

(NAME OF COMPANY)

Employee Handbook

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SECTION 1

INTRODUCTION

1.1 Employee Handbook.

This Employee Handbook (“Handbook”) is intended to provide employees with a general understanding of the _____ (the “Company”) policies and benefits. It is intended to familiarize employees with information about the Company as well as information regarding an employee’s responsibilities. All employees are required to read, understand, and follow the provisions of the Handbook. If you have questions about any of the policies, please feel free to contact your supervisor or human resources department. This Handbook cannot anticipate every situation or answer every question about employment. It is not an employment contract or a legal document. The Company reserves the right to change or revise its policies and benefits described in this Handbook without notice whenever the Company determines that such action is warranted. This Handbook replaces all earlier versions of the employee Handbook. Except for the policy of at-will employment and policies compelled by law, the Company may change the policies described in this Handbook at any time. The Company’s policy of employment at will can only be modified in a writing signed by the Company President or CEO.

1.2 Changes in Policy.

Since our business is constantly changing, the Company expressly reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this handbook or in any other document, except for the policy of at-will employment as described below. Nothing in this employee handbook or in any other document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee. Any changes to your at-will employment status, described below, must be in writing and must be signed by the Company.

With respect to all other changes to Company policies, we will notify you of these changes in writing. No oral statements or representations can in any way alter the provisions of this Handbook. Changes will be effective on dates determined by the Company and you may not rely on policies that have been superseded.

If you are uncertain about any policy or procedure, please check with your manager or Human Resources.

1.3 Equal Employment Opportunity.

The Company is an Equal Opportunity Employer. The Company does not discriminate against qualified employees, volunteers, unpaid interns, or applicants, because of race, color, religion, sex, sexual preference, sexual identity, pregnancy, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, military status, marital status, religion, or any other characteristic protected by federal or state law or local ordinance. When necessary, the Company will reasonably accommodate employees and applicants with disabilities if the person is otherwise qualified to safely perform all of the essential functions of the position. The Company expects all employees to support our equal employment opportunity policy, and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment.

1.4 Employment At-Will.

Your employment with the Company is at will. This means that you are free to terminate your employment at any time, with or without cause. The Company has a right to terminate your employment at any time as well, with or without cause. No one in the Company other than the President or CEO has the authority to alter your at-will status or to enter into any agreement for employment for a specified period of time or to make any agreement contrary to this policy. Only the Company President or CEO may do so, and only in a written agreement signed by both the President or CEO and you.

SECTION 2

EMPLOYMENT POLICIES

2.1 Employee Classifications.

The following terms are used to describe employees and their employment status:

Exempt Employees - Employees whose positions meet specific tests established by the Federal Labor Standards Act ("FLSA") and state law. In general, exempt employees are those engaged in executive, managerial, high-level administrative and professional jobs who are paid a fixed salary and perform certain duties. In addition, certain commissioned sales employees and highly paid computer professionals are exempt. Exempt employees are not subject to the minimum wage and overtime laws.

Nonexempt Employees - Employees whose positions do not meet specific tests established by the FLSA and state law. All employees who are covered by the federal or state minimum wage and overtime laws are considered nonexempt. Employees working in nonexempt jobs are entitled to be paid at least the minimum wage per hour and a premium for overtime.

Regular Employee - Employees who are hired to work on a regular schedule. Such employees can be either full-time or part-time. The distinction between full-time and part-time depends upon the number of hours that an employee works.

Full-Time - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work a schedule of 40 hours per work week.

Part-Time - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work less than 40 hours per work week.

Temporary Employees - Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project. Employment assignments in this category are of limited duration and the temporary employee can be let go before the end of the defined period. Short term assignments generally are periods of three (3) months or less, however, such assignments may be extended. All Temporary employees are at-will regardless of the anticipated duration of the assignment (see Employment-at-Will Policy). Temporary employees retain that status unless and until notified in writing of a change.

Independent Contractor or Consultant - These individuals are not employees of the Company and are self-employed. An independent contractor or consultant is engaged to perform a task according to his/her own methods and is subject to control and direction only as to the results to be accomplished. Independent contractor or consultants are not entitled to benefits.

Each employee will be advised of his or her status at the time of hire and any change in status. Regardless of the employee's status, the employee is employed at-will and the employment relationship can be terminated by the Company or the employee at any time, with or without cause.

2.2 American with Disabilities Act.

In compliance with the Americans with Disabilities Act (“ADA”), the Company provides accommodation to the disabled to the full extent required by law. The Company may require medical certification of both the disability and the need for accommodation. Keep in mind that the Company can only seek to accommodate the known physical or mental limitations of an otherwise qualified disabled individual. Therefore, it is your responsibility to come forward if you are in need of an accommodation. The Company will engage in an interactive process with the employee to identify possible accommodations, if any will help the applicant or employee perform the job. We further recognize that employees with life threatening illnesses, including but not limited to cancer, heart disease and AIDS, may wish to continue engaging in as many of their normal pursuits as their condition allows, including work. As long as these employees are able to meet acceptable performance standards with or without reasonable accommodation, and medical evidence indicates that their working does not present a substantial threat to themselves or others, they will be permitted to do so.

2.3 Confidential Information.

As part of your employment, you may have access to trade secrets or confidential information that belongs to the Company. Such information may include financial information, customer lists, preferences, sales data, business plans, vendor information, and other proprietary information. All employees with access to confidential or trade secret information must keep all such information confidential. Maintaining the confidentiality of this information is vital to the Company's competitive position in the industry and, ultimately, to its ability to achieve financial success and stability. Employees must protect this information by safeguarding it when in use, using it only for the business of the Company and disclosing it only when authorized to do so and to those who have a legitimate business need to know about it. The requirement to keep all such information confidential continues even after the employee is no longer working for the Company. As a condition of employment with the Company, all employees must sign a Company Non-Disclosure Agreement. Violation of this policy may subject the employee to discipline, up to and including termination.

2.4 Employment of Minors.

The Company strictly adheres to the FLSA in regards to the employment of minors. Generally speaking, the FLSA sets the minimum age for employment (14 years for non- agricultural jobs), restricts the hours youth under the age of 16 may work, and prohibits youth under the age of 18 from being employed in hazardous occupations. In addition, the FLSA establishes subminimum wage standards for certain employees who are less than 20 years of age, full-time students, student learners, apprentices, and workers with disabilities. Employers generally must have authorization from the U.S. Department of Labor's Wage and Hour Division (WHD) in order to pay sub-minimum wage rates.

The FLSA's child labor provisions are designed to protect the educational opportunities of youth and prohibit their employment in jobs that are detrimental to their health and safety.

