



OTTO CONSTRUCTION

Employee Manual

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ABOUT THIS MANUAL

This Manual is provided and intended as a helpful guide you may use to familiarize yourself with Otto Construction. The Manual is not, nor should it be considered to be, an agreement or contract of employment, express or implied, or a promise of treatment in any particular manner in any given situation. This Manual states only general Company policies. The Company may, at any time, in its sole discretion, modify or vary from anything stated in this Manual except for the rights of the parties to terminate employment at will, which may only be modified by an express written agreement signed by both parties.

This Manual supersedes all prior handbooks, manuals, policies, and procedures issued by Otto Construction. Any violations of the policies contained in this Manual may result in disciplinary action, up to and including termination of employment.

AT-WILL EMPLOYMENT

You are free to leave the Company at any time, with or without a reason and with or without notice. The Company also has the right to end your employment at any time, with or without a reason and with or without notice. Although the Company may choose to end your employment for a cause, cause is not required. The Company's policy is that employment is "at will." Further, the Company has the right to manage its work force and direct its employees. This includes the right to hire, transfer, promote, demote, reclassify, lay off, terminate, or change any term or condition of employment at any time, with or without a reason and with or without notice.

No one other than the President of the Company may enter into an agreement for employment for a specific period of time or make any agreement contrary to the policy of at-will employment. In addition, any such agreement must be in writing signed by the President.

YOUR SUPERVISOR

Your supervisor is a vital part of our management team. Your supervisor is responsible for planning the work schedule, ensuring the quality of your work, and providing you with whatever assistance you may need.

An important part of your supervisor's responsibilities is to answer questions, listen to your concerns, and take action where appropriate. Give your supervisor your cooperation. If your supervisor does not have an answer to your question, he or she will do his or her best to get one for you.

MENTORING

New employees will be assigned a Mentor to facilitate their assimilation into the company culture. Otto Construction views mentoring as a method to increase retention and provide professional growth within the organization. We believe in the cultivation of quality employees through the sharing of knowledge, support, direction, patience, enthusiasm and respect.

Beginning with Otto Construction's foundation of quality people, our mentoring system is intended to create a conducive atmosphere for individuals who choose to advance and achieve their full potential; those who desire to be knowledgeable contributors to the organization need people with experience to share their knowledge. Likewise, seasoned associates of the Company grow by sharing their experience and molding junior employees into professionals; junior employees support the efforts of the more experienced individuals and, from time-to-time, remind them of the fundamentals of our quality organization.

Mentoring is an integral part of Otto's culture. Having a program that emphasizes collegial sharing, support, and respect creates a Company that is a model in the industry. Otto Construction realizes cost savings through reduced turnover, smart decision making, and a solid base of quality professionals.

EQUAL EMPLOYMENT OPPORTUNITY

Otto Construction is an equal opportunity employer. We enthusiastically accept our responsibility to make employment decisions without regard to race, religion, color, age, sex, sexual orientation, gender identity, national origin, marital status, medical condition, disability, military service, pregnancy, childbirth and related medical conditions, or any other classification protected by federal, state, and local laws and ordinances. Our management is dedicated to ensuring the fulfillment of this policy with respect to hiring, placement, promotion, transfer, demotion, layoff, termination, recruitment advertising, pay, and other forms of compensation, training, and general treatment during employment.

Any violation of this policy will not be tolerated and will result in appropriate disciplinary action, up to and including termination. If an employee believes someone has violated this policy, the employee should immediately bring the matter to the attention of the HR Administrator or the President. The Company will promptly investigate the facts and circumstances of any claim this policy has been violated and take appropriate corrective measures.

No employee will be subject to, and the Company prohibits, any form of discipline or retaliation for

reporting in good faith incidents of perceived violations of the policy, pursuing any such claim, or cooperating in any way in the investigation of such claims.

REASONABLE ACCOMMODATIONS

Otto Construction recognizes and supports its obligation to reasonably accommodate employees with disabilities or religious beliefs or practices who are able to perform the essential functions of their positions, with or without reasonable accommodation. Otto Construction will provide reasonable accommodation to otherwise qualified employees, unless doing so would impose an undue hardship on the Company.

Any employee who believes he or she needs a reasonable accommodation for a disability or a religious belief or practice should discuss the matter with his or her supervisor or the HR Administrator.

NO HARASSMENT

Otto Construction does not tolerate harassment of our job applicants, contractors or employees by another employee, supervisor, vendor, customer, or any third party. Any form of harassment on the basis of race, religious creed, color, age, sex, sexual orientation, gender identity, national origin, religion, marital status, medical condition, disability, military service, pregnancy, childbirth and related medical conditions, or any other classification protected by federal, state, and local laws and ordinances is a violation of this policy and will be treated as a disciplinary matter. The Company has zero tolerance for harassment and is committed to a workplace free of any harassment.

Harassment Defined: Harassment as defined in this policy is unwelcome verbal, visual or physical conduct creating an intimidating, offensive, or hostile work environment that interferes with work performance. Harassment can be verbal (including slurs, jokes, insults, epithets, gestures or teasing), graphic (including offensive posters, symbols, cartoons, drawings, computer displays, or e-mails) or physical conduct (including physically threatening another, blocking someone's way, etc.) that denigrates or shows hostility or aversion towards an individual because of any protected characteristic. Such conduct violates this policy, even if it is not unlawful. Because it is difficult to define unlawful harassment, employees are expected to behave at all times in a professional and respectful manner.

Sexual Harassment Defined: Sexual harassment can include all of the above actions, as well as other unwelcome conduct.

Examples of conduct that violates this policy include:

- unwelcome sexual advances, flirtations, advances, leering, whistling, touching, pinching, assault, blocking normal movement
- requests for sexual favors or demands for sexual favors in exchange for favorable treatment
- obscene or vulgar gestures, posters, or comments
- sexual jokes or comments about a person's body, sexual prowess, or sexual deficiencies
- propositions, or suggestive or insulting comments of a sexual nature
- derogatory cartoons, posters, and drawings
- sexually-explicit e-mails or voicemails
- uninvited touching of a sexual nature
- unwelcome sexually-related comments
- conversation about one's own or someone else's sex life
- conduct or comments consistently targeted at only one gender, even if the content is not sexual
- teasing or other conduct directed toward a person because of the person's gender

All such conduct is unacceptable in the workplace and in any work-related settings such as business trips and business-related social functions, regardless of whether the conduct is engaged in by a supervisor, co-worker, client, customer, vendor, or other third party.

Reporting Procedures: The following steps have been put into place to ensure the work environment at Otto Construction is respectful, professional, and free of harassment. If an employee believes someone has violated this policy, the employee should promptly bring the matter to the immediate attention of his or her supervisor or the HR Administrator. If the employee makes a complaint under this policy and has not received a satisfactory response within five (5) business days, he or she should contact the President immediately.

Investigation Procedures: The Company will promptly investigate the facts and circumstances of any claim of harassment. To the extent possible, the Company will endeavor to keep the reporting employee's concerns confidential. During the investigation, the Company generally will:

- interview the complainant and the alleged harasser
- conduct further interviews as necessary
- document the Company's findings regarding the complaint
- document recommended follow-up actions and remedies, if warranted
- inform the complainant of the Company's findings.

Every supervisor who learns of any employee's concern about conduct in violation of this policy, whether in a formal complaint or informally, must immediately report the issues raised to the HR Administrator or to the President.

All employees are expected to fully cooperate with internal investigations that may be initiated by the Company to examine any perceived violation of Company policy or procedure or any other matter. This includes, but is not limited to, maintaining an appropriate level of discretion regarding the investigation and disclosing any and all information that may be pertinent to the investigation.

Upon completion of the investigation, the Company will take corrective measures against any person who has engaged in conduct in violation of this policy, if the Company determines such measures are necessary. These measures may include, but are not limited to, counseling, suspension, or immediate termination. Anyone, regardless of position or title, whom the Company determines has engaged in conduct that violates this policy will be subject to discipline, up to and including termination.

No Retaliation: No employee will be subject to, and the Company prohibits, any form of discipline or retaliation for reporting perceived violations of this policy, pursuing any such claim, or cooperating in any way in the investigation of such claims. If an employee believes someone has violated this no-retaliation policy, the employee should bring the matter to the immediate attention of the HR Administrator or the President. Anyone, regardless of position or title, whom the Company determines has engaged in conduct that violates this policy against retaliation will be subject to discipline, up to and including termination.

We cannot remedy claimed harassment or retaliation unless you bring these claims to the

attention of management. Failure to report claims of harassment and/or retaliation prevents us from taking steps to remedy the problem.

EMPLOYEE RELATIONS

It is the policy of Otto Construction to encourage open communication between employees and management through the following:

Open-Door Policy: The opportunity for you to present matters of importance in an informal manner to your supervisor for discussion and resolution.

Employee Complaint Procedure: Talk to your immediate supervisor first. It is his or her job to see that you are treated fairly. If you and your supervisor are unable to resolve matters, bring the problem to the attention of your supervisor's manager. Through discussion, every attempt will be made to reach a reasonable and satisfactory solution. This procedure does not apply to concerns covered by the Company's "Equal Employment Opportunity" or "No Harassment" policies. Employees must follow the procedures in those policies if they have any complaints under those policies.

Suggestion Program: Employees are encouraged to present constructive suggestions for the improvement of operations to management for review and discussion.

INJURY AND ILLNESS PREVENTION PROGRAM/SAFETY

It is the policy of Otto Construction to establish, implement, and maintain an effective injury and illness prevention program and to conduct all of our operations safely. Our policy covers the office, the shop, and the field. An extensive injury and illness prevention program and a workplace security program have been developed by the Company and are available for review, upon request, from the Safety and Risk Manager.

