take time off to attend a school conference involving the possible suspension of their child. To be eligible for leave, the child must be living with the California Associate, and the California Associate must provide advance notice that his or her appearance at the school has been requested.

The Company may require California Associates to provide documentation, including a copy of the school's notice or some other certification stating that the California Associate's presence at the school is mandatory.

California Associates wishing to take such leave may utilize their existing PTO.

Emergency Responder Leave (California Associates Only)

The Company will not terminate or discipline any California Associate who is a volunteer firefighter, reserve peace officer, or emergency rescue personnel because the California Associate takes time off to perform emergency duty or engages in fire, law enforcement or emergency rescue training. In the event you need to take time off for this type of emergency duty, please alert your supervisor or manager before leaving the Company's premises.

A "volunteer firefighter" includes any person registered as a volunteer member of a regularly organized fire department of a city, county, city and county, or district having official recognition of the government of the city, county, or district in which the department is located; or a regularly organized fire department of an unincorporated town.

"Emergency rescue personnel" includes any volunteer or paid officers, employees, or members of a fire department or fire protection or firefighting agency who perform first aid and medical services, rescue procedures, and transportation or other related activities necessary to insure the health or safety of a person in immediate danger. Such personnel include those who work for the: (1) federal or state government; (2) city, county, city and county, district, or other public or municipal corporation or political subdivision of this state; (3) sheriff's department, police department, or private fire department; or (4) disaster medical response entity sponsored or requested by the state.

California Associates will also be allowed up to 14 calendar days of leave per year to engage in fire, law enforcement, or emergency rescue training.

All time off taken under this policy is unpaid, except that exempt California Associates will be paid when required under applicable law.

Emergency Responder Leave (Washington Associates Only)

Washington Associates who are volunteer firefighters or reserve officers will be allowed time off to respond to a fire alarm or an emergency call that occurred prior to the time the Washington Associate is scheduled to report to work. For purposes of this policy, a "volunteer firefighter" is one who is not paid, is not already at work when called to serve as a volunteer, and has been ordered to remain at his or her position by the commanding authority at the scene of the fire.

Washington Associates may be asked to provide verification that leave was taken for a purpose allowed under this policy.

Time off will be without pay except that exempt Washington Associates will receive pay when required by applicable law.

Bone Marrow and Organ Donation Leave (California Associates Only)

California Associates will be granted a paid leave of absence of up to thirty (30) workdays in any one-year period for the purpose of donating an organ to another person. California Associates will be granted a paid leave of absence of up to five (5) workdays in any one (1) year period for the purpose of donating bone marrow to another person. Leave may be taken in one (1) or more periods. For purposes of this policy, a "one-year period" is 12 consecutive months from the date the California Associate begins his or her leave.

California Associates are eligible for leave if they have worked for the Company for at least 90 continuous days prior to the start of their leave.

In order to receive a leave of absence, either to donate an organ or bone marrow, a California Associate must provide written verification to the Company that he or she is a donor and that there is a medical necessity for the donation.

California Associates taking leave under this policy for bone marrow donation are required to use five (5) days of earned but unused PTO. If a California Associate does not have enough earned PTO to cover the leave period, the remaining days of leave will be paid by the Company. California Associates taking leave under this policy for organ donation are required to use two weeks of earned but unused PTO. If a California Associate does not have enough earned PTO to cover the two-week period, then any remaining days of leave will be paid by the Company, up to 30 workdays.

Any leave period under this policy will not be considered a break in the Associate's continuous service for the purpose of salary adjustments, PTO, or seniority. The Company will maintain and pay for an Associate's coverage under any group health plan for the duration of the Associate's leave. Use of this leave will not be counted against any available leave under the federal Family and Medical Leave Act (FMLA) or the California Family Rights Act (CFRA), if applicable.

An Associate taking leave under this policy will generally be restored to the position he or she held when the leave began or to a position with equivalent terms and conditions of employment. The Company may, however, decline to restore an Associate to work because of conditions unrelated to the leave. For example, an Associate who would have been laid off if he or she had not gone on leave will be laid off regardless of the Associate's leave.

