

**Cottonwood, Inc.
Policies and Procedures**

SECTION: Personnel

POLICY NO: 03-050

SUBJECT: Alcohol and Drug Use Policy

PAGE(S): 1 of 5

EFFECTIVE DATE: March 2006

Policy:

Cottonwood, Inc. is strongly committed to providing a safe work and living environment for its consumers and staff. Because the use of alcohol and the illegal use of drugs by any employee may endanger the health and safety of consumers and fellow employees, it shall be the policy of Cottonwood, Inc. to create a workplace and living environment that is free from the use of alcohol and the illegal use of drugs. For these reasons, foremost of which is safety of consumers and employees, Cottonwood, Inc. has established the following Alcohol and Drug Use Policy which applies to all employees and all locations of Cottonwood, Inc. (leased, rented and owned).

Procedures:

1. Scope of this Policy:

This policy applies to **all** Cottonwood, Inc. employees as well as to each person to whom a conditional offer of employment at Cottonwood, Inc. has been made.

2. Policy Statement:

It is Cottonwood, Inc.'s policy to maintain a workplace and living environment free from the use of alcohol and the illegal use of drugs. For purposes of this policy, the term "drugs" is defined as any controlled substance (as defined under the Controlled Substances Act or under any other applicable federal or state law).

3. Illegal Use of Drugs:

Employees are prohibited from illegally using drugs on Company premises or while engaged in duties of employment. Employees are also prohibited from being impaired by and/or under the influence of the illegal use of drugs on Company premises or while engaged in duties of employment. In addition, employees are prohibited from illegally manufacturing, possessing, distributing, transferring, or acquiring drugs while on Company premises or while engaged in duties of employment. These prohibitions include Cottonwood, Inc.'s entire premises and all job sites. These prohibitions also cover the operation of Cottonwood, Inc.'s equipment and vehicles as well as the operation of any private equipment or vehicles while engaged in duties of employment.

4. Prescription Drugs and “Over-the-Counter” Medications:

Nothing in this policy prohibits employees from using legally obtained prescription medication in a lawfully prescribed manner. However, in limited circumstances, Cottonwood, Inc. may require certain employees to report when they are taking prescription medications if an employee’s inability or impaired ability to perform essential job functions will result in a direct threat or present a safety issue. Cottonwood, Inc. will then make an individualized assessment of the employee’s ability to safely perform the essential functions of his or her job and may request that the employee be examined by a health care professional to assist in determining whether the employee can perform his or her job without posing a direct threat. Cottonwood, Inc. will also consider information from the employee’s own treating physician in determining whether the employee can perform his or her job without posing a direct threat.

It is each employee’s responsibility to review the instructions provided with all medications. Employees are encouraged to consult with their treating physicians and/or medical practitioner to determine whether or not a prescribed medication may be impairing or impact work safety.

5. Alcohol:

Employees are prohibited from using and/or possessing alcoholic beverages on Cottonwood, Inc.’s premises, while engaged in duties of employment, or at Company sponsored events without the express, prior permission of the CEO. If granted permission by the CEO, employees who consume alcoholic beverages must do so in a reasonable, responsible, and legal manner.

Employees are also prohibited from being impaired by and/or under the influence of alcohol on Cottonwood, Inc.’s premises or while engaged in duties of employment. These prohibitions include the Cottonwood, Inc.’s entire premises and all job sites. These prohibitions also cover the operation of Cottonwood, Inc.’s equipment and vehicles as well as the operation of any private equipment or vehicles while engaged in duties of employment.

Testing will be used to determine an employee’s breath or blood alcohol concentration. A result of **0.04** or higher alcohol concentration is considered to be a positive result and evidence that an employee has violated this policy. An employee with a result of less than .04% alcohol concentration, but with some impairment, may be sent home and may still be determined to have violated this policy. Anyone violating this policy may be subject to disciplinary action, up to and including termination.

6. Post Offer/Pre-Employment:

All applicants for employment will be advised of this policy when they apply for employment. Those who initially submit a resume and are later selected to be interviewed will be scheduled to arrive early for their interview so they can complete a Cottonwood, Inc. Application. They will be notified of this policy at that time. All applicants who are offered a job with Cottonwood, Inc. will be tested for drugs as part of a post job offer screening process. If the applicant does not submit to testing or tests positive for drugs or alcohol, the job offer will be withdrawn.

7. Post Accident:

Drug and/or alcohol testing is mandated following an employee’s involvement in an accident, which results in an injury to anyone, or in all instances where an accident resulted in significant property or equipment damage. The employee will be immediately tested for alcohol, illegal drugs and/or controlled substances. If the accident involved a vehicle, only the driver of the vehicle will be tested. If the accident results in only minor property damage, the Management Team may, in its discretion, determine that no drug testing is necessary.

8. Observable Behavior:

Cottonwood, Inc. will require drug and/or alcohol testing of an employee when there is observable behavior to create a reasonable suspicion that the employee has violated this policy. When two members of the Management Team confer and agree that an employee may be impaired due to drug and/or alcohol use, drug and/or alcohol testing of the employee will be required if the Management Team determines that there are specific, contemporaneous articulatory observations concerning the appearance, behavior, balance, coordination, speech, communication, or certain odors of the employee. In this circumstance, Cottonwood, Inc. will transport the employee to the testing site. A written record of the observations that led to the test must be prepared by the Management Team.