INTRODUCTORY PERIOD OF EMPLOYMENT

The first 90 days of your employment are an introductory period. The introductory period is designed to give you a chance to become familiar with the Company and to learn your job. It also gives your supervisor a chance to work more closely with you while you learn about your job, and to evaluate your performance. During this period, you may be placed in different tasks if needed.

The introductory period is just that—an introduction. Completion of the introductory period signifies our confidence that you will be capable of functioning fully in your position. Completion of the introductory

period is not, nor should it be seen as unqualified acceptance by the Company of your performance or an assurance of continued employment.

EMPLOYEE CLASSIFICATIONS

A number of different types of employees are employed by Otto Construction.

Introductory Employees: All employees, during the first 90 days of employment or any extension of that period.

Regular Full-Time Employees: Employees who complete the introductory period and who are regularly scheduled to work at least 40 hours per week. Regular full-time employees are eligible for all Company benefits. Regular full-time employees may be paid on an hourly or salaried basis.

Regular Part-Time Employees: Employees who are regularly scheduled to work fewer than 40 hours per week. Regular part-time employees are paid on an hourly basis. Part-time employees are not eligible for any Company benefits with the exception of the 401(k) plan.

Non-Exempt Employees: Employees who are covered by the overtime provisions of the federal Fair Labor Standards Act and applicable state wage/hour laws. Non-exempt employees are entitled to an overtime premium for overtime work in accordance with state and federal laws.

Exempt Employees: Salaried employees whose work duties exempt them from the overtime provisions of the federal Fair Labor Standards Act and any applicable state wage/hour laws.

ATTENDANCE AND PUNCTUALITY

The success of our Company depends upon the cooperation and commitment of each member of our team. Therefore, your attendance and punctuality are extremely important. Your fellow employees must bear the burden of your absence. Your responsibility to our Company and your fellow employees requires good attendance.

We recognize there may be times when your absence or tardiness cannot be avoided. In that event, notify your supervisor in a timely manner before your absence. Unless you have made other arrangements with your supervisor, you must call your supervisor each day of your absence.

Failure to give your supervisor notice of your absence or tardiness is serious. We will not provide

paid sick leave if you have not provided the required notice. Failure to notify us may also result in disciplinary action. If you are absent due to illness, we may require you to produce a certificate and/or release from your health care provider. If you fail to notify your supervisor of your absences, you may be considered to have voluntarily terminated your employment with our Company.

ATTENDANCE RECORDS

The Company requires non-exempt employees to complete daily time sheets or time cards. This is very important to our business because accurate time sheets are necessary to bill clients correctly and establish the profitability of our projects.

Time sheets are reviewed by your supervisor on a weekly basis. Submission of inaccurate time sheets or delay in submitting daily time sheets or time cards may lead to discipline, up to and including termination.

YOUR WORK WEEK

When you begin your employment with us, you will be advised of your schedule. From time to time, it may be necessary to change your work schedule. Your cooperation with any such changes is both expected and appreciated. We will do our best to give you as much advance notice as possible of any changes in your work schedule. We will also try to keep all unscheduled changes to a minimum. Various factors, such as workloads, and staffing needs, may require variations in an employee's working hours.

Office hours are generally Monday through Friday from 8:00 a.m. to 5:00 p.m. However, individual schedules depend on the employee's position and the Company's business needs.

For payroll purposes, the workweek starts at 12:01 a.m. on Wednesday and ends the following Tuesday at midnight.

Non-exempt employees may not report for work more than 15 minutes before their shift starts, or stay more than 15 minutes after their shift ends, without prior approval from their supervisors.

OVERTIME

The nature of our business sometimes requires our employees to work overtime. Your supervisor will notify you when you are required to work overtime. We expect and appreciate your cooperation. We will try to provide you with advance notice of any overtime that will be required of you.

If you are a non-exempt employee, you will be paid overtime in accordance with state and federal overtime requirements. For all hours worked in excess of eight hours in one day or 40 hours in one workweek, or for the first eight hours on the seventh day in the same workweek, you will be paid at one and one-half times your regular rate of pay. You will be paid double-time for hours worked in excess of 12 in any workday or in excess of eight on the seventh day of the workweek. There may be exceptions to these standards where allowed by law.

Please remember you are not allowed to work overtime unless it has been authorized in advance by your supervisor. He or she will initial your overtime hours on your time sheet. In addition, no non-exempt employee may work overtime without a supervisor present under any circumstances.

YOUR PAYCHECK

Employees are paid on a weekly basis, either by paper check or by direct deposit to your bank account if you have made such arrangements with the Payroll Accountant.

There are certain deductions we are required to make by law. You will receive an itemization of the deductions from your gross earnings. Federal or state laws require we make deductions for Social Security, federal income tax, state income tax (where applicable), state disability insurance (where applicable), and any other legally-mandated taxes or deductions, including garnishments and spousal/child support. In addition, there may be deductions for items you authorize.

If you wish to have someone else pick up your paycheck, it is necessary for you to give that person written authorization to do so. The Company will not release your paycheck to another individual unless we have this written authorization.

Any questions you may have about your paycheck or the deductions made should be addressed to your supervisor or the Payroll Accountant.

REIMBURSEMENT OF EMPLOYEE EXPENSES

Travel expenses incurred in the course of conducting business may be reimbursed, provided you obtain prior supervisory approval for the expense. Employees must keep accurate records of expenses and submit the appropriate paperwork for approval.

Membership in clubs, civic organizations, and trade and professional associations may be reimbursed with prior supervisor approval. Employees are encouraged to participate in organizations and

associations related to their employment. Unrelated organization and association memberships are not reimbursable. The decision as to whether a membership is reimbursable is solely within the Company's discretion.

The Company will issue credit cards to certain employees who are required to travel, entertain or purchase materials for business purposes. These credit cards remain the property of Otto Construction, and are to be used for business expenses only. They may not be used for personal charges. Any improper personal charges are the employee's personal financial obligation, and may result in disciplinary action. All cards must be returned upon termination of employment or when otherwise requested by management.

CREDIT ADVANCE

Occasionally, employees may wish to purchase items through credit established between Otto Construction and another company (i.e., a supplier, subcontractor, etc.). Employees who wish to purchase items on credit may do so with the following conditions:

1. The employee is a full-time employee.
2. The employee has received prior approval of the amount, method of payments, etc., from his or her immediate supervisor.
3. The employee has agreed in writing to repay Otto Construction by check payment(s) or through payroll deduction(s).
4. The employee will not jeopardize the credit worthiness of Otto Construction.
5. The employee does not request more than the amount of his or her gross weekly salary in the form of an advance.
6. The employee will reimburse Otto Construction within a reasonable period of time agreed to by the employee and the employee's supervisor in writing.
7. Termination of employment from Otto Construction does not relieve the employee from the debt repayment obligation created by the credit advance.

EDUCATION REIMBURSEMENT POLICY

The Company has established an education fund to partially reimburse employees for expenses incurred in the continuance of their education. This benefit is available to full-time employees who have been employed with the Company for at least one continuous year and who obtain the approval of their department head or the President.

Courses must be consistent with the employee's responsibilities at Otto Construction, although length of service with and potential benefit to the Company may be taken into account for courses outside the employee's immediate responsibility. Courses must not interfere with the employee's established working hours.

Expenses that will be considered for reimbursement include registration/tuition, mileage for required classes and books specifically required for completion of the course.

The employee must request approval of educational reimbursement in writing prior to the beginning of the course work. The written request must include:

1. the name of the course;
2. when and where the course is being presented;
3. a description of the course;
4. an explanation of how the course relates to the employee's work and how the course will improve or advance the employee's work skills; and
5. the cost to be reimbursed.

Upon completion of the course, the employee must submit a grade card and receipts for reimbursable expenses. Provided the employee has completed the course work with a grade "B" or better, a reimbursement check will be issued to the employee within a reasonable period of time.

Trade or vocational schools, seminars, conferences, workshops, training and related educational opportunities that do not use academic grading systems may also be considered under this policy.

Participation in a seminar that is Company sponsored, or is required or considered mandatory, will not count towards an employee's maximum reimbursement.

Employees who resign or who are terminated prior to completion of the course work are ineligible for reimbursement under this policy.

YOUR PERSONNEL AND PAYROLL RECORDS

All employees have a personnel file maintained by the Payroll Accountant and/or HR Administrator. All personnel records are confidential. Any unauthorized access to personnel records may result in discipline, up to and including termination.

Employees may review their own personnel file and records by making an appointment with the HR Administrator to do so. In addition, you may request a copy of your payroll records. Please make any such request in writing to the Payroll Accountant or HR Administrator. The Company will provide the copies within 21 days of your request.

It is important that your personnel records are accurate and up to date so you may continue to receive uninterrupted benefits. This information is also necessary to determine the amount of wage deductions for federal and state income tax. You should notify the Company of any change in your name, address, telephone number, marital status (if the change will affect W-4 withholding and/or insurance coverage and eligibility), number and age of dependents, or emergency contact.

REQUESTS FOR INFORMATION REGARDING CURRENT OR FORMER EMPLOYEES

The Company is extremely concerned about the accuracy of any information provided to individuals outside the Company regarding current or former employees. Consequently, no employee may provide (either "on" or "off" the record) any information regarding current or former employees to any non-employees without the specific written approval of the President. This includes letters of reference. The main office should be advised of any such requests for information, and generally will verify, upon written request, only a former employee's dates of employment and position(s) held. A written authorization and release may be required before any such information is furnished.

WAGE REVIEWS AND PERFORMANCE EVALUATIONS

The Company pays competitive wages to attract and keep quality employees. We schedule periodic performance evaluations after the Introductory Period and every February thereafter to give you an opportunity to discuss your work with your supervisor. In addition, your supervisor may give you continuing input

as to your performance and areas for improvement.