2.5 Employment of Relatives.

The Company recognizes that the employment of relatives in certain circumstances, such as when they will work in the same department, or supervise or manage the other, or have access to confidential or sensitive information regarding the other, can cause problems related to supervision, safety, security or morale, or create conflicts of interest that materially and substantially disrupt the Company's operations. When the Company determines any of these problems will be present, it will decline to hire an individual to work in

the same department as a relative of an existing employee. Relatives subject to this policy include: father, mother, sister, brother, current spouse or domestic partner, child (natural, foster, or adopted), current mother-in-law, current father-in-law, grandparent, or grandchild.

If present employees become relatives during employment, the Company should be notified so that we may determine whether a problem involving supervision, safety, security or morale, or a conflict of interest that would materially and substantially disrupt the Company's operations exists. If the Company determines that such a problem exists, the Company will take appropriate steps to resolve the problem, which may include reassignment of one relative (if feasible) or asking for the resignation of one of the relatives.

2.6 Introductory Period.

All new employees serve on an introductory basis for the first 90 days of employment. During this period, employees will have the opportunity to learn about the position. The Company will also use this period to determine whether or not the employee is able to meet its expectations. If the Company finds your performance satisfactory and decides to continue your employment, you will be advised of any improvements expected. This is also an opportunity for you to make suggestions to improve the Company's efficiency and operations. Completion of the introductory period does not entitle you to remain employed by the Company for any definite period of time, but instead allows both you and the Company to evaluate whether or not you are right for the position. Introductory periods may be extended for legitimate business reasons or because of approved absences taken by the employee during the introductory period. During the introductory period and during the entire course of your employment, you will be an at-will employee.

2.7 Personnel Records and Employee References.

The Company keeps a personnel file and payroll records on each employee as required by law. The contents of your file are confidential to the extent permitted by law. Generally, only those who have a legitimate reason to review information in an employee's file are allowed to do so. Disclosure of personnel information to outside sources will be limited. However, the Company will cooperate with requests from authorized law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.

Employees may contact a Human Resources representative to request a time to review their payroll records and/or personnel file. With reasonable advance notice, Employee or Employee's representative may inspect their personnel file and obtain a copy of all documents in the file that Employee signed. Please inform Human Resources of any changes in your personal information such as your address, phone number, marital status, or number of dependents in order to keep your file up to date.

By policy, the Company will provide only the former or present employee's dates of employment and position(s) held with the Company and eligibility for rehire, if asked. Compensation information may also be verified if written authorization is provided by the employee.

2.8 Privacy.

The Company is respectful of employee privacy. All employee demographic and personal information will be shared only as required in the normal course of business. Healthcare enrollment information is kept in a separate folder from other human resources forms. Workers' Compensation information is not considered private healthcare information; however, this information will be released only on a need-to-know basis.

The Company does not make or receive any private healthcare information through the course of normal work. If any employee voluntarily shares private healthcare information with a member of management, this information will be kept confidential. If applicable, the Company will set up guidelines for employees and

management to follow to ensure that company employees conform to the requirements of the Health Insurance Portability and Accountability Act (HIPAA).

2.9 Immigration Law Compliance.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 on day of hire and present documentation establishing identity and employment eligibility within three business days of date of hire. Former employees who are rehired must also complete an I-9 form if they have not completed an I-9 form with the Company within the past three years, or if their previous I-9 form is no longer retained or valid. You may raise questions or complaints about immigration law compliance without fear of reprisal.

2.10 Religious Accommodation.

The Company will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause an undue hardship on the Company's operations. If you desire a religious accommodation, you are required to make the request in writing to your manager as far in advance as possible. You are expected to strive to find co-workers who can assist in the accommodation (e.g., trade shifts) and cooperate with the Company in seeking and evaluating alternatives.

2.11 Political Neutrality.

Maintenance of individual freedom and our political institutions necessitates broad scale participation by citizens concerning the selection, nomination and election of our public office holders. The Company will not discriminate against any employee because of identification with and support of any lawful political activity. Company employees are entitled to their own personal political position. The Company will not discriminate against employees based on their lawful political activity engaged in outside of work. If you are engaging in political activity, however, you should always make it clear that your actions and opinions are your own and not necessarily those of the Company, and that you are not representing the Company.

2.12 Photo/Video.

Since our business is constantly in front of media outlets (with various marketing photo and/or video shoots) the Employee may be asked to appear (or may be captured) in photographs, video or interviews. If so, Employee understands and otherwise grants the Company the irrevocable and unlimited right to reproduce the photographs and/or video images taken of Employee for the purpose of publication, promotion, illustration, advertising, or trade, in any manner or any medium.

SECTION 3

HOURS OF WORK AND PAYROLL PRACTICES

3.1 Pay Periods and Paydays.

Employees are paid on a weekly basis. All employees will be paid on Friday of each week. All employees are paid by check or direct deposit on the above-mentioned payday. If the regular payday falls on a weekend or Company holiday, employees will be paid on the last business day before the holiday and/or weekend.

3.2 Overtime.

Non-exempt employees may be required to work overtime in accordance with Federal and State law. Non-exempt employees are paid overtime for all hours worked over 8 hours in 1 day or over 40 hours in a workweek. All overtime by non-exempt employees must be authorized in advance by their manager.

Working overtime without permission may result in discipline, up to and including termination of employment.

3.3 Rest and Meal Periods.

Rest Breaks

All rest and meal periods will be in accordance with state law. To the extent state law does not require rest and meal breaks, non-exempt employees will be provided a paid 10-minute rest break for shifts from 3 1/2 to 6 hours in length, a 20-minute rest break for shifts of more than 6 hours and up to 10 hours, and a 30-minute rest break for shifts of more than 10 hours and up to 14 hours. Employees should take their rest breaks in the middle of the work period to the extent that it is practicable.

Meal Breaks

Non-exempt employees who work 5 hours or more are entitled to an uninterrupted unpaid 30-minute meal break every 5 hours. The meal break must be taken no later than the end of the 5th hour. An employee is entitled to a second meal period only if he or she works more than 10 hours per day. The second meal period must be taken no later than the employee's 10th hour of work.

3.4 Time Cards.

Nonexempt employees are required to keep an accurate and complete record of their attendance and hours worked. Time cards are official business records and may not be altered without the employee's supervisor's approval and may not be falsified in any way.

3.5 Payroll Deductions.

In accordance with Federal and State laws, the following will be withheld from your wages:

1. Federal income tax and State income tax (if applicable);
2. Medicare;
3. State Disability Insurance (SDI) contributions and Family Temporary Disability Insurance;
4. Other items designated by Employee or required by law (including a valid court order).