Civil Air Patrol Leave (California Associates Only)

The Company will not terminate or discriminate against a California Associate who is a volunteer member of the Civil Air Patrol or prevent a member from performing service as part of the California Wing of the Civil Air Patrol during an emergency operational mission. Additionally, the Company will not retaliate against a California Associate for requesting or taking Civil Air Patrol leave in accordance with this policy.

The Company will provide eligible California Associates with up to 10 days per year of leave, but no more than three days at a time, unless the emergency is extended by the entity in charge of the operation and the Company approves the extension. To be eligible for leave, California Associates must have been employed by the Company for at least 90 days immediately preceding the start of the leave, and must be duly directed and authorized by a political entity that has the authority to authorize an emergency operational mission of the California Wing of the Civil Air Patrol.

California Associates must request leave with as much notice as possible. The Company may require certification from the proper Civil Air Patrol authority to verify a California Associate's eligibility for leave. The Company may deny leave if the California Associate fails to provide the required certification.

Leave taken under this policy is unpaid except that exempt California Associates will be paid when required by applicable law. California Associates will not be required to exhaust accrued PTO or any other type of accrued leave prior to taking unpaid civil air patrol leave, but may choose to use such benefits during leave to receive pay.

Following leave, a California Associate must return to work as soon as practicable and must provide evidence of the satisfactory completion of Civil Air Patrol service. If the California Associate complies with these requirements, the California Associate will be restored to his or her prior position without loss of status, pay, or other benefits.

Civil Air Patrol Leave (Washington Associates Only)

Washington Associates who are members of the Washington wing of the Civil Air Patrol may take time off, without pay, to provide services as part of an emergency service operation. For purposes of this policy, an "emergency service operation" refers to:

- A search and rescue mission designated by the air force rescue coordination center;
- Disaster relief, when requested by the Federal Emergency Management Agency (FEMA) or the Department of Homeland Security (DHS);
- Humanitarian services, when requested by the FEMA or DHS;
- United States air force support designated by the first air force; and
- Counterdrug missions.

Washington Associates may be asked to provide verification that leave was taken for a purpose allowed under this policy.

Crime Victim Leave for Certain Felonies (California Associates Only)

Essex prohibits discrimination against a California Associate who wishes to take time off from work to attend judicial proceedings related to certain violent, serious, or theft/embezzlement related felonies committed against the California Associate, the California

Associate's immediate family member, the California Associate's registered domestic partner, or a child of the California Associate's registered domestic partner.

"Immediate family member" is defined as a California Associate's spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

Before a California Associate may be absent from work to attend a judicial proceeding, the California Associate must give the employer a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice, unless advance notice is not feasible. When advance notice is not feasible or an unscheduled absence occurs, the California Associate must provide within reasonable time documentation evidencing the judicial proceeding from (1) the court or government agency setting the hearing; (2) the district attorney or prosecuting attorney's office; or (3) the victim/witness office that is advocating on behalf of the victim.

Confidentiality of the situation, including a California Associate's request for the time off, will be maintained to the greatest extent possible.

California Associates may use accrued benefits, such as PTO, in order to receive compensation during the time taken off from work.

Leave To Attend Court Proceedings for Serious Crimes (California Associates Only)

Essex prohibits discrimination against a California Associate who is a victim of certain serious criminal offenses and wishes to take time off to appear in court to be heard at any proceeding, including any delinquency proceeding, involving a post-arrest release decision, plea, sentencing, or post-conviction release decision or any proceeding in which a right of the victim is at issue.

A "victim" means any California Associate who suffers direct or threatened physical, psychological, or financial harm as a result of the commission or attempted commission of a serious criminal offense. The term "victim" also includes the California Associate's spouse, registered domestic partner, parent, child, sibling, or guardian.

Before California Associates may take time off under this policy, they must provide the Company with reasonable advance notice of their intention to take time off, unless the advance notice is not feasible. If a California Associate must take an unscheduled absence due to victimization from a serious criminal offense, the California Associate must provide the Company with a certification within a reasonable time. The types of certification to account for an unscheduled absence include: a police report indicating the California Associate was a victim of one of the specified serious criminal offenses; a court order protecting or separating the California Associate from the perpetrator of one or more of the specified offenses, or other evidence from the court or prosecuting attorney that the California Associate has appeared in court; or documentation from a medical professional, domestic violence counselor or advocate for victims of sexual assault, health care provider, or counselor that the California Associate was undergoing treatment for physical or mental injuries resulting in victimization from one of the specific serious criminal offenses.