BREAKS AND MEAL PERIODS

Full time non-exempt employees are entitled to two 10-minute rest breaks each day. You will be paid for these rest breaks. Normally, one rest break will be scheduled in the morning and one in the afternoon. Your supervisor will advise you of the time of your breaks. You are expected to return to work promptly at the end of any break.

If you work longer than five hours in a workday, you will be given an unpaid meal period of 30 to 60 minutes, which you must begin before the end of your fifth hour of work. Your manager or supervisor will schedule your meal period. You must not perform any work during your meal period and you must take the full 30 to 60 minutes. You may leave the premises during your meal period. It is important that you return to work promptly at the end of your meal period.

PERSONAL APPEARANCE

Because of our relations with customers and the nature of our business, neatness and cleanliness are absolutely necessary at all times. Employees should dress conservatively, in good taste, and according to the requirements of their position. Attention should be paid to safety, Company image, and customer interaction. Some departments within our Company may have their own dress standard. If your department has a dress code, you will receive a copy of the dress code during orientation. If you have any questions about proper attire in your work area, ask your supervisor.

YOUR BENEFITS PACKAGE

Otto Construction offers a number of benefits to eligible employees. This Manual briefly describes some of those benefits. In addition, most benefits will be described for you in a benefits orientation meeting when you commence employment. These benefits may include vacation, sick leave, paid holidays, workers' compensation insurance, state disability insurance, unemployment insurance, social security, medical/dental benefits, long term disability and life insurance, and a 401(k) plan. With respect to insurance benefits and the 401(k) plan, please refer to the specific benefits booklets provided to you at the time of your enrollment. Those booklets control in the event of any conflict between the information contained in this Manual and the information contained in the booklets.

The Company may modify or rescind any benefits after providing notice to you. If you have any

questions about your benefits, please consult the Payroll Accountant or HR Administrator.

WAGE REPLACEMENT BENEFITS FOR FAMILY LEAVE

An employee who is off work to care for a child, spouse, parent, or registered domestic partner with a serious health condition, or to bond with a new child, may be eligible to receive benefits through the California "Paid Family Leave" ("PFL") program, which is administered by the Employment Development Department ("EDD").

These benefits are financed solely through employee contributions to the PFL program. That program is solely responsible for determining if an employee is eligible for such benefits. There generally is a waiting period during which no PFL benefits are available. The EDD can provide additional information about any applicable waiting period.

If you have been approved to take time off work to care for a child, spouse, parent, or registered domestic partner with a serious health condition, or to bond with a new child, please advise the Payroll Accountant or HR Administrator, and you will be given information about the PFL program and how to apply for benefits. You also may contact your local EDD.

When an employee applies for PFL benefits, the Company will determine if the employee has any accrued but unused vacation time available. If the employee has accrued but unused vacation time available, then the employee will be required to use up to two (2) weeks of vacation time before becoming eligible for PFL benefits.

HOLIDAYS

All full-time employees who have completed their Introductory Period are entitled to the following paid holidays:

NEW YEAR'S DAY
PRESIDENTS' DAY
MEMORIAL DAY
INDEPENDENCE DAY
LABOR DAY
THANKSGIVING DAY
FRIDAY AFTER THANKSGIVING
CHRISTMAS DAY

The President may also designate the day before or after Christmas or the day before or after New Year's Day as holidays in certain years.

Eligible employees will receive up to eight hours of compensation at their regular rate of pay for each of these holidays. Holidays that fall on a Saturday will be observed the previous Friday; holidays that fall on a Sunday will be observed the following Monday. Employees who are requested to work on one of the holidays specified above will receive an additional day's pay at his or her regular rate of pay (straight-time for non-exempt employees). Employees on a leave of absence are not eligible for holiday pay.

VACATIONS

Vacation time is earned based on length of service with the Company. All regular full-time employees are eligible for vacation benefits.

Vacation Accrual

Employees accrue vacation time pursuant to the following schedule:

<u>Length of Continuous Service</u>	<u>Vacation Accrual</u>	<u>Maximum Accrual</u>
0 - 6 years	10 days/year (6.67 hours per month)	160 hours
7 - 14 years	15 days/year (10 hours per month)	240 hours
15 or more years	20 days/year (13.33 hours per month)	320 hours

After reaching the maximum accrual of vacation days, an employee does not accrue additional vacation days until the employee uses sufficient vacation days to fall below the maximum accrual.

Vacation Scheduling

Employees must schedule vacation time with the approval of their supervisor and in consideration of their project responsibilities. Employees must submit a vacation request form to their supervisor as much in advance as possible.

If a Company-recognized holiday falls during a scheduled vacation, the holiday time off will not be charged against the employee's accrued vacation time.

Absences of Less than a Day

Non-exempt employees who utilize vacation time for absence of less than a day will have pro-rata

deductions made from their vacation leave banks. Exempt employees must use any accrued vacation for partial-day absences not covered by sick leave in excess of four (4) hours.

Checking Voice Mail and E-Mail

We strongly believe employees should devote their vacation time to rest and relaxation. Doing so allows us to recharge our batteries and generally makes for a more productive workforce. Accordingly, employees who are on vacation are not expected to check their voice mail and e-mail.

If You Leave Us

If you leave the Company for any reason, you will be paid for all accrued but unused vacation at your then base rate of pay.

PERSONAL LEAVE OF ABSENCE

In certain situations and at the sole discretion of the Company, a personal leave of absence up to maximum of 30 days may be granted to employees who have completed at least 12 months of continuous service.

A written request for a personal leave of absence must be presented to your supervisor at least eight (8) weeks before the leave is to begin. Your request will be considered on the basis of the reason given, the Company's business requirements, and your overall performance record.

A personal leave is unpaid. However, you will be required to use accrued vacation and sick time during the leave. The substitution of paid leave for unpaid leave will not extend the maximum duration of your leave. You will not accrue vacation or sick time during your personal leave of absence.

During a personal leave, you must pay all health insurance premiums in advance of the leave to continue participating in the Company insurance plans. Failure to pay the premium may result in cessation of coverage when the leave begins, and may subject you to a 60-day waiting period for resuming coverage after returning from leave.

Taking another job while on a personal leave of absence will be considered a voluntary resignation of your employment with the Company.

Failure to return to work on the expiration of your leave will be deemed a voluntary resignation of your employment with the Company.

After the completion of your leave, the Company will attempt to return you to your former position or to place you in a comparable job. If your job has been filled, eliminated, or no comparable job exists, you may, in the Company's discretion, be placed in an existing job for which you are qualified or placed on a preferential recall list.

PAID SICK LEAVE

All regular full-time employees will be eligible for paid sick leave. Eligible employees will receive payment for sick time at their normal base rate of pay.

Sick leave time will accumulate at the rate of 48 hours per year, up to a maximum of 240 hours. You may take up to one-half of your annual accumulated sick leave time to attend to the illness of your spouse, child, parent, domestic partner, or child of your domestic partner.

You must notify your supervisor utilizing the appropriate health leave request form, whether sick time is being taken for your own illness or to attend to the illness of your child, parent, spouse, domestic partner, or child of your domestic partner.

If you are on sick leave for three or more business days, you must present a certificate from your health care provider stating the leave was necessitated by illness or injury, releasing you to return to work, and setting forth any restrictions or limitations on your ability to perform your job. If you are on sick leave for three or more business days to attend to the illness of your child, parent, spouse, registered domestic partner, or child of your registered domestic partner, you must present a certificate from the health care provider of your child, parent, spouse, registered domestic partner, or registered domestic partner's child stating leave was necessitated by the illness or injury of that individual.

Otto Construction will not pay employees for unused sick leave upon termination of employment in any circumstances.

FAMILY AND MEDICAL LEAVE

The Leave Policy. Under the federal Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA), eligible employees may take up to 12 weeks of unpaid Family and Medical Leave within any rolling 12-month period (measured backward from the date of the commencement of any Family and Medical Leave) and be restored to the same or a comparable position upon the employee's return from leave provided: (1) the employee has worked for the Company for at least 12 months, and for at least 1,250 hours in the last 12

months; and (2) the employee is employed at a worksite that has 50 or more employees within a 75-mile radius.

Reasons for Leave. You may take Family and Medical Leave for any of the following reasons: (1) the birth of a child and to care for such child; (2) the placement of a child with you for adoption or foster care and to care for the newly-placed child; (3) to care for a spouse, registered domestic partner, child, child of a registered domestic partner, or parent (“covered relation”) with a serious health condition; or (4) because of your own serious health condition that renders you unable to perform an essential function of your position. Leave because of reasons “1” or “2” must be completed within the 12-month period beginning on the date of birth, adoption, or placement. In addition, spouses employed by the Company who request leave because of reasons “1” or “2” only may take a combined total of 12 weeks leave during any 12-month period.

Notice of Leave. If your need for Family and Medical Leave is foreseeable, you must give the Company at least 30 days’ prior notice of the need for leave, preferably in writing. If this is not possible, you must at least give notice as soon as practicable. Failure to provide such notice may be grounds for delay of leave. Where the need for leave is not foreseeable, you should notify the Company within the time prescribed by the Company’s usual and customary notice practices.

Medical Certification and Recertification. If you are requesting leave because of your own or a covered relation’s serious health condition, you must provide appropriate medical certification from the relevant health care provider within 15 calendar days after you request leave, if practicable. You may obtain medical certification forms from the Payroll Accountant or HR Administrator. If you provide at least 30 days’ notice, you should provide the medical certification before leave begins. Failure to timely provide a complete and clear medical certification may be grounds for delay or denial of leave.