If you want to change the number of your exemptions or your marital status for tax withholding purposes, complete the appropriate Federal or State form and submit it to accounting or human resources. At the start of each calendar year, you will be supplied with your Wage and Tax Statement (W-2) form for the prior year. This statement summarizes your income and deductions for the year.

3.6 Wage Garnishments.

A garnishment is a court order requiring an employer to remit part of an employee's wages to a third party to satisfy a just debt. Once the Company receives the legal papers ordering a garnishment, we are required by law to continue making deductions from your check until we have withheld the full amount or until we receive legal papers from the court to stop the garnishment. Even if you have already paid the debt, we still need the legal papers to stop the garnishment.

3.7 Direct Deposit.

All employees are encouraged, but not required, to use direct deposit and have their paychecks deposited into a bank account of an accredited participating bank or credit union.

SECTION 4

STANDARDS OF CONDUCT AND EMPLOYEE PERFORMANCE

4.1 Anti-Harassment and Discrimination.

The Company is committed to providing a work environment free of sexual or any form of unlawful harassment or discrimination. The Company's anti-harassment policy prohibits discriminatory harassment and sets forth a procedure for the investigation and resolution of complaints of such harassment by or against any employee, volunteer, applicant, or person providing services to the Company under a contract.

Discriminatory harassment violates this policy and will not be tolerated. Discriminatory harassment of an applicant, volunteer, employee, or person providing services to the Company under a contract includes harassment based on actual or perceived race, religious creed, religious dress and grooming, sex, national origin, ancestry, disability, medical condition, marital status, age, sexual orientation, genetic identity, genetic expression, genetic information, military or veteran status, volunteer status, unpaid intern status, or other category protected by federal or state law. Discriminatory harassment also violates the Company's policy not to retaliate against any individual for making a complaint of discriminatory harassment or for participating in a harassment investigation. Any employee or contract worker who violates this policy will be subject to disciplinary action, up to and including termination of his or her employment or engagement. To the extent a customer, vendor or other person with whom the Company does business engages in unlawful harassment or discrimination, the Company will take appropriate corrective action.

Prohibited Conduct

Prohibited harassment or discrimination includes any verbal, physical or visual conduct based on sex, race, age, national origin, disability or any other legally protected basis if:

- a. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or engagement;
- b. submission to or rejection of such conduct by an individual is used as a basis for decisions concerning that individual's employment or engagement; or
- c. it creates a hostile or offensive work environment.

Prohibited harassment includes unwelcome sexual advances, requests for sexual favors and lewd, vulgar or obscene remarks, jokes, posters or cartoons, and any unwelcome touching, pinching or other physical contact. Other forms of unlawful harassment or discrimination may include racial epithets, slurs and derogatory remarks, stereotypes, jokes, posters or cartoons based on race, national origin, age, disability, marital status or other legally protected categories. Prohibited harassment might also be transmitted using the Company's electronic communications system, or through other on-line conduct.

Complaint Procedure

Employees or contract workers who feel that they have been harassed or discriminated against, or who witness any harassment or discrimination by an employee, contract worker, customer, vendor or anyone else who does business with the Company, should immediately report such conduct to their supervisor or any other member of management.

Do not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation. No employee, contract worker, customer, vendor or other person who does business with this organization is exempt from the prohibitions in this policy. In response to every complaint, the Company will conduct an investigation and, if improper conduct is found, take appropriate corrective action.

To the extent that an employee or contract worker is not satisfied with the Company's handling of a harassment or discrimination complaint, he or she may also contact the appropriate state or federal enforcement agency for legal relief.

4.2 Violence Prevention.

The Company is committed to providing a violence-free and safe work environment. All employees are prohibited from engaging in any violent behavior in the workplace. Such behavior includes but is not limited to brandishing a weapon, knife, or other dangerous object that could potentially harm others; physical violence or threats of violence; fighting; horseplay; verbal threats of violence; and any intimidating behavior.

Employees are required to report all threats of violence as soon as possible to their supervisor or to any other supervisor. Report all suspicious individuals or activities to your supervisor or to any other supervisor as soon as possible. On receiving a report of any suspected violence, the Company will undertake a prompt investigation and take appropriate corrective action.

4.3 Attendance.

Punctuality and regular attendance are essential to the successful operation of the Company's business. If an employee is unable to report to work (or to report to work on time) for any reason, the employee must notify his or her supervisor before his or her starting time. If an employee desires to leave work for any reason during the workday, the employee must obtain the approval of his or her supervisor prior to leaving. In the event that the employee fails to call his or her supervisor or report for work for 3 consecutive workdays, the employee will be deemed to have voluntarily resigned from his or her employment with the Company and will be removed from the payroll. Excessive absenteeism or tardiness may subject the employee to disciplinary action, up to and including termination.

4.4 Discipline and Standards of Conduct.

Every organization must have certain standards of conduct to guide the behavior of employees. Although there is no possible way to identify every rule of conduct, the following is an illustrative list (not intended to be comprehensive or to limit the Company's right to impose discipline for any other conduct it deems inappropriate). Keep in mind that these standards of conduct apply to all employees whenever they are on Company property and/or conducting Company business (on or off Company property). Engaging in any conduct the Company deems inappropriate may result in disciplinary action, up to and including termination.

Impermissible conduct includes, but is not limited to:

- Creating conflict with coworkers, supervisors, customers, or visitors, except to the extent permitted by law.
- Excessive absenteeism or tardiness.
- Possession or control of illegal drugs, weapons, explosives, or other dangerous or unauthorized materials.
- Unauthorized possession of Company property.

- Being absent for more than 3 days without notification or permission, except to the extent permitted by law.
- Failure to follow safety regulations.
- Using company property, equipment, and resources for unauthorized purposes.
- Failing to report injuries or damage to, or an accident involving, Company equipment.
- Incompetence or inefficiency in performing job duties.
- Horseplay that results in personal injury or equipment damage.
- Spreading malicious rumors.
- Engaging in vulgar or abusive language or conduct toward others.
- Using communication systems inappropriately.
- Treating supervisors, coworkers, or customers in a discourteous, inattentive, or unprofessional manner.
- Dishonesty, including but not limited to deception, fraud, lying, cheating, embezzlement, or theft.
- Insubordination.
- Violating conflict-of-interest rules.
- Disclosing or using confidential proprietary information or trade secrets without authorization.
- Violation of the anti-harassment policy.
- Gambling on Company premises or while conducting Company business.
- Violation of safety or health rules or engaging in conduct that creates a safety or health hazard.
- Violating the anti-violence policy.
- Falsifying company records.
- Conviction of a criminal offense involving moral turpitude.
- Any conduct on or off duty that negatively impacts the reputation of the Company.
- Lack of teamwork, poor communication, unsatisfactory performance, unprofessional conduct, or conduct improper for the workplace.
- Violating any Company policy, including but not limited to any of the policies described in this Handbook.