Confidentiality of the situation, including California Associate's request for the time off, will be maintained to the greatest extent possible.

California Associates may use accrued benefits, such as PTO, in order to receive compensation during the time taken off from work.

Election Officer Leave (California Associates Only)

The Company will not terminate, suspend, or otherwise discriminate against California Associates who miss work to serve as an election officer on Election Day.

Time off under this policy will be unpaid.

The Company asks that California Associates provide reasonable advance notice of the need for time off to serve as an election official, so that the time off can be scheduled to minimize disruption to normal work schedules.

Proof of having served as an election official may be required.

Other Leaves of Absence

Associates may be eligible for other leaves of absence pursuant to state or local law. If Associates believe they need a leave of absence, they should contact Human Resources.

Offset Provision

The Company intends to administer its leave of absence policies in accordance with the requirements of all applicable state and federal laws. Instances may exist where two (2) or more leave of absence policies provide overlapping protections for an eligible Associate. However, it is the general intention of the Company's policies to limit Associates to the time available under the single most favorable leave of absence policy and to prevent Associates from exceeding the limitations of that policy. Accordingly, any leave of absence that is taken by an Associate under any policy or based upon any request for time off that could have been taken under any other policy of the Company shall be credited against the maximum limit on leaves established in each of the policies that provided the Associate a basis to request a leave.

For example, if an Associate takes a leave of absence for a work-related medical disability that is also a serious health condition within the meaning of the Family and Medical Leave policy, the time off shall be charged against both the Family and Medical Leave policy and the Workers' Compensation Disability Leave policy. Exceptions to this offset provision will be made only where required by law.

Use of the Interactive Process to Reasonably Accommodate Qualifying Individuals with Disabilities

The Company is committed to principles of equal opportunity for all job applicants and Associates. In keeping with this policy, the Company does not engage in impermissible discrimination based on any protected characteristic, including an individual's disability or medical condition. The Company will also make reasonable accommodations that are necessary to comply with state and federal disability discrimination laws. This means that the Company will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or Associate, unless undue hardship and/or a direct threat to the health and/or safety of the individual or others would result.

As part of its commitment to make reasonable accommodations, the Company also wishes to participate in a timely, good faith, interactive process with the applicant or Associate with a known disability to determine effective reasonable accommodations, if any exist that do not create an undue hardship on the Company, that can be made in response to a request for accommodation and that will enable the Associate to perform the essential functions of his or her job. The applicant or Associate is encouraged to contact Human Resources immediately in order to provide the Company with the opportunity to participate in a timely interactive process. By working together in good faith, the Company hopes to implement any reasonable accommodations that are appropriate and consistent with its legal obligations.

Any Associate who requires an accommodation in order to perform the essential functions of his or her job, enjoy an equal employment opportunity, and/or obtain equal job benefits should contact Human Resources to request such an accommodation. Human Resources will communicate with the Associate and engage in an interactive process to determine the nature of the issue and what, if any, reasonable accommodation(s) may be appropriate. In some cases, this interactive process may be triggered without a request from the Associate, such as when the Company receives notice from its own observation or another source that a medical impairment may be impacting the Associate's ability to perform his or her essential job functions.

Associates who believe they need an accommodation must specify, preferably in writing, what barriers or limitations prompted the request. The Company will evaluate information obtained from the Associate, and possibly his or her health care provider or another appropriate health care provider, regarding any reported or apparent barriers or limitations, and will then work with the Associate to identify possible accommodations, if any, that will help to eliminate or otherwise address the barrier(s) or limitation(s). If an identified accommodation is reasonable and will not impose an undue hardship on the Company and/or a direct threat to the health and/or safety of the individual or others, Essex will generally make the accommodation, or it may propose another reasonable accommodation which may also be effective. Associates are required to cooperate with this process by providing all necessary documentation supporting the need for accommodation, and being willing to consider alternative accommodations when applicable.

Essex will also consider requests for reasonable accommodations for medical conditions related to pregnancy, childbirth, and lactation where supported by medical documentation and/or as required by applicable federal, state, or local law.