The Company, at its expense, may require an examination by a second health care provider designated by the Company, if it reasonably doubts the medical certification you initially provide for your own serious health condition. If the second health care provider’s opinion conflicts with the original medical certification, the Company, at its expense, may, but is not required to, retain a third, mutually agreeable, health care provider to conduct an examination and provide a final and binding opinion.

The Company may require a new medical certification annually if a serious health condition continues beyond one 12-month leave year, or when otherwise permitted by law. Failure to timely provide (within 15 days if practicable) a complete and clear medical certification may be grounds for delay or denial of leave.

Reporting While on Leave. If you take leave because of your own serious health condition or to

care for a covered family relation, you must contact the Company as directed regarding the status of the condition and your intention to return to work. In addition, you must give reasonable notice if the dates of leave change or are extended or initially were unknown.

Leave is Unpaid. Family and Medical Leave is unpaid leave although you may be eligible for short or long-term disability payments and/or workers' compensation benefits under those insurance plans. You may use accrued, unused paid time off, including vacation and sick time, for unpaid Family and Medical Leave.

The substitution of paid leave for unpaid leave does not extend the maximum 12-week leave period. Further, in no case may the substitution of paid leave for unpaid leave result in you receiving more than 100% of your salary. If you are not eligible to substitute paid leave, you may still be eligible for unpaid Family and Medical Leave.

You will not earn any additional paid time off during the unpaid portion of your leave.

Medical and Other Benefits. For the first 12 weeks of an approved Family and Medical Leave, the Company will maintain your health benefits as if you continued to be actively employed. If you take a leave for disability caused by pregnancy, childbirth, or a related medical condition and follow that leave with "bonding" leave to care for your newborn child, your leave may exceed 12 weeks, but the Company will only pay for medical benefits for the first 12 weeks you are on leave. If paid leave is substituted for unpaid Family and Medical Leave, the Company will deduct your portion of the health plan premium as a regular payroll deduction. If your leave is unpaid, you must pay your portion of the premium as directed by the Company. Your health care coverage will cease if your premium payment is more than 30 days late. If your payment is more than 30 days late, we will send you a letter to this effect. If we do not receive your co-payment within 15 days of that letter, your coverage may cease. If you elect not to return to work for at least 30 calendar days at the end of the leave period, you may be required to reimburse the Company for the cost of the health benefit premiums paid by the Company for maintaining coverage during your unpaid leave, unless you cannot return to work because of a serious health condition or other circumstances beyond your control.

Intermittent and Reduced Schedule Leave. Leave because of a serious health condition, including pregnancy-related disabilities, may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced-leave schedule (reducing the usual number of hours you work per workweek or workday) if there is a medical need for the leave, and if that need can be best accommodated through an intermittent or reduced leave schedule. Employees also may be eligible for certain intermittent leave for birth or placement of a child ("bonding"). The minimum duration of such leave is two (2) weeks. However, the Company

will grant a request for a leave of less than two (2) weeks' duration for this reason on any two (2) occasions.

For salaried employees, if leave is unpaid, the Company may reduce your salary based on the amount of time actually worked. In addition, while you are on an intermittent or reduced leave schedule, the Company may temporarily transfer you to an available alternative position that better accommodates your recurring leave and has equivalent pay and benefits.

Returning from Leave. If you take leave because of your own serious health condition (except if you are taking intermittent leave), you cannot return to work until you present the Company with a return-to-work/fitness-for-duty medical certification form from your health care provider that states you are fit to return to work and listing any limitations or restrictions on your ability to perform the essential functions of your former position. You may obtain return-to-work medical certification forms from the Payroll Accountant or HR Administrator. No employee will be permitted to resume work until a return-to-work/fitness-for-duty medical certification form is provided.

Under most circumstances, an employee who returns from a Family and Medical Leave will be reinstated to his or her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, you have no greater right to reinstatement than if you had been continuously employed rather than on leave. In addition, if you do not return to work you are not entitled to an accrual of seniority or employment benefits that may have occurred during a leave period.

Extended Leave for Serious Health Condition. Leave taken because of your own serious health condition may be extended upon: (1) written request to the Company; (2) proof that the serious health condition has continued; and (3) approval by the Company. If you do not return to work on the originally-scheduled return date or request in advance an extension of the agreed upon leave with appropriate documentation, you may be deemed to have voluntarily resigned your employment with the Company. If you request an extension of your leave beyond the initial 12-week period, you must submit medical certification of your continued serious health condition in advance for each month the leave is extended. Reinstatement is not guaranteed on an extended leave and will depend on Company needs.

No Work While on Leave. Taking another job while on Family and Medical Leave or any other authorized leave of absence may be considered a voluntary resignation of your employment with the Company.

SERVICEMEMBER FAMILY AND MEDICAL LEAVE

The federal Family and Medical Leave Act provides eligible employees time off from work for a covered family member's service in the Armed Forces ("Servicemember FMLA").

This policy supplements our current "Family and Medical Leave" policy and provides general notice of your rights to Servicemember FMLA. Except as mentioned below, your rights and obligations with respect to Servicemember FMLA are governed by our existing "Family and Medical Leave" policy to the extent they are applicable.

Leave Entitlement. Servicemember FMLA provides eligible employees unpaid leave for either of the following reasons:

(1) Qualifying Exigency. A "qualifying exigency" arising out of a spouse, parent or child's active duty or call to active duty in support of a contingency operation as a member of the reserve components of the Army National Guard of the United States, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard of the United States, Air Force Reserve, Coast Guard Reserve, or a retired member of the Regular Armed Forces or Reserve. An eligible employee may take FMLA leave for any of the following "qualifying exigencies": (a) short-notice deployment (fewer than seven (7) days' notice), (b) military events and related activities, (c) childcare and school activities, (d) financial and legal arrangements, (e) counseling, (f) rest and recuperation, (g) post-deployment activities, and (h) other additional activities to address events that arise out of the covered military member's active duty or call to active duty. Please consult with the HR Administrator for additional information about what qualifies under this section.

(2) To Care for a Covered Servicemember. To care for a spouse, parent, child or next of kin who has suffered an injury or illness in the line of duty while on active duty (including being on the temporary disability retired list) in the Armed Forces, including the National Guard or Reserves, provided that such injury or illness renders the family member medically unfit to perform duties of the member's office, grade, rank or rating.

Duration of Servicemember FMLA. When leave is due to a "qualifying exigency", an eligible employee may take up to 12 workweeks of leave during any 12-month period. However, unless another covered reason applies, leave because of "short-notice" deployment may not exceed seven (7) calendar days, beginning on the date a covered military member is notified of an impending call or order to active duty in support of a contingency operation.

When leave is to care for an injured or ill servicemember, an eligible employee may take up to 26 workweeks of leave during a single 12-month period to care for each injured or ill servicemember and/or injury or illness. The 12-month period begins on the first day of leave. Leave to care for an injured or ill servicemember, when combined with other Family and Medical-qualifying leave, may not exceed 26 weeks in a single 12-month period. If an employee is eligible for leave to care for more than one servicemember or because of more than one injury or illness to the same servicemember within the same single 12-month period, the employee is limited to a total of 26 workweeks during that 12-month period. Any portion of the 26 workweeks of leave remaining at the end of the single 12-month period is forfeited.

If you and your spouse both work for the Company, your combined leave is limited to 26 weeks in a 12-month period.

Servicemember FMLA runs concurrent with other leave entitlements provided under federal, state and local law. If leave to care for a covered servicemember is taken concurrently with leave for another FMLA-qualifying reason, the leave will first be designated as servicemember leave.

Notice of Need for Servicemember FMLA. You must provide as much advance notice as practicable of your need for Servicemember FMLA. If the leave is for the planned medical treatment of a covered servicemember, you must provide 30 days' advance notice, unless notice is not practicable. If 30 days' notice is not practicable, you must provide notice as soon as is practicable.

Certification. If you are requesting leave for a "qualifying exigency," the Company may require you to provide a copy of the covered servicemember's active duty orders or other documentation verifying the covered servicemember is on active duty or has been called to active duty to support a contingency operation, and the dates of active service. The Company may also require you to provide a certification verifying eligibility for leave.

If you are requesting leave to care for a covered servicemember, the Company may require you to provide a medical certification from an authorized health care provider verifying certain information regarding the covered servicemember and his or her injury or illness. For purposes of this certification, the term "health care provider" includes: (a) a United States Department of Defense health care provider; (b) a United States Department of Veterans Affairs health care provider; (c) a United States Department of Defense TRICARE network authorized private health care provider; or (d) a United States Department of Defense non-network TRICARE authorized health care provider.

Verification. If you request leave because of a “qualifying exigency,” the Company may contact the Department of Defense to verify the covered servicemember is on or has been called to duty. Additionally, if you are taking leave to meet with a third party, the Company may contact the third party to verify the meeting and its purpose.

MEDICAL LEAVE OF ABSENCE OTHER THAN FAMILY & MEDICAL LEAVE

If you are not eligible for Family and Medical Leave or have exhausted your Family and Medical Leave entitlement, or as otherwise required by law, the Company may provide an unpaid medical leave of absence due to illness or injury.

If you are unable to work due to illness or injury, you should give written notice of your illness or injury to your supervisor as soon as possible. Requests for leaves for elective surgery should be submitted at least 30 days in advance. Leave requests must include a certificate from a health care provider stating the date on which the inability to work began, the probable duration of the need for leave, a statement that you are unable to work at all or are unable to perform one or more of the essential functions of your position with or without reasonable accommodation and the expected date of return to work.

You must use any accrued paid time off, including vacation and sick time, during your leave. The substitution of paid leave for unpaid leave will not extend the maximum duration of your leave. We encourage you to contact the Employment Development Department regarding your eligibility for state disability insurance for the unpaid portion of your leave.