Disciplinary Procedures

As an at-will employer, the Company may impose discipline whenever it determines it is necessary or appropriate. Discipline may take various forms, including verbal counseling, written warnings, suspension, demotion, transfer, reassignment or termination. The discipline imposed will depend on the circumstances of each case; therefore, discipline will not necessarily be imposed in any particular sequence. Moreover, at any time the Company determines it is appropriate, an employee may be discharged immediately.

4.5 Dress Code.

What we wear to work is a reflection of the pride we have in our Company, in what we do, and in ourselves. Although dress code requirements will vary according to job responsibilities, we ask that your appearance at all times show discretion, good taste and not present a hazard in the performance of your job. Generally, wearing shirts with colars, Sinister Diesel® logos, or no logos are acceptable. Consult your Supervisor if you have questions as to what constitutes appropriate appearance.

4.6 Safety.

The Company is committed to providing a safe workplace. Accordingly, the Company emphasizes "safety first." It is the employee's responsibility to take steps to promote safety in the workplace and work in a safe manner. By remaining safety conscious, employees can protect themselves and their coworkers. Employees are expected to promptly report all unsafe working conditions, accidents and injuries, regardless of how minor so that any potential hazards can be corrected.

4.7 Substance and Abuse.

The Company is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on the Company's premises or while using the Company vehicles or equipment, or at any location during work time.

No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug.

Any violation of this policy will result in disciplinary action, up to and including termination of employment.

Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered. When, in the Company's sole and absolute discretion, the Company determines it is appropriate, an employee may be offered the option of participating in and satisfactorily completing a Company-approved drug and/or alcohol rehabilitation program in lieu of termination.

4.8 Workplace Searches.

To protect Company property and to ensure the safety of all employees, the Company reserves the right to inspect and search any employee's office, desk, drawers, cabinets, files, locker, equipment, including computers, e-mail and voice mail, Company vehicles, and any area on Company premises. In this regard, it should be noted that all offices, desks, file drawers, cabinets, lockers, and other Company equipment and facilities are the property of the Company, and are intended for business use. Employees should have no expectation of privacy with respect to items brought onto Company property and/or stored in Company facilities. Inspection may be conducted at any time, without notice, at the discretion of the Company.

In addition, when the Company deems appropriate, employees may be required to submit to searches of their personal vehicles, parcels, purses, handbags, backpacks, brief cases, lunch boxes or any other possessions or articles brought on to the Company's property.

Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter the premises. All employees must cooperate in an inspection; failure to do so is insubordination and will result in disciplinary action, up to and including termination.

4.9 E-Mail, Voicemail, and Computer Policies.

Employees are expected to use e-mail, voicemail, and computer systems for company business and not for personal use. Employees may access the Internet for personal reasons as long as such access is reasonable and does not interfere with the employee's work duties.

Employees may not use any e-mail, voicemail, or Internet website that may be disruptive or offend others, including but not limited to the transmission, receipt, or viewing of sexually explicit messages, cartoons, images, sounds, ethnic or racial slurs, or anything that may be construed as unlawful harassment or disparagement of others. Any such inappropriate use may result in disciplinary action, up to and including termination.

SECTION 5

EMPLOYEE BENEFITS AND SERVICES

5.1 Generally.

Aside from those benefits required by state and federal regulations, Company also offers additional benefits for its full-time employees. From time to time, benefits may be added or deleted from the benefits package. The Company reserves the right to make such changes.

This Handbook does not contain the complete terms and/or conditions of any of the Company's current benefit plans. It is intended only to provide general explanations. For information regarding employee benefits and services, employees should contact Jaime Stanley.

5.2 Group Health Insurance.

All full-time employees are eligible to participate in the Company's group medical plan. During your orientation period, Human Resources will provide you with all necessary documents if you elect to participate in the group medical plan. The Company reserves the right to change, amend, or discontinue the benefits it offers to its employees at any time.

5.3 401(k) Plan.

Company's 401(k) Plan is a convenient payroll deductible method to help supplement employees' retirement benefits and provide a long-term vehicle to accumulate savings. Employees are eligible for Company's 401(k) Plan after one year of full-time employment. Once eligible you will be provided enrollment material. Once enrolled, the employee manages and updates the Payroll Administrator for any changes made. For information regarding employee benefits and services, employees should contact Jaime Stanley.

5.4 COBRA.

Under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986, if you are covered under the Company's group health insurance plan(s) you are entitled to continue your coverage in the event that your employment with the Company ends. Under COBRA, the Company must offer each qualified beneficiary (the employee and any covered dependents) who would otherwise lose coverage under the plan as a result of a qualifying event an opportunity to continue their insurance coverage. A qualifying event is defined as termination of employment, a reduction in the number of hours of employment, death of covered employee, divorce or legal separation, a dependent child ceases to be dependent, eligibility of the covered employee for Medicare, or an employer's bankruptcy.

5.5 Worker's Compensation.

All states have Workers' Compensation laws whose purpose is to promote the general welfare of people by providing compensation for accidental injuries or death suffered in the course of employment. These laws are designed to provide protection to workers suffering occupational disabilities through accidents arising out of, and in the course of employment. Company carries Workers' Compensation Insurance for all employees and pays the entire cost of the insurance program. An employee who suffers an injury or illness in connection with the job is usually eligible to receive payment through the insurance company for lost wages. In addition to disability payments, necessary hospital, medical and surgical expenses are covered under Workers' Compensation, with payments being made directly to the hospital or physician. Workers' Compensation benefits to injured workers also includes assistance to help qualified injured employees return to suitable employment.

Notify your supervisor immediately if you are involved in an on-the-job injury. The supervisor will assist you in seeking medical care and filling out a workers' compensation claim. The Company is legally obligated to report work-related injuries to its workers' compensation carrier within certain time frames, even if medical care is not needed. It is mandatory for all employees to report work-related injuries.

If you are injured, the Company may send you to a physician for medical treatment unless you notify the Company in writing that you wish to see your own physician.

5.6 Social Security Benefits (FICA).

During your employment, you and the Company both contribute funds to the Federal government to support the Social Security Program. This program is intended to provide you with retirement benefit payments and medical coverage once you reach retirement age.