Associates who wish to request unpaid time away from work because of a qualifying disability should speak to Human Resources regarding a proposed accommodation.

The Company will not retaliate or otherwise discriminate against an Associate or applicant who requests an accommodation in accord

AUTHORIZATION FOR RELEASE OF MEDICAL INFORMATION

(For California Applicants/Employees Only)

I hereby consent to and authorize _____ laboratory to release to Essex Property Trust, Inc. (“the Company”) and its designated agents, including its Medical Review Officers (MRO), Substance Abuse Professionals, and rehabilitation personnel, the results of the laboratory tests to which I have consented for the purpose of determining the presence of drugs and/or alcohol in my body. I expressly understand and agree that the Company will review the results of these tests in connection with making a decision concerning my employment. Other than for the purpose of making a determination concerning my employment, I understand that the Company will not use or further disclose the information released pursuant to this authorization unless further expressly authorized by me or unless disclosure is required by law.

This authorization shall become effective immediately and remain in effect for five (5) years. I understand that I have the right to receive a copy of this authorization upon request.

DATE

PRINTED NAME

SIGNATURE

Note: Do Not Change 14 pt. font

ance with this policy.

ACKNOWLEDGMENT OF RECEIPT

This is to acknowledge that I have received a copy of the Essex Property Trust, Inc. Associate Handbook and understand that it sets forth some of the terms and conditions of my employment as well as some of the duties, responsibilities and obligations of employment with Essex. I understand and agree that it is my responsibility to read and familiarize myself with the provisions of the Associate Handbook and to abide by the rules, policies and standards set forth in the Associate Handbook. I further understand, however, that the policies contained in the Handbook are guidelines only and, with the exception of the at-will policies, are not intended to create any contractual rights or obligations, express or implied. I understand that Essex Property Trust, Inc. has provided me various alternative channels, including anonymous and confidential channels, to raise concerns of violations of the Associate Handbook and Company policies and encourages me to do so promptly so that the Company may effectively address such situations, and I understand that nothing herein interferes with any right to report concerns, make lawful disclosures, or communicate with any governmental authority regarding potential violations of laws or regulations.

I also acknowledge that my employment with Essex is at-will. I understand that this means my employment is for no definite period and may be terminated for any reason, with or without cause and with or without advance notice, at any time by me or by the Company. I also understand that the Company may demote or discipline me or otherwise alter the terms or conditions of my employment at its discretion, with or without cause or advance notice. Unless provided for in a written agreement between the Company and an Executive or otherwise stated in a policy that applies to officers or executives of the Company, only the President of the Company has the authority to alter the at-will nature of the employment relationship, and then only in writing signed by the President.

Except for the at-will nature of my employment relationship, which can be altered only as described above, I understand that Essex has the right to amend, interpret, modify, or withdraw any of the provisions of the Handbook at any time in its sole discretion, with or without notice. No oral statements or representations can change the provisions of the Handbook. Furthermore, the Company’s policy of at-will employment may only be changed as stated in the prior paragraph.

I understand that the foregoing Agreement concerning at-will status and the Company’s right to modify terms and conditions of employment are the sole and entire agreements between Essex and me concerning the duration of my employment, the circumstances under which my employment may be terminated, and the circumstances under which the terms and conditions of my employment may change.

I understand and acknowledge that nothing in this Handbook or in any other document or policy is intended to prohibit me from reporting concerns to, filing a charge or complaint with, making lawful disclosures to, providing documents or other information to or participating in an investigation or hearing conducted by the Equal Employment Opportunity Commission (“EEOC”), National Labor Relations Board (“NLRB”), Securities and Exchange Commission (“SEC”), or any other federal, state, or local agency charged with the enforcement of any laws. I also understand and acknowledge that nothing about the policies and procedures set forth in this Handbook should be construed to interfere with any employee rights provided under state or federal law, including Section 7 of the National Labor Relations Act.

Electronic Disclosure

I understand that the information contained in this document is available on Buzz under Human Resources. A copy is also available in the property offices with the Community Manager.

I have read and understand the above statements.

Associate's Signature

Associate's Name (Printed)

Date

(TO BE RETAINED AS PART OF ASSOCIATE’S PERSONNEL FILE)