Under the law, eligibility for employer paid health and dental insurance benefits cease during a leave under this policy. Accordingly, you must pay your portion of the medical and dental premiums in advance of a leave of absence granted under this policy if you choose to receive such benefits during the leave. Employees will receive notice of their right to continue their benefits through COBRA.

The leave of absence will be for a period of up to one month, unless otherwise required by law.

When you are able to return to work, you should give the Company at least one week’s notice by sending your supervisor a certificate from your health care provider stating that you are physically able to return to your duties with or without accommodation. This notice is important so your return to work is properly scheduled.

We will make reasonable efforts to return you to the same or similar job and at the same rate of pay held prior to the leave of absence, subject to operational requirements that may exist. If you do not return to work on the originally scheduled return date or request in advance an extension of the agreed upon leave with appropriate medical documentation, you may be deemed to have voluntarily resigned your employment with the Company.

In addition, failure to notify the Company of your availability for work when it occurs, failure to return to work when called by the Company and medically able to do so, or your continued absence from work because your leave must extend beyond the maximum time allowed, may be deemed a voluntary resignation of your employment with the Company.

PREGNANCY DISABILITY LEAVE

If you are disabled by pregnancy, childbirth or related medical conditions, you are eligible to take a pregnancy disability leave ("PDL"). If you are affected by pregnancy or a related medical condition, you are also eligible to transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, if such a transfer is medically advisable and can be reasonably accommodated. In addition, if it is medically advisable for you to take intermittent leave or work a reduced leave schedule, the Company may require you to transfer temporarily to an alternative position with equivalent pay and benefits that can better accommodate recurring periods of leave.

The PDL is for any period(s) of actual disability caused by your pregnancy, childbirth, or related medical condition up to a maximum of four months (or 88 work days for a full-time employee) per pregnancy. The PDL does not need to be taken in one continuous period of time, but can be taken on an as-needed basis. Time off needed for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth is covered by PDL. Generally, we treat your pregnancy disability the same as we treat other disabilities of similarly-situated employees.

You are required to obtain a certification from your health care provider of your pregnancy disability or the medical advisability of a transfer. The certification should include: (1) the date on which you became disabled due to pregnancy or the date of the medical advisability of a transfer; (2) the probable duration of the period(s) of disability or the period(s) for the advisability of a transfer; and (3) a statement that, due to the disability, you are either unable to work at all or to perform any one or more of the essential functions of your position without undue risk to yourself or to other persons or a statement that, due to your pregnancy, a transfer to a less strenuous or hazardous position or duties is medically advisable.

As a condition of your return from PDL, or transfer, the Company requires you to obtain a release to return to work from your health care provider stating you are able to resume your original job duties.

You may be required to use accrued sick time, and you may elect to use accrued vacation as part of your PDL before taking the remainder of your leave on an unpaid basis. The substitution of any paid leave will not extend the duration of your PDL.

We encourage you to contact the Employment Development Department regarding your eligibility for state disability insurance for the unpaid portion of your leave.

If you do not return to work on the originally scheduled return date or request in advance an extension of the agreed upon leave with appropriate medical documentation, you may be deemed to have voluntarily resigned your employment with the Company. Failure to notify the Company of your ability to return to work when it occurs, or your continued absence from work because your leave must extend beyond the maximum time allowed, may be deemed a voluntary resignation of your employment with the Company, unless you are entitled to Family and Medical Leave. Upon your return from PDL, you will be reinstated to your same position in most instances.

Taking a PDL may impact certain benefits and your seniority date. If you require more information regarding your eligibility for a leave and the impact of the leave on your seniority and benefits, please contact the Payroll Accountant or HR Administrator.

Any request for leave after your disability has ended will be treated as a request for Family and Medical Leave under the California Family Rights Act and the federal Family and Medical Leave Act, if you are eligible for such leave. Please refer to the "Family and Medical Leave" policy in this Manual for additional information.

REHABILITATION LEAVE

Our Company is committed to providing assistance to our employees to overcome substance abuse problems. We will reasonably accommodate any employee who wishes to voluntarily enter and participate in an alcohol and/or drug rehabilitation program. This accommodation may include time off without pay and/or an adjusted work schedule (unless otherwise required by law), provided the accommodation does not impose an undue hardship on the Company.

You may use accumulated sick leave for this purpose. You should notify your department head if

you need such an accommodation. A leave of absence under this policy will be subject to the same provisions and rules as apply to medical leaves of absence.

The Company will take reasonable steps to safeguard your privacy with respect to the fact that you are enrolled in an alcohol or drug rehabilitation program.

LITERACY ASSISTANCE

Our Company is committed to providing assistance to employees who require time off to participate in an adult education program for literacy assistance. We will reasonably accommodate any employee who wishes to participate in an adult literacy program. This accommodation may include an adjusted work schedule or time off without pay (unless otherwise required by law), provided the accommodation does not impose an undue hardship on the Company.

You may use any accrued paid time off while on leave under this policy. However, you will not earn any additional time off during the unpaid portion of your leave.

You should notify your supervisor if you need time to request an accommodation under this policy.

The Company will take reasonable steps to safeguard your privacy with respect to the fact that you are enrolled in an adult education program.

TIME OFF FOR VOTING

In the event you do not have sufficient time outside of working hours to vote in a statewide election, you may take off enough working time to vote. This time off should be taken at the beginning or end of the regular work schedule. You will be allowed a maximum of two hours without loss of pay. You should notify your supervisor at least two days prior to voting day if you require time off for this purpose.

TIME OFF FOR SCHOOL ACTIVITIES

Parents, guardians, or grandparents having custody of school children from kindergarten through Grade 12, or who attend licensed child daycare facilities, are provided unpaid time off to participate in school or day care activities up to a maximum of 40 hours per year (no more than eight hours in any one month). The Company may require proof that you participated in the school activities. You also will be required

to use accrued vacation time or take unpaid time off for this purpose. You must give reasonable notice to your supervisor or manager before taking any time off for school activities.

TIME OFF FOR SCHOOL- RELATED SUSPENSION

Parents or guardians of school children who have been suspended from public school are allowed to take unpaid time off for a portion of the school day to appear in the school of the pupil pursuant to a request from the school. You may use any accrued vacation for this purpose. You must give reasonable notice to your supervisor or manager before taking any time off under this policy.

TIME OFF FOR VICTIMS OF SEXUAL ASSAULT OR DOMESTIC VIOLENCE

Victims of sexual assault or domestic violence may take time off work to obtain help from a court, seek medical attention, obtain services from an appropriate shelter, program, or crisis center, obtain psychological counseling, or participate in safety planning, such as permanent or temporary relocation. The Company may require proof of an employee's participation in these activities.

You may use any accrued paid time off for this purpose. You must give reasonable notice to your supervisor or manager before taking any time off under this policy. Leave for this purpose does not extend the time allowable under the "Family and Medical Leave" policy contained in this Manual.

TIME OFF FOR CRIME VICTIMS

Employees who have been victims of serious or violent felonies, as specified under California law, or felonies relating to theft or embezzlement, may take time off work to attend judicial proceedings related to the crime. Employees may also take time off if an immediate family member, registered domestic partner or registered domestic partner's child has been a victim of such crimes and the employee needs to attend judicial proceedings related to the crime. "Immediate family member" is defined as spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

You may use any accrued paid time off for this purpose.

If you want to take time off under this policy, you must give your supervisor a copy of the notice given to the victim of each scheduled proceeding before taking time off, unless advance notice to the Company of the need for time off is not feasible. When advance notice is not feasible, you must provide the Company with documentation evidencing the judicial proceeding, within a reasonable time after the absence. The

documentation may be from the court or government agency setting the hearing, the district attorney or prosecuting attorney's office, or the victim/witness office that is advocating on behalf of the victim.

TIME OFF FOR EMERGENCY DUTY PERSONNEL

Employees who work as volunteer firefighters, reserve peace officers, or emergency rescue personnel may take unpaid time off work to perform emergency duties. Employees who work as Emergency Duty Personnel also are permitted unpaid time off, not to exceed 14 days per calendar year, for the purpose of engaging in fire or law enforcement training.

You may use accrued paid vacation time for this purpose. If you would like to request time off under this policy, you should notify your direct supervisor immediately after the need for the leave becomes known.

MILITARY LEAVE

Employees called to active duty in the U.S. military or California National Guard are eligible for an unpaid military leave of absence in accordance with state and federal law.

Present your supervisor with a copy of your service papers as soon as you receive them. During your absence, your length of service accumulates, and your benefits will continue as required by applicable law. Upon application within the appropriate time period after your date of discharge from military service, you will receive the then-current rate of pay and the then-current benefits.

If you are required to attend yearly Reserves or National Guard duty, you can apply for an unpaid temporary military leave of absence not to exceed 17 calendar days (plus reasonable travel time), except in the event of an emergency or in extenuating circumstances. However, if you prefer, you may use your earned vacation time for this purpose. You should give your supervisor as much advance notice as possible of the need so that the Company may arrange for appropriate coverage in your absence.

LEAVE FOR SPOUSES OF ACTIVE MILITARY PERSONNEL

Employees who work a minimum of 20 hours per week may take up to 10 days of unpaid time off to spend time with a spouse or registered domestic partner who is a qualified member of the armed forces, National Guard, or reserves, and who is granted leave from deployment during a period of military conflict.

You may use any accrued paid time off for this purpose. If you would like to request time off under this policy, you should notify your direct supervisor within two days of receiving notice your spouse or registered

domestic partner will be on leave.

BEREAVEMENT LEAVE

We know the death of a family member is a time when you will want to be with the rest of your family. Should you lose a member of your immediate family, you will be allowed time off to help you attend to your obligations and commitments. Up to three days off with pay will be granted by your supervisor as the location of the funeral and closeness of the relationship dictates.