5.7 Unemployment Insurance.

The company pays a state and federal tax to provide employees with unemployment insurance coverage in the event they become unemployed through no fault of their own or due to circumstances described by law. This insurance is administered by applicable state agencies, who determine eligibility for benefits, the amount of benefits (if any), and duration of benefits.

SECTION 6

EMPLOYEE LEAVES OF ABSENCE AND TIME OFF

6.1 Generally.

While regular attendance is crucial to maintain business operations, the Company recognizes that, for a variety of reasons, employees may need time off from work. The Company has available a number of types of leaves of absence. Some are governed by law and others are discretionary. For all planned leaves, however, employees must submit a request at least 14 days in advance; in case of emergencies, employees should submit the request as soon as they become aware of the need for leave. All leaves must have the approval of the Company management. If, during a leave, an employee accepts another job, engages in other employment or consulting outside of the Company, or applies for unemployment insurance benefits, the employee may be considered to have voluntarily resigned from employment with the Company.

All requests for a leave of absence will be considered in light of their effect on the Company and its work requirements, as determined by the Company management, which reserves the right to approve or deny such requests in its sole discretion, unless otherwise required by law. For disability-related leave requests, the Company will engage in an interactive process with the employee to determine if a leave is the most appropriate accommodation. The employee must provide a certification from his or her health care provider to the Company to support a leave for medical reasons. Failure to provide the required certification to the Company in a timely manner will result in delay or denial of leave. If an employee requires an extension of leave, the employee must request such extension and have it approved before the expiration of the currently approved leave.

While the Company will make a reasonable effort to return the employee to his or her former position or a comparable position following an approved leave of absence, there is no guarantee that the employee will be reinstated to his or her position, or any position, except as required by law.

6.2 Vacation Days.

After one year of employment with Company, eligible employees are entitled to 5 paid vacation days per year. Additional paid days off will be select holidays where UPS is closed. Vacation days' pay for regular full-time employees will be calculated based on the employee's base pay rate times the number of hours the employee would otherwise have worked on that day. Regular part-time employees will be paid on a pro-rata basis.

6.3 Sick Leave.

CALIFORNIA ONLY: As of July 1, 2015, California law provides for mandatory sick leave under AB 1522, the Healthy Workplaces, Healthy Families Act.

If you are hired on or before July 1, 2015, you will be eligible for 3 days or 24 hours of paid sick time. The full amount of this paid sick time will be placed into your leave bank at this time. Unused paid sick time will not carry over from year to year, but the Company will place 3 days or 24 hours of paid sick time into your leave bank on July 1st of each year. You will be able to use your 3 days or 24 hours of paid sick time at the beginning of each 12-month period. If you are hired after July 1, 2015, you will be eligible for 3 days or 24 hours of paid sick time on your first date of employment. Unused paid sick time will not carry over from year to year, but the Company will place 3 days or 24 hours of paid sick time into your leave bank each year on your anniversary date. You will be able to access all 3 days or 24 hours of paid sick time at the beginning of each 12-month period. The Company does not pay you for unused sick time.

Qualifying Reasons for Paid Sick Leave

You may use paid sick time for any of the following reasons:

- Diagnosis, care, or treatment of an existing health condition for yourself or a covered family member;
- Preventive care for yourself or a covered family member;
- For certain, specified purposes when you are a victim of domestic violence, sexual assault, or stalking.

For purposes of this policy, a covered family member includes the following:

- A child, defined as a biological, foster, or adopted child; a stepchild; or a legal ward, regardless of the age or dependency status of the child. A child may also be someone for whom you have accepted the duties and responsibilities of raising, even if he or she is not your legal child.
- A parent, defined as a biological, foster, or adoptive parent; a stepparent; or a legal guardian of yourself, your spouse, or your registered domestic partner. A parent may also be someone who accepted the duties and responsibilities of raising you when you were a minor child, even if he or she is not your legal parent.
- A spouse.
- A registered domestic partner.
- A grandparent.
- A grandchild.
- A sibling.

Use of Paid Sick Leave

If the need for paid sick leave is foreseeable, you are to provide advance notice to your supervisor. If the need is not foreseeable, you are to provide notice to your supervisor as soon as practicable.

Your use of paid sick time may run concurrently with other leaves under federal, state, or local law.

6.4 Pregnancy-Disability Leave.

Employees who are disabled on account of pregnancy, childbirth, or a related medical condition may request an unpaid leave of absence. Such leave will be granted for the period of disability, up to a maximum of four months. Time off may be requested for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth.

Leave provided for pregnancy disability is treated separately from leaves required by the state family and medical leave law. However, the first 12 workweeks of a pregnancy disability leave will be treated concurrently as a leave pursuant to the federal Family and Medical Leave Act ("FMLA") for all eligible employees.

Employees who wish to take a pregnancy disability leave must notify Jaime Stanley of the date the leave is expected to commence and the estimated duration of the leave. Notice should be given as indicated above. The employee must also provide a medical certification of disability to the Company. Failure to provide the required medical certification to the Company in a timely manner will result in delay or denial of leave. Before returning to work, the employee must provide a medical certification that she is able to resume her original job duties. Appropriate forms may be obtained from Jaime Stanley.

Employees who return to work immediately following the expiration of an approved pregnancy disability leave will generally be reemployed in their former position or a comparable job, as required by law.

Employees who are affected by pregnancy may also be eligible to transfer to a less strenuous or hazardous position or duties, provided certain prerequisites are met. Reasonable accommodations may be requested with the advice of the employee's health care provider. In addition, lactation accommodation is also available, upon request. For more information on pregnancy disability leave or transfer and its effect on the terms, conditions or benefits of employment, please contact Jaime Stanley.

6.5 Workers' Compensation Leave.

Any employee who is unable to work due to a work-related injury or illness and who is eligible for Workers' Compensation benefits will be provided an unpaid leave for the period required. The first 12 weeks will be treated concurrently as a family and medical leave under the federal Family Medical Leave Act ("FMLA") for eligible employees.

6.6 Voting Time.

Employees who are registered voters and who lack sufficient time outside of work to vote in any local, state, and national election may take up to two hours off work with pay at the beginning or end of the day for this purpose. Employees should provide at least two working days' notice when time off is required.

6.7 Family Care and Medical Leave.

The Company will provide family and medical care leave for eligible employees, as required by state and federal law, including leaves under the federal Family and Medical Leave Act of 1993 (FMLA) (which includes Military Caregiver Leave, also known as Covered Service member Leave). An individual who is entitled to leave under the FMLA and the CFRA must take Family Temporary Disability Insurance (FTDI) leave concurrently with leave taken under the FMLA and the CFRA.