9. Tests Used:

Three laboratory tests will be used to screen for drug and alcohol use, and will be done by a laboratory that is approved by the United States Department of Health and Human Services or the Department of Health and Environment.

Initial drug test:	EMIT
Confirmatory drug test:	Gas Chromatography/Mass Spectrometry

These tests screen for the presence of illegal drugs and controlled substances. Specifically, they detect amphetamines, methamphetamines, barbiturates, cannabinoids, opiates, benzodiazepines, cocaine metabolites (benzoecgonine), methadone, methaqualone, propoxyphene and phencyclidine. These tests do not test for impairment due to drug usage; they test for the presence of the drugs. The individual being tested will be asked prior to specimen collection to identify any drugs (prescription, over the counter, illegal, etc.) he/she has taken during the previous 72 hours.

Alcohol Tests:	Breath Alcohol Test (BAT)
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A breath test will be conducted when testing for alcohol. A second (confirmatory) test will be done if the first test indicates the presence of alcohol. Should the second test show positive for the presence of alcohol, the test will be reported as positive and a quantitative level provided. A concentration of .04% or higher will be regarded as evidence the employee has violated Cottonwood, Inc. policy. A concentration of less than .04% alcohol concentration, but with some impairment, may still be regarded as evidence that the

employee has violated this policy. If the employee is unable to perform a breath alcohol test, a blood test will be substituted. A blood alcohol level of 40 mg/dl will be considered a positive test result.

10. Specimen Collection:

Specimen collection will be done by a licensed health care professional certified by the State of Kansas who is contracted by Cottonwood, Inc. for this purpose.

11. Chain of Custody:

A chain of custody record will be maintained on each specimen by certified personnel (contracted by Cottonwood, Inc.) to assure that the specimen reported on is the same specimen given by the employee.

12. Positive Test Results:

All positive tests will be sent for confirmatory testing prior to the results being reported. The employee will be advised of the alcohol or drug test result and will be allowed to request re-testing. If re-testing is desired, certified personnel (contracted by Cottonwood, Inc.) will be responsible for delivering the specimen to the lab of the employee's choosing. The employee will be responsible to pay for this re-testing. If the re-test is negative, the matter will be treated as a negative test result. Applicants may not re-test for reconsideration of employment.

13. Consents and Refusal to Consent:

The written consent of the employee will be required before any specimen may be obtained. Consent to submit to testing is required as a condition of employment. An applicant who refuses to cooperate in the alcohol or drug testing procedure will be disqualified from the selection process. An employee's refusal to submit to testing will be considered grounds for discharge from employment, and immediate suspension pending discharge will occur.

14. Discipline:

A positive drug test or a breath alcohol level of .04%, or greater, will result in disciplinary action as follows:

First Offense: five-day suspension without pay, and potential discharge at the discretion of Cottonwood, Inc. If not discharged, the employee will be offered the Employee Assistance Program. If the employee goes to the EAP, and/or to a treatment program approved by the Douglas County Citizens Committee on Alcoholism, consideration will be given to offering the employee a leave of absence to complete the treatment program.

Notwithstanding the foregoing, any positive drug or alcohol test may result in discharge from employment, rather than five-day suspension, depending on the attendant circumstances.

Second Offense: Discharge from employment

15. Return to Duty Testing

Before an employee may return to work after a violation of this policy, the employee will undergo a return-to-duty alcohol and/or drug-screening test, and must have a result of less than 0.02 blood alcohol concentration and/or a negative drug screen result.

16. Duty to Report Drugs and Alcohol:

It is the duty of every employee who knows of any of the following to immediately report the situation to his/her Supervisor or the Human Resources Director:

- When another employee is or is trying to consume or possess alcohol on Cottonwood, Inc.'s premises or while that employee is engaged in duties of employment;
- When another employee is or is trying to illegally manufacture, use, possess, purchase, acquire, distribute, transfer, or sell drugs on Cottonwood, Inc.'s premises or while the employee is engaged in duties of employment; or
- When another employee who is on duty or engaged in Cottonwood, Inc. business (as stated in paragraph above) is in a condition that impairs his or her job performance.

17. Confidentiality:

Information about drug and alcohol testing including the test results will be released only to those with a legitimate reason to know. Any employee who breaches this confidentiality will be subject to disciplinary action up to and including termination from employment.

18. Employee Accountability

Cottonwood, Inc. encourages employees who suffer from alcohol or drug abuse or other personal/emotional problems to seek treatment. In addition, Cottonwood, Inc. offers an Employee Assistance Program to its employees. If the employee goes to the EAP, and/or to a treatment program approved by the Douglas County Citizens Committee on Alcoholism, consideration will be given to offering the employee a leave of absence to complete the treatment program. However, it is the responsibility of each employee to seek assistance before alcohol and drug problems lead to disciplinary action (which can include termination for the first offense). Once a violation of this policy occurs, subsequent treatment on a voluntary basis will not necessarily lessen disciplinary action and may, in fact, have no bearing on the determination of appropriate disciplinary action.