“Immediate family” includes spouse, registered domestic partner, child, parent, sister, brother, grandparents, mother-in-law, father-in-law, step-parents, and step-child, and other persons who are part of the employee's household.

If you are on vacation or a leave of absence, you are not entitled to bereavement leave.

The Company may require verification of death.

JURY DUTY LEAVE

We think it is your civic duty to serve on a jury panel. For this reason, you will be granted a temporary leave of absence if you are called for jury duty. Regular full-time non-exempt employees who have completed 90 days of continuous service will be paid the difference between regular straight-time pay and the jury pay for each day of work missed due to jury duty up to a maximum of 10 working days in any calendar year. If you are an exempt employee you will be paid your full salary for any workweek interrupted by the need for time off under this policy.

You must present your jury summons to your supervisor as soon as you receive it. Of course, you are expected to report for work during hours or days your presence is not required on the jury panel. An employee who does not report to work when available may not receive pay for the day.

WITNESS LEAVE

If you are required by law to appear in court as a witness, you may take time off for such purpose provided you have given the Company reasonable advance notice. The time off will be unpaid unless otherwise required by law.

SUBSTANCE AND DRUG-FREE WORKPLACE POLICY

I. STATEMENT OF PURPOSE

The Company has a vital interest in ensuring a safe, healthy and efficient working environment for our employees and customers. The unlawful or improper use of controlled substances or alcohol in the workplace presents a danger to everyone. For these reasons, we have established as a condition of employment the following Substance Abuse policy (the "policy"). Drug and/or alcohol testing is an integral part of our policy.

This policy applies to all employees of the Company except employees who hold driver positions that are subject to the drug and alcohol testing requirements of the U.S. Department of Transportation, Federal Motor Carrier Safety Administration.

Questions regarding the meaning or application of this policy should be directed to the Company's Safety & Risk Manager.

II. DEFINITIONS

"Illegal drugs" means any controlled substance or drug, the sale, possession or use of which is prohibited under state or federal law. It includes marijuana, cocaine, opiates, amphetamines, phencyclidine ("PCP") and their metabolites and any other substance listed in Schedules I through V of the Controlled Substance Act, 21 U.S.C. section 812, as may be revised from time to time. The term also includes prescription drugs not being used in the manner, combination or quantity prescribed, over-the-counter medications used other than as directed by the package instructions or as directed by a physician, so-called designer, look-alike synthetic drugs, and solvents, glue, inhalants or patches used as an intoxicant, even if the possession of such substances are not specifically prohibited by state or federal law.

"Legal drugs" means prescription drugs and over-the-counter drugs that have been legally obtained and are only being used in the manner, combination or quantity for which they were prescribed or manufactured.

"Under the influence" means that the employee is affected by a drug or alcohol, or any combination of a drug or alcohol, in any detectable manner. The symptoms of influence are not confined to those consistent with misbehavior, but include impairment of physical or mental ability, such as slurred speech or difficulty in maintaining balance.

“Under the influence” of a drug includes a confirmed positive test indicating the presence of a drug or its metabolites in amounts above the cut-off level established by the laboratory pursuant to the policies of the U.S. Department of Health and Human Services and in accordance with applicable local or state law. Under the influence of alcohol includes a confirmed alcohol concentration of 0.04 or higher.

III. PROHIBITED CONDUCT

A. Possession, Use or Sale of Drugs or Alcohol

1. Illegal Drugs

Possession, use, being under the influence, sale, purchase, transfer or delivery of an illegal drug during work hours (including meal and break periods), while on Company premises or while engaged in Company business is prohibited. Reporting to work or remaining at work while under the influence of an illegal drug also is prohibited.

2. Alcohol

The unauthorized possession, use or being under the influence of alcohol during working hours (including meal and break periods), while on Company premises or while engaged in Company business is prohibited. Reporting to work or remaining at work with an alcohol concentration of 0.04 or greater also is prohibited. The only exception to this rule is the possession or use of alcohol as part of an authorized Company-sponsored function or activity, provided that such use is in moderation.

3. Legal Drugs

The Company recognizes that an employee may need to use legal drugs from time to time for medical reasons. The possession or use of legal drugs during working hours, while on Company premises or while engaged in Company business is permitted, provided such use does not affect the safety of the employee, co-workers, customers or the public, or the employee’s job performance or the safe or efficient operation of Company facilities, equipment and vehicles.

An employee using a legal drug has an obligation to inquire and determine whether the legal drug he or she is taking may or will affect his or her ability to safely and efficiently perform his or her job duties. If the employee is using a legal drug at the direction of a physician, dentist or other licensed practitioner, the employee is required to obtain a written statement of any work related restrictions. Any such restrictions must

be reported to the Safety & Risk Manager prior to commencing work while using any legal drug. An employee may continue to work while using a legal drug if the Safety & Risk Manager determines that the employee does not pose a threat to his or her own safety or the safety of co-workers, customers, or the public or that the employee's job performance will not be significantly affected by the legal drug. Otherwise, the employee may be required to take a leave of absence or comply with other appropriate action determined by the Safety & Risk Manager, such as a reassignment of duties.

Any employee who is unable to work due to the affects of legal drugs may use accrued sick leave for any such absence. Nothing in this policy is intended to sanction the use of accrued sick leave to accommodate absences due to the abuse of legal drugs. Further, nothing in this policy is intended to diminish the Company's commitment to employ and reasonably accommodate qualified disabled individuals.

B. Off-duty Possession or Use of Drugs and/or Alcohol

Off-duty possession or use of illegal drugs and/or alcohol also is prohibited to the extent such possession or use may adversely affect the Company's legitimate interests or the ability of the employee to safely or efficiently perform his or her job duties.

Nothing in this policy is intended to prohibit the customary and ordinary purchase, sale, use, possession, or dispensation of over-the-counter drugs, so long as that activity does not violate any law or result in an employee being impaired by the use of such drugs in violation of this policy.

Unless an employee is in a designated safety-sensitive position, this policy is not intended to regulate off-the-job conduct, so long as the employee's off-the-job use of alcohol or drugs does not result in the employee being under the influence of or impaired by the use of alcohol or drugs in violation of this policy.

C. Co-Worker Obligations

Any employee who observes or has personal knowledge that another employee is under the influence, using or possessing drugs or alcohol in violation of this policy must promptly report such information to his or her immediate supervisor.

D. Effect of Criminal Conviction

Employees must notify the Company of any conviction under a criminal drug statute for a violation occurring in the workplace or during any Company-related activity or event. Employees must notify the

Company within five days after any such conviction. When required by federal law, the Company will notify any federal agency with which it has a contract of any employee who has been convicted under a criminal drug statute for a violation occurring in the workplace. Any employee who is convicted under a criminal drug statute for a violation occurring in the workplace or during any Company-related activity or event will be deemed to have violated this policy.

IV. DRUG AND ALCOHOL TESTING

A. Drug Testing of Applicants

All applicants who have been extended a conditional offer of employment are required to submit to a pre-employment drug test and must receive a negative result as a condition of employment. Such a test will be conducted prior to the first time the individual performs any of his or her job duties. If the field drug test is positive, the applicant may be sent to a medical facility for a urinalysis. Failure to receive a negative test result will result in the revocation of any job offer that has been extended to the applicant. Such applicants may re-apply for employment after they are no longer engaging in the use of illegal drugs.

B. Drug and/or Alcohol Testing of Employees

The Company may require a fitness-for-duty examination and/or urinalysis, breathalyzer test or other drug/alcohol tests as follows:

1. When there is “reasonable suspicion” that the employee is using or is under the influence of drugs or alcohol in violation of this policy. The Company’s “reasonable suspicion” determination will be based on specific, current observations that can be verbalized, including but not limited to the employee’s appearance, behavior, speech, or body odors. “Reasonable suspicion” determinations will be made by supervisory personnel who have received training on the signs and symptoms of alcohol misuse and drug use.

2. Whenever there is “reasonable suspicion” that the employee is using or is under the influence of drugs or alcohol in violation of this policy, and the employee causes or contributes to a work-related accident which results in one or more of the following: (i) a fatality; (ii) bodily injury to any individual who, as a result of the accident, requires immediate medical treatment (excluding first aid) at or away from the scene of the accident; (iii) damage to Company property or to the property of a customer; or (iv) in the case of a vehicle accident, one or more vehicles involved in the accident incurs disabling damage as a result of the accident, requiring the vehicle(s) to be transported away from the scene by another vehicle.

3. For employees in safety-sensitive positions, the Company may conduct random drug and alcohol tests. When random testing does occur, the tests conducted will be unannounced ahead of time and the dates of such tests will be spread out reasonably throughout the calendar year. Employees who will be subject to random testing will be put into one or more random selection pools and will be selected for testing using a scientifically-valid random selection process that ensures that each employee in the selection pool has an equal chance of being selected each time a selection is conducted. Appropriate safeguards will be used to ensure that the identity of individual employees who could be selected cannot be determined until after an employee is actually selected. Whenever an employee is notified of his or her selection, the employee must proceed to the test site immediately and no employee will be excused.

4. As part of returning to work and periodic follow-up, drug and alcohol testing of an employee who has been found to have violated this policy and permitted to remain employed may be required. Such testing will be conducted in accordance with the applicable "Last Chance Agreement." (See Section V.A.1. below)

C. Drug and Alcohol Testing Procedures

Except as may be otherwise required by applicable state or local law and to the extent practical, the Company will utilize the Federal Procedures For Transportation Workplace Drug and Alcohol Testing Programs, 49 C.F.R. Part 40, as amended, as a policy for all drug and alcohol tests. These procedures ensure the integrity, confidentiality and reliability of the testing processes, safeguard the validity of the test results and ensure that these results are attributed to the correct individual. Further, these procedures minimize the impact on the privacy and dignity of persons undergoing such tests to every extent feasible. (A copy of the Federal Procedures and any applicable state or local laws is available for review upon request to the Safety & Risk Manager.) A summary of the Company's testing procedures is set forth in the Summary of Procedures for Testing Employees and Applicants.