Definitions

In implementing this policy, the following definitions will apply.

"12-Month Period" means a rolling 12-month period measured backward from the date leave is taken and continuous with each additional leave day taken.

“Child” means a child under 18 years of age, or 18 years of age or older who is incapable of self-care because of a mental or physical disability. An employee’s child is one for whom the employee has actual day-to-day responsibility for care and includes a biological, adopted, or foster child, a step-child, a legal ward, a son or daughter of a domestic partner, or a son or daughter to whom the employee stands in loco parentis (in place of a parent).

“Parent” means the biological, foster, or adoptive parent of an employee or an individual who stands or stood in loco parentis (in place of a parent) to an employee when the employee was a child. This term does not include parents-in-law.

“Spouse” means a husband or wife as defined or recognized under State law for purposes of marriage.

“Domestic Partner” means a partner as defined in Section 297 of the Family Code.

“Family Member” means a Child, Parent, Spouse, or Domestic Partner as defined in this family care and medical leave policy.

“Serious Health Condition” does not include pregnancy or related conditions, it means an illness, injury impairment, or physical or mental condition that involves:

(1) Inpatient care (*i.e.*, an overnight stay) in a hospital, hospice, or residential medical care facility, including any period of incapacity (*i.e.*, inability to work or perform other regular daily activities because of the serious health condition, treatment involved, or recovery therefrom); or

(2) Continuing treatment by a health care provider (*i.e.*, a serious health condition involving continuing treatment by a Health Care Provider as defined under federal or state law).

“Health Care Provider” has the same meaning as defined under the FMLA and CFRA.

Reasons for Leave

Leave is only permitted for the following reasons:

(1) The birth of a child or to care for a newborn of an employee or the employee’s domestic partner;

(2) The placement of a child with an employee in connection with the adoption or foster care of the child by the employee or the employee’s domestic partner;

(3) To care for a child of the employee, spouse, or domestic partner who has a serious health condition;

(4) Because of a serious health condition that makes the employee unable to perform the functions of his or her position; or

(5) To care for a parent, spouse, or domestic partner who has a serious health condition.

Employees Eligible for Leave

An employee is eligible for leave if the employee:

(1) Has been employed for at least 12 months; and

(2) Has been employed for at least 1250 hours during the 12-month period immediately preceding the commencement of the leave.

The Company counts FMLA-CFRA leave using a “looking back” method, meaning that if an employee requests FMLA-CFRA leave, the Company looks back over the preceding 12 months to determine if the employee has taken FMLA-CFRA leave during that time period. If the employee did take FMLA-CFRA leave, then that time would be deducted from the amount of leave for which the employee is now eligible. If the employee has not taken any FMLA-CFRA leave, then the employee would be eligible for all 12 weeks of FMLA-CFRA leave.

Amount of Leave

Eligible employees are entitled to a total of 12 workweeks of leave during any 12-month period.

Minimum Duration of Leave

If leave is requested for the birth, adoption, or foster care placement of a child of the employee or domestic partner, leave must be concluded within 1 year of the birth or placement of the child. In addition, the basic minimum duration of such leave is 2 weeks. However, an employee is entitled to leave for one of these purposes (*e.g.*, bonding with a newborn) for at least 1 day, but less than 2 weeks’ duration on any 2 occasions.

If leave is requested to care for a child, parent, spouse, or domestic partner or for the employee himself or herself with a serious health condition, there is no minimum amount of leave that must be taken. However, the notice and medical certification provisions of this policy must be complied with.

Spouses Both Employed by the Company

In any case in which domestic partners or a husband and wife are both employed by the Company and both are entitled to leave, the aggregate number of workweeks of leave to which both may be entitled may be limited to 12 workweeks during any 12-month period if leave is taken for the birth or placement for adoption or foster care of the employees’ child (*i.e.*, bonding leave). This limitation does not apply to any other type of leave under this policy.

Employee Benefits While on Leave

Leave under this policy is unpaid. However, an employee may be able to use accrued paid leave, if applicable. While on leave, the employee will continue to be covered by the Company’s group health insurance to the same extent that coverage is provided while the employee is on the job.

The employee may be entitled to other, non-Company-provided benefits under any other federal or state programs such as state disability insurance benefits. The Company is not responsible for administering any such benefits.

Employees may make the appropriate contributions for continued coverage under the preceding non-health benefit plans by payroll deductions or direct payments made to these plans. Depending on the particular plan, the Company will inform the employee whether the premiums should be paid to the carrier or to the Company. The coverage on a particular plan may be dropped if the employee is more than 30 days late in making a premium payment. However, the employee will receive a notice at least 15 days before coverage is to cease, advising him or her that he or she will be dropped if the premium payment is not paid by a certain date. Employee contribution rates are subject to any change in rates that occurs while the employee is on leave.

If the employee fails to return to work after his or her leave entitlement has been exhausted or expires, the Company shall have the right to recover its share of health plan premiums for the entire leave period, unless the employee does not return because of the continuation, recurrence, or onset of a serious health condition

of the employee or his or her family member that would entitle the employee to leave or because of circumstances beyond the employee's control. The Company shall have the right to recover premiums (or other sums due the Company) from an employee against his or her wages, paid time off, vacation, or holiday pay.

Substitution of Paid Accrued Leaves

While on leave under this policy, an employee may elect to concurrently use paid accrued leaves. Similarly, the Company may require an employee to concurrently use paid accrued leaves after requesting FMLA-CFRA leave and Paid Family Care Leave and may also require an employee to use family and medical care leave concurrently with a non-FMLA-CFRA leave that is FMLA-CFRA-qualifying.

Employer's Right to Require Employee to Use Paid Accrued Leaves Concurrently with Family Leave

When an employee has earned or accrued paid vacation or administrative leave, that paid leave must be substituted for all or part of any (otherwise) unpaid leave under this policy.

An employee is entitled to and may use sick leave concurrently with leave under this policy if:

- (1) The leave is for the employee's own serious health condition; or
- (2) The leave is needed to care for a parent, domestic partner, spouse, or child with a serious health condition and would be permitted as sick leave under the Company's sick leave policy.

An employee may use vacation or sick time concurrently with leave under this policy.

As a condition of an employee's initial receipt of family temporary disability insurance benefits during any 12-month period in which an employee is eligible for these benefits, the Company may require an employee to take up to 2 weeks of earned but unused vacation or sick leave (or both) before the employee's initial receipt of these benefits. If the Company requires the employee to take vacation or sick leave, that portion of the leave that does not exceed 1 week shall be applied to any applicable waiting period for receipt of family temporary disability insurance benefits.