D. Acknowledgment and Consent

Any employee subject to testing under this policy will be asked to sign a form acknowledging the procedures governing testing, and consenting to (1) the collection of a urine sample for the purpose of determining the presence of alcohol or drugs, and (2) the release to the Company of medical information regarding the test results. Refusal to sign the agreement and consent form, or to submit to the drug test, will result in the revocation of an applicant's job offer, or will subject an employee to discipline up to and including termination.

E. Confidentiality

All drug testing-records will be treated as confidential.

V. CONSEQUENCES OF REFUSAL TO SUBMIT TO TESTING AND POLICY VIOLATIONS

A. Positive Test Results

Any applicant who receives a verified positive drug or a confirmed positive alcohol test result will be ineligible for employment with the Company.

Any employee who receives a verified positive drug test or a confirmed positive alcohol test will be subject to discipline, up to and including termination. In lieu of termination, the Company retains the discretion to offer an employee who has tested positive the opportunity to be evaluated and to participate in rehabilitation, if necessary, as described below:

1. Except as provided in subparagraph 2 of this section, and in the discretion of the Company, the employee may not be terminated and may be given an opportunity to sign and comply with the Company's "Last Chance Agreement." This agreement provides an employee with the opportunity to be evaluated for a drug and/or alcohol problem by a substance abuse professional and, if determined to be necessary by the evaluating substance abuse professional, to participate in a counseling, treatment or rehabilitation program, whichever is determined to be more appropriate by the substance abuse professional. Unless covered through the employee's medical plan, the cost of the evaluation and any counseling, treatment or rehabilitation will be paid at the employee's own expense. The employee also will be subject to a return-to-duty drug and/or alcohol test, and follow-up testing, if recommended by the substance abuse professional.

2. However, an employee who tests positive for the first time will be terminated, if the employee: (i) refuses to sign the "Last Chance Agreement"; (ii) refuses or fails to be evaluated by a substance abuse professional; (iii) refuses to participate in the counseling, treatment or rehabilitation program recommended by the substance abuse professional; or (iv) fails to successfully complete the program, as evidenced by, for example, the employee's withdrawal from the program before its completion, or by a positive test result during or after the completion of the program.

3. Any employee, who, after entering into a "Last Chance Agreement," receives a verified positive drug test, or a confirmed positive alcohol test result of 0.04 or greater, will be terminated from employment.

4. Any employee who receives a verified positive drug test, or a confirmed positive alcohol test result of 0.04 or greater, for the second time, will be terminated from employment.

B. Refusal to Submit

An applicant or employee who engages in any of the following conduct will be considered to have refused to submit to a test: (1) refusing or failing to appear for any substance abuse test within a specified time, as determined by the Company, after being directed to do so by the Company; (2) failing to remain at the testing site until the testing process is complete; (3) refusing or failing to provide a urine specimen, or breath or saliva specimen for testing; (4) failing to provide a sufficient amount of urine or breath for testing when directed, without an adequate medical explanation; (5) failing to undergo a medical examination or evaluation as directed; (6) adulterating or substituting a urine sample, or attempting to adulterate or substitute a urine sample; (7) in the case of a directly observed or monitored collection in a drug test, failing to permit the observation or monitoring of the provision of a urine specimen; (8) refusing or failing to notify the Company promptly that the employee was involved in a work-related accident (as defined in Section IV.A.2 of this policy), without a valid excuse; (9) failure to consent to the release of a drug or alcohol test result taken by a third party such as the police or a hospital; or, (10) failing to cooperate with any part of the testing process such as by delaying the collection, testing or verification process or otherwise engaging in conduct that clearly obstructs or manipulates, or attempts to obstruct or manipulate, the testing process.

Any applicant who refuses to submit to testing will be ineligible for employment.

Any employee who refuses to submit to testing will be subject to discipline, up to and including termination.

C. Effect of Termination on Eligibility for Rehire

Employees who are terminated for a violation of this policy will not be eligible for rehire by the Company.

VI. SELF-IDENTIFICATION OF SUBSTANCE ABUSE PROBLEM

The Company encourages employees who have or are developing a substance abuse problem to contact the HR Administrator who will determine whether the Company can accommodate the employee by providing unpaid leave for the time necessary to complete participation in an assistance program. No employee who requests assistance for his or her substance abuse problem will be disciplined as a result of making a request. However, employees should be aware that participation in a rehabilitation program will not necessarily

shield them from disciplinary action for a violation of this policy, particularly if discipline is imposed for a violation occurring before the employee seeks assistance. Nor may any employee use this self-identification opportunity to avoid or refuse taking a test required under this policy.

The cost of any evaluation, counseling, treatment or rehabilitation program is the employee's responsibility to the extent not covered under the employee's medical insurance. (For further details, contact the Company's HR Administrator.)

Disclosures made by employees to the HR Administrator concerning their participation in any drug or alcohol rehabilitation program will be treated as confidentially as possible.

CONFIDENTIALITY

As part of your responsibilities at Otto Construction, you may learn of or be entrusted with sensitive information of a confidential nature. During your employment, any information, including, but not limited to, sales figures or projections; estimates; customer lists, customer purchasing habits, customer delivery preferences; computer processes, programs and codes; marketing methods, programs or related data; tax records; personnel history or actions; or accounting procedures, will be considered and kept as the private and confidential records of the Company. These records may only be used in performing work for the Company and must not be divulged to any firm, individual, or institution except on the direct written authorization of the President. Your failure to honor this confidentiality requirement may result in disciplinary action, up to and including termination.

If you leave employment with the Company for any reason, we ask that you continue to treat as private and privileged any such sensitive information. You should not use, divulge, or communicate to any person or entity any such sensitive information without the express written approval of the President. The Company will pursue legal remedies for unauthorized use or disclosures of sensitive, confidential information.

CONFLICT OF INTEREST

Otto Construction expects its employees to devote their full work time, energies, abilities, and attention to our business. Employees are expected to avoid situations that create an actual or potential conflict between the employee's personal interests and the interests of the Company. Employees who, because of other work or activities, cannot make this commitment may be asked to end their employment the Company.

A conflict of interest exists when an employee's loyalties or actions are divided between the

Company and a competitor, supplier, or customer. Employees who are unsure whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss the situation with their supervisor or a member of management for clarification. Any exceptions to this policy must be approved in writing by the President.

Some examples of the more common conflicts that should be avoided by all employees include, but are not limited to:

1. Accepting and/or soliciting personal gifts or entertainment from clients, competitors, customers, suppliers, or potential suppliers (unless approved by your supervisor).
2. Working for a client, competitor, supplier, or customer while employed by the Company.
3. Engaging in self-employment in competition with the Company.
4. Using proprietary or confidential Company information for personal gain or to the Company's detriment.
5. Having a direct or indirect financial interest in or relationship with a competitor, customer, or supplier.
6. Acquiring any interest in property or assets of any kind for the purpose of selling or leasing it to the Company.
7. Committing the Company to give its financial or other support to any outside activity or organization without written authorization of the President.

Failure to adhere to this policy, including failure to disclose any conflict or seek an exception to this policy, may result in disciplinary action, up to and including termination.

ELECTRONIC COMMUNICATIONS POLICY

The Company's voicemail and e-mail systems are provided to employees by the Company and are intended primarily for business use. Access to the Internet through the Company's computer systems is also intended primarily for business use.

The Company may access its electronic communications systems and obtain the communications within the systems without notice to users of the system in the ordinary course of business when the Company deems it appropriate to do so. The reasons for which the Company may obtain such access include, but are not limited to: maintaining the system, preventing or investigating allegations of system abuse or misuse, ensuring compliance with software copyright laws, complying with legal and regulatory requests for information, and ensuring the Company's operations continue appropriately during an employee's absence.

The Company may store electronic communications on magnetic media for a period of time after the communication is created. From time-to-time, magnetic media copies of communications may be deleted.

The Company's policy prohibiting all types of harassment applies to the use of the Company's electronic communications systems, including Internet access. No one may use electronic communications in a manner that may be construed by others as harassment based on race, national origin, sex, sexual orientation, gender identity, age, disability, religious beliefs or any other characteristic protected by federal, state or local law.

Because the Company's electronic communications systems are intended primarily for business use, these systems may not be used to solicit for commercial activity unrelated to the business of the Company. Any personal use of the Company's electronic communications systems must be limited to employees' non-work time and comply with all the provisions of this policy.

No one may access, or attempt to obtain access, to another individual's electronic communications without appropriate authorization.

PERSONAL VISITS, TELEPHONE CALLS, AND MAIL

Due to the nature of our business, personal visits during your work hours should be minimized. Employees must not bring their children or pets to work during their work hours. Likewise, personal telephone calls are discouraged. Personal mail should be directed to your home and not to the Company.

PERSONAL BELONGINGS

The Company will not be responsible or liable for any personal property of an individual that is lost, stolen, or damaged. The responsibility for safeguarding, replacing, or repairing personal property lost, stolen,

or damaged while on Company premises or in a Company-owned vehicle is that of the employee. Consequently, we encourage employees not to bring personal property to work.

BULLETIN BOARDS

Important Company notices and items of general interest are continually posted on our bulletin boards. Please review the bulletin boards frequently to keep up with current activities. Do not post or remove any material from the bulletin boards.