Medical Certification

Employees who request leave for their own serious health condition or to care for a child, parent, domestic partner, or spouse who has a serious health condition must provide written certification from the health care provider of the individual requiring care if requested by the Company.

Time to Provide Medical Certification

When an employee's leave is foreseeable and at least 30 days' notice has been provided, if a medical certification is requested, the employee must provide it before the leave begins. When this is not possible, the employee must provide the requested certification to the Company within the time frame requested by the Company (which must allow at least 15 calendar days after the employer's request), unless it is not practicable under the particular circumstances to do so despite the employee's diligent good faith efforts.

Consequences of Failure to Provide Adequate or Timely Certification

The Company will advise the employee in writing what additional information is necessary to make the certification complete and sufficient. The employee will have 7 calendar days, unless not practicable under

the circumstances despite the employee's diligent good faith efforts, to cure any deficiency. If the deficiency is not cured, the Company may deny the taking of FMLA-CFRA leave.

Recertification

If the Company has reason to doubt the validity of a certification, the Company may require a medical opinion of a second health care provider chosen and paid for by the Company. If the second opinion is different from the first, the Company may require the opinion of a third provider jointly approved by the Company and the employee but paid for by the Company. The opinion of the third provider will be binding. An employee may request a copy of the health care provider's opinions when there is a recertification.

Intermittent Leave or Reduced Schedule Leave

If an employee requests leave intermittently (*e.g.*, a few days or hours at a time) or on a reduced leave schedule to care for an immediate family member with a serious health condition, the employee must provide medical certification that such leave is medically necessary. "Medically necessary" means there must be a medical need for the leave and that the leave can best be accomplished through an intermittent or reduced leave schedule.

Employee Notice of Leave

Although the Company recognizes that emergencies arise that may require employees to request immediate leave, employees are required to give as much notice as possible of their need for leave. If leave is foreseeable, at least 30 days' notice is required. In addition, if an employee knows that he or she will need leave in the future but does not know the exact date(s) (*e.g.*, for the birth of a child or to take care of a newborn), the employee shall inform his or her supervisor as soon as possible that such leave will be needed. Absent unusual circumstances, such notice may be given in accordance with the Company's usual and customary call-in procedures for reporting an absence. The employee must provide notice sufficient to make the Company aware that the employee needs FMLA-CFRA-qualifying leave and of the anticipated timing and duration of the leave. If the Company determines that an employee's notice is inadequate, the Company may delay the granting of FMLA-CFRA leave.

Right to Reinstatement

On expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. Employees have no greater rights to reinstatement, benefits, and other conditions of employment than if the employee had been continuously employed during the FMLA-CFRA-Paid Family Care Leave period.

If a definite date of reinstatement has been agreed on at the beginning of the leave, the employee will be reinstated on the date agreed on. If the reinstatement date differs from the original agreement date between the employee and the Company, the employee will be reinstated within 2 business days, when feasible, after the employee notifies the Company of his or her readiness to return.

Employee's Obligation to Periodically Report on His or Her Condition

An employee may be required to periodically report on his or her status and intent to return to work. This will avoid any delays to reinstatement when the employee is ready to return.

Fitness-for-Duty Certification

As a condition of reinstatement of an employee whose leave was based on the employee's own serious health condition that made the employee unable to perform his or her job, the employee must obtain and present a fitness-for-duty certification from the health care provider stating that the employee is able to perform the essential functions of the employee's job. When reasonable job safety concerns exist, the Company may require a fitness-for-duty certification before an employee may return to work when the employee takes intermittent or reduced leave. Failure to provide such certification will result in denial of reinstatement.

6.8 Military Caregiver Leave.

An eligible employee who is a spouse, child, parent, or next of kin of a covered service member with a serious injury or illness may take up to a total of 26 workweeks of unpaid leave during a single 12-month period to care for the service member. A covered service member is a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise on outpatient status, or is otherwise on the temporary disability retired list, in each case for a serious injury or illness. A serious injury or illness is one that was incurred by a service member in the line of duty on active duty that may render the service member medically unfit to perform the duties of his or her office, grade, rank, or rating. The single 12-month period for leave to care for a covered service member with a serious injury or illness begins on the first day the employee takes leave for this reason and ends 12 months later, regardless of a 12-month period established by the employer for other types of FMLA leave. An eligible employee is limited to a combined total of 26 workweeks of leave for any FMLA-qualifying reason during the single 12-month period. Only 12 of the 26 weeks total may be for an FMLA-qualifying reason other than to care for a covered service member.

Qualifying Exigency Leave

An eligible employee may take up to a total of 12 workweeks of unpaid leave during the normal 12-month period established by the employer for FMLA leave for qualifying exigencies arising out of the fact that the employee's spouse, child, or parent is on active duty, or has been notified of an impending call or order to active duty, in support of a contingency operation. Under the terms of the statute, qualifying exigency leave is available to a family member of a military member in the National Guard or Reserves; it does not extend to family members of military members in the regular Armed Forces.

Qualifying exigencies include

- (1) Issues arising from a covered military member's short-term deployment (*i.e.*, deployment on 7 or fewer days of notice) for a period of 7 days from the date of notification;
- (2) Military events and related activities such as official ceremonies, programs, or events sponsored by the military or family support or assistance programs and informational briefings sponsored or promoted by the military, military service organizations, or the American Red Cross that are related to the active duty or call to active duty status of a covered military member;
- (3) Certain child care and related activities arising from the active duty or call to active duty status of a covered military member, such as arranging for alternative child care, providing child care on a non-routine, urgent, immediate-need basis, enrolling or transferring a child in or to a new school or day care facility, or attending certain meetings at a school or day care facility, in each case if necessary because of circumstances arising from the active duty or call to active duty of a covered military member;
- (4) Certain activities arising from the military member's covered active duty related to the care of the military member's parent who is incapable of self-care, such as arranging for alternative care, providing

for care on a non-routine, urgent, immediate-need basis, admitting or transferring a parent to a new care facility, and attending certain meetings with staff at a care facility, such as hospice or social service providers;

(5) Making or updating financial and legal arrangements to address a covered military member's absence;

(6) Attending counseling provided by someone other than a health care provider for oneself, the covered military member, or a child of the covered military member, the need for which arises from the active duty or call to active duty status of a covered military member;

(7) Taking up to 5 days of leave to spend time with a covered military member who is on short-term temporary rest and recuperation leave during deployment;

(8) Attending to certain post-deployment activities, including attending arrival ceremonies, reintegration briefings and events, and other official ceremonies or programs sponsored by the military, for a period of 90 days following the termination of the covered military member's active duty status;

(9) Addressing issues arising from the death of a covered military member; and

(10) Any other event that the employee and employer agree is a qualifying exigency.