SAFETY

Your safety, and that of those who work with you, is one of our greatest concerns. With an alert safety attitude, you can help eliminate painful and costly accidents. You can help by:

- Keeping work areas clean and clear.
- Reporting hazards or unsafe conditions to your supervisor.
- No smoking inside or immediately outside the building.
- Reporting all injuries, however minor, to your supervisor immediately.
- Walking and not running in all buildings.
- Keeping aisles clear.
- Never performing a job that you feel is unsafe. Report such situations to your supervisor immediately.

Your supervisor will inform you of any additional safety rules that apply to your particular job or work location.

WORKPLACE VIOLENCE PREVENTION

We are strongly committed to providing a safe workplace. The purpose of this policy is to minimize the risk of personal injury to employees and damage to Company property. We specifically discourage you from engaging in any physical confrontation with a violent or potentially violent individual. However, we do expect and encourage you to exercise reasonable judgment in identifying potentially dangerous situations and

informing management accordingly.

Threats, threatening or foul language, or any other acts of aggression or violence made toward or by any Company employee will not be tolerated. For purposes of this policy, a threat includes any verbal or physical harassment or abuse, attempts to intimidate or to instill fear in others, menacing gestures, bringing weapons to the workplace, stalking, or any other hostile, aggressive, injurious and/or destructive actions undertaken for the purpose of domination or intimidation.

All potentially dangerous situations including threats by co-workers should be reported immediately to your supervisor or to any other member of management with whom you feel comfortable. Reports of threats may be made anonymously. All threats will be promptly investigated. No employee will be subject to retaliation, intimidation, or discipline as a result of reporting a threat in good faith under this policy.

If an investigation confirms that threat of a violent act or violence itself has occurred, the Company will take appropriate corrective action.

If you are the recipient of a threat made by an outside party, please follow the steps detailed in this section. It is important for the Company to be aware of any potential danger in our workplace. Indeed, we want to take every precaution to protect everyone from the threat of a violent act by an employee or anyone else.

If you have any questions about this policy, please speak with your supervisor.

ACCIDENTS ON COMPANY PREMISES

Any accident that occurs on Company premises should be reported immediately to your supervisor. For your own safety and the safety of our visitors, please do not attempt to give medical aid to an injured visitor or fellow employee and seek the assistance of a supervisor, unless you have been provided CPR training and given specific authorization by the Company to respond to an injured visitor or employee. In addition, please remember that only a supervisor can answer questions about the Company's liability to injured visitors. Please direct anyone with questions to a supervisor.

If an employee is injured on the job, he or she will usually be entitled to workers' compensation benefits. Otto Construction carries workers' compensation insurance and will assist employees in obtaining all benefits to which they are legally entitled.

You may be treated by your own health care provider for any job-related injury if you notify the

Company in writing of the name of your personal physician before you are examined or treated for your job-related injury. Forms are available for this purpose. Your “personal physician” means a licensed physician or surgeon who has treated you in the past and who keeps your medical records. Otherwise, the Company will refer you to a local health care provider if you need medical care. Thirty days from the date your injury is reported, you may see a health care provider of your choice. At any time, you may request a one-time change of physicians and the Company will honor that request five work days after receiving it.

If your work-related injury requires a leave of absence, this leave may count toward your annual Family and Medical Leave, if you are eligible for such leave.

SMOKING

Otto Construction regulates smoking on the premises for health and safety reasons. Smoking is prohibited in all indoor locations on Company property, including the shop area.

GENERAL RULES OF CONDUCT

Any group of people working together must abide by certain rules of conduct based on honesty, good taste, fair play, and safety. This is essential if everyone is to work together efficiently.

Certain specific rules of conduct are observed by the Company and violations of these rules may lead to disciplinary action, up to and including termination. Examples of unacceptable conduct include, but are not limited to:

- Any act of dishonesty, including theft.
- Engaging in or provoking any act of violence or damaging Company property or the property of another.
- Any act of insubordination.
- Absence from work without notice to or approval by the Company for one or more consecutive work days.
- Possession, use, sale, or offering of alcohol or drugs on Company premises during work time or reporting for work while under the influence of drugs or alcohol.

- Disclosing confidential information.
- Possession of weapons of any kind.
- Violating safety rules or practices that create a safety or health hazard.
- Any other violation of Company policy.

The Company will address violations of these rules of conduct and any other violations of Company policy on an individual basis. Pursuant to the Company's at-will employment policy, the Company reserves the right to impose whatever form of discipline it chooses, or none at all, in a particular instance. Disciplinary action may include oral or written warnings, suspension, demotion, probation, or involuntary termination. Nothing in this Manual should be construed as a promise of specific treatment in a given situation.

USE OF COMPANY PROPERTY

During the course of your employment, you may be granted use and entrusted with the care of certain Company property, such as tools, computers, phones and/or other electronic equipment, or a vehicle. Misuse, damage or loss of Company property or removal of Company property from the premises without express authorization will result in disciplinary action.

Repair or replacement of Company property that occurs "off the clock" or during personal use will be the responsibility of the employee.

IF YOU LEAVE US

Every employee is free to terminate his or her employment at any time, with or without a cause and with or without notice. Likewise, the Company is free to terminate an employee's employment at any time for any reason, with or without a cause and with or without notice.

We anticipate your association with Otto Construction will be pleasant. However, should you find it necessary to leave us, we ask that you provide your supervisor with as much advance notice of your departure as you can. Your thoughtfulness will be appreciated.

Employees are expected to return all Company property in their possession or control immediately on separation of employment for any reason.

A FEW CLOSING WORDS

This Manual is intended to give you a broad summary of things to know about Otto Construction. The information in this Manual is general in nature and, should questions arise, your supervisor should be consulted for complete details. While we intend to continue the policies, rules and benefits described in this Manual, the Company may modify or vary from the matters set forth in this Manual at its discretion except for the right of the parties to terminate employment at will, which may only be modified by an express written agreement signed by both parties, or unless otherwise required by law. Please do not hesitate to speak to your supervisor or the President if you have any questions.

Again, welcome to Otto Construction!

EMPLOYEE ACKNOWLEDGEMENT

I acknowledge I have received a copy of Otto Construction's Employee Manual. I understand I am responsible for reading the contents of the Employee Manual and for complying with the policies and rules outlined therein. I further acknowledge that I have read the Employee Manual in its entirety in accordance with this responsibility.

I understand that my employment with Otto Construction is for an unspecified term and may be terminated at the will of either the Company or myself, with or without reason or cause, and with or without notice. No words or actions of the Company will be deemed to create an express or implied contract of employment or require the Company to have good cause for terminating my employment. No Company representative is empowered or authorized to modify this at-will relationship other than the President.

I understand that while employed by Otto Construction, I must comply with all Company policies and rules. I further understand that any rules, policies, and benefits described in the Employee Manual may be modified or varied from by the Company at anytime—except as required by law and except for the rights of the parties to terminate employment at will (which may be modified only by an express written agreement signed by both me and the President of the Company).

Date

Employee Name

Employee Signature

(Return to the HR Administrator)



EMPLOYEE MANUAL ADDENDUM 12/12/12

1. Bridging vacation/sick leave for rehired employees:

Employees returning to Otto following a period of unemployment will be allowed to bridge their previous term of employment for the purpose of accruing vacation after one year of continuous full time service. No credit will be given for the period of unemployment and this is not applicable to any hours worked on a part time basis.

Unused sick leave is forfeited at termination and cannot be carried over if re-employed.

2. Social media/electronic communications policies:

Add to existing policy: "We may occasionally view social media pages of our employees."

3. Cap on education reimbursement expense:

Add to existing policy: "The maximum reimbursement for educational expense is \$5,000. Reimbursable expenses do not include the cost of tools or supplies (other than textbooks) that the employee is allowed to keep at the end of the course, nor do they include the cost of lodging or meals."

4. Holiday pay during employee's introductory period:

All full-time non-exempt employees who have completed their Introductory Period and all exempt employees are entitled to Otto's standard paid holidays.

5. Doctor's release for all Worker's Comp injuries:

Add to sick leave policy: "If you are on sick leave due to an injury that is covered under Worker's Compensation insurance, regardless of the length of leave, you are required to provide a certificate from your health care provider releasing you to return to work, and setting forth any restrictions or limitations on your ability to perform your job."

6. Salvaged materials policy:

Otto Construction believes in highly efficient and sustainable business practices. Whenever feasible and financially viable, the company encourages its employees to recycle materials. All scrap materials, equipment, appliances or accessories having recycle value that are recovered through demolition or deconstruction operations are considered, in their entirety, property of the company. Prior to processing and/or hauling these materials for recycling, management should be made aware of their existence and the intent to recycle. It is the company's policy to obtain payment from a legitimate salvage company for these materials in a form of a check payable to Otto Construction. Any direct acceptance of monetary refunds for recycled items without management's prior knowledge will be considered in violation of the company's salvage and recycling policy. Failure to honor this requirement may result in disciplinary action, up to and including termination.

7. Working from home:

Work from home is not authorized unless pre-approved by the President.

8. Hiring policy:

All new and re-hired employees must receive final approval by the President.

As a company, Otto Construction has enjoyed and appreciates the benefits of employing multiple family members or individuals with significant relationships. However, supervision of an employee by an individual with a significant relationship who has or may have the ability to influence wages, promotion, work assignments or other working conditions is prohibited.

9. Banking Hours:

Overtime or hours worked in excess of 8 hours per day or 40 hours per week may not be "banked" for future payment.

10. Regular Part-Time Employee Classification:

Employees who are regularly scheduled to work fewer than 30 hours per week.

I acknowledge I have received a copy of Otto Construction's Employee Manual Addendum. I understand I am responsible for reading and understanding the contents of the Addendum and for complying with the policies and rules outlined.

Employee Name

Date

Employee Signature