Leave to Care for Covered Service Member with Serious Illness or Injury Incurred in the Line of Duty on Active Duty

Eligible employees who have family members who are covered service members may take up to 26 workweeks of leave in a single 12-month period to care for a covered service member with a serious illness or injury incurred in the line of duty on active duty. The leave may be taken intermittently whenever medically necessary to care for a covered service member with a serious injury or illness. Leave may also be taken intermittently for a qualifying exigency arising out of the active duty status or call to active duty of a covered military member. When leave is needed for planned medical treatment, the employee must make a reasonable effort to schedule the treatments so as not to unduly disrupt the Company's operation.

Spouses employed by the same employer are limited to a combined total of 26 workweeks of leave in a single 12-month period if the leave is to care for a covered service member with a serious injury or illness; for the birth and care of a newborn child; for placement of a child for adoption or foster care; or for care of a parent who has a serious health condition.

Employee Notice

Employees seeking to use Military Caregiver Leave must provide 30 days' advance notice of a need to take FMLA leave for planned medical treatment for a serious injury or illness of a covered service member. If leave is foreseeable but 30 days' advance notice is not practicable, the employee must provide notice as soon as practicable—generally, either the same or next business day. The employee must provide notice of the need for foreseeable leave based on a qualifying exigency as soon as practicable. When the need for military family leave is not foreseeable, the employee must provide notice to the employer as soon as practicable under the facts and circumstances of the particular case. Generally, it should be practicable to provide notice for unforeseeable leave within the time prescribed by the Company's usual and customary notice requirements.

The employee must provide sufficient information to make the Company aware of the need for FMLA leave for these reasons and the anticipated timing and duration of the leave. Such information may include, as applicable, information to the effect that:

(1) The requested leave is for a particular qualifying exigency related to the active duty status or call to active duty of a covered military member, along with the anticipated duration of the leave; and

(2) The leave is for a qualifying family member who is a covered service member with a serious injury or illness, along with the anticipated duration of the leave.

Employer Notice

When the employee requests FMLA leave under this policy, the Company will notify the employee of his or her eligibility to take leave, including a reason for non-eligibility if the employee is determined not to be eligible. Such eligibility notice may be oral or written and should generally be given within 5 business days of the employee's request for leave. Subsequent eligibility notice in the same 12-month leave period may be required when an employee's eligibility status changes. The Company will inform employees of their rights and responsibilities under this leave, including giving specific written information on what is required of the employee.

When the Company has enough information to determine that the leave is being taken for an FMLA-qualifying reason, the Company will notify the employee that the leave is designated and will be counted as FMLA leave. The Company will designate leave that qualifies as both leave to care for a covered service member with a serious injury or illness and leave to care for a qualifying family member with a serious health condition as leave to care for a covered service member in the first instance. This designation notice will be in writing and generally will be given within 5 business days of the determination. The Company will notify the employee of the number of hours, days, or weeks that will be counted against the employee's FMLA entitlement.

Certification Requirements

The Company will require the employee who requests military family leave to produce a certification and may require the employee certification to be supported by:

(1) For leave for a qualifying exigency, a copy of the covered military member's active duty orders and certification providing the appropriate facts related to the particular qualifying exigency for which leave is sought, including contact information if the leave involves meeting with a third party; and

(2) For leave to care for a covered service member with a serious injury or illness, certification completed by an authorized health care provider or a copy of an Invitational Travel Order (ITO) or Invitational Travel Authorization (ITA) issued to any member of a covered service member's family.

6.9 Pay and Benefits During Leave of Absence.

Employees will be expected to exhaust their vacation or sick leave (if applicable) before going into an unpaid status. This requirement will be applied consistent with state and federal law.

Employees will continue to receive the same level of benefit coverage they were eligible to receive before their leave, in accordance with applicable state and federal law. If the Company approves a request made by an employee for a continuation of a leave that extends beyond the leave period provided by applicable federal or state law, the employee will be eligible to continue his or her benefits through the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

6.10 Medical Examinations.

Employees may be required to take medical examinations as a condition of employment or for continued employment in certain circumstances. A medical exam may be required after a conditional offer of employment has been made to an applicant in certain job positions. In addition, the Company may require a medical examination to determine whether or not the employee is able to perform the essential functions of a job or in certain situations to assess the employee's fitness for duty in accordance with federal and state laws.

SECTION 7

OUTSIDE EMPLOYMENT AND SEPERATION

7.1 Outside Employment.

Employees may engage in outside employment to the degree that it does not conflict with the interests of the Company. No employee is permitted to accept employment, whether for pay or otherwise, if the additional outside employment leads to a conflict or potential conflict of interest for the employee, if the nature of the outside employment will reflect negatively on the Company, or if the outside employment conflicts with the duties of the employee.

7.2 Separation Procedures.

On separation of employment, you must return all supplies, keys, and other Company property. You may also be requested to participate in an exit interview, although the interview is completely voluntary. At termination, the Company will provide you with your final paycheck, with all accrued and unused vacation time. You and your dependents may also have a right to continue your group medical benefits temporarily under COBRA.

At-Will Employment Agreement and Acknowledgement of Receipt of Employee Handbook

Employee:

I acknowledge that I have been provided with a copy of the Company (the "Company") Employee Handbook, which contains important information on the Company's policies, procedures and benefits, including the policies on Anti- Harassment/Discrimination, Substance Use and Abuse and Confidentiality. I understand that I am responsible for familiarizing myself with the policies in this handbook and agree to comply with all rules applicable to me.

I understand and agree that the policies described in the handbook are intended as a guide only and do not constitute a contract of employment. I specifically understand and agree that the employment relationship between the Company and me is at-will and can be terminated by the Company or me at any time, with or without cause or notice. Furthermore, the Company has the right to modify or alter my position or impose any form of discipline it deems appropriate at any time. Nothing in this handbook is intended to modify the Company's policy of at-will employment. The at-will employment relationship may not be modified except by a specific written agreement signed by me and an authorized representative of the

Company. This is the entire agreement between the Company and me regarding this subject. All prior or contemporaneous inconsistent agreements are superseded.

I understand that the Company reserves the right to make changes to its policies, procedures or benefits at any time at its discretion. However, the at-will employment agreement can be modified only in the manner specified above. I further understand that the Company reserves the right to interpret its policies or to vary its procedures as it deems necessary or appropriate.

I have received the Company Employee Handbook. I have read (or will read) and agree to abide by the policies and procedures contained in the Handbook.

By: _____ Date: _____

By: _____ Date: _____