



AMONG FRIENDS  
**Adult Day Health Care Center**

**EMPLOYEE HANDBOOK**

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# WELCOME

We are pleased to welcome you to Among Friends Adult Day Health Care Center (“Among Friends” or “Company”). Thank you for joining us! We want your association with the Company to be a pleasant one, and we know that your valuable contributions will help us remain a leader in our industry and in this community.

This Employee Handbook outlines the benefits, policies and procedures of the Company.

You should keep this Handbook nearby as a guide and ready reference. If you have any questions or comments as you read through this handbook, please do not hesitate to discuss them with your manager. Your manager is a very important source of information and is always available to answer your questions.

On behalf of everyone at Among Friends, we extend you best wishes for your success and happiness at the Company.

Sincerely,

Irene Kovalik  
Chief Executive Officer  
Among Friends

Mark Kovalik  
Administrator  
Among Friends

## **THE STORY BEHIND AMONG FRIENDS**

Adult Day Health Care is a state-based program designed for frail adults who are physically, cognitively or emotionally impaired as a result of conditions such as stroke, heart disease, arthritis, diabetes, depression, post-surgical care, isolation, respiratory problems, etc. It is a daytime program with a combination of nursing, rehabilitative and psychosocial services in a setting that is enjoyable, emotionally supportive and informal. It brings participants together in a group to promote socialization, provide peer support and strengthen participant self-esteem and motivation for self-care.

Among Friends opened its doors on March 19, 2001, the 1<sup>st</sup> in Ventura County, as a community based program designed to meet the needs of the frail, elderly population. We provide a variety of health, social and related support services in a protective setting. Our goal is to maintain seniors in their community at their optimal functional capacity and prevent or delay long-term care institutionalization.

## **PURPOSE OF THIS EMPLOYEE HANDBOOK**

This Handbook is designed to acquaint you with Among Friends and to provide you a ready reference for answers to most of your questions concerning employment with the Company.

As such, this Handbook only summarizes the Company benefits, policies and procedures in effect at the time of its publication. This Handbook is not, nor should it be construed as creating, any kind of “employment contract,” since Among Friends reserves the right to add, change or delete benefits, policies, procedures and all other working conditions of your employment as it deems necessary and appropriate without obtaining another person’s consent or agreement.

**This Employee Handbook constitutes the entire agreement between you and the Company as to the duration of employment and the circumstances under which employment may be terminated. As provided in the enclosed Employee Acknowledgment and Agreement, nothing in this handbook creates or is intended to create a promise or representation of continued employment. Employment at the Company is “at will” and may be terminated by the Company or the employee at any time, with or without cause or notice. Your status as an “at will” employee may not be altered except in a writing signed by the Chief Executive Officer of the Company. Employment “at will” is the sole and entire agreement between the Company and you concerning the duration of your employment and the circumstances under which your employment may be terminated. This Employee Handbook supersedes any and all prior handbooks, written documents or oral representations issued by the Company which contradict the “at will” nature of your employment.**

# OPEN DOOR POLICY

## Employee Relations Philosophy

Among Friends is dedicated to preserving what we believe is an excellent employee relations program. The Company will endeavor to maintain excellent working conditions, competitive wages and benefits, open communications between employees and management and employee involvement.

## If You Have A Problem

If there is something about your job that is bothering you, let's get it out in the open and discuss it. We cannot help you unless you first tell us what the problem is.

Our procedure for resolving problems offers all employees the ability and freedom to discuss anything they wish with their managers. If you are having a problem, it can usually be resolved by following the following steps:

1. Any problem should first be discussed with your immediate manager.
2. If your immediate manager cannot solve the problem or if you are not satisfied after Step 1, you should ask to speak with the Program Director.
3. If you still feel that following Steps 1 and 2 have not resolved your concern, we encourage you to speak directly with the Chief Executive Officer or the Administrator.

In the event that you have a concern which for personal reasons you do not feel comfortable sharing with your immediate manager or the Program Director, you may go and speak directly with the Chief Executive Officer or the Administrator. He or she is available for advice and assistance at any time.

When you tell us of your concern or problem, we will try to address your concern or solve your problem as soon as possible under the circumstances. Please note that Among Friends utilizes a system of binding arbitration for resolving disputes with employees that cannot be resolved by other means, and which would otherwise be subject to resolution in court.

# AT THE OUTSET

## Equal Employment Opportunity

Among Friends is an equal employment opportunity employer and prohibits discrimination in employment based on race, religion, color, sex, sexual orientation, national origin, ancestry, citizenship status, uniform service member status, marital status, pregnancy, age, medical condition (cancer related or HIV/AIDS related), disability, as well as any other category protected by federal, state, or local laws. In accordance with applicable federal and state law protecting qualified individuals with known disabilities, Among Friends will attempt to reasonably accommodate those individuals unless doing so would create an undue hardship on the Company. Any qualified applicant or employee with a disability who requires an accommodation in order to perform the essential functions of his or her job should contact the Human Resources Department and request an accommodation.

“In accordance with Federal Law and U.S. Dept of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability.

To file a complaint of discrimination, write USDA Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (800) 795-3272 or (202) 702720-6382 (TTY). USDA is an equal opportunity provider and employer.”

## Policy Against Harassment

The Company is committed to providing a workplace free of harassment based on race, religion, color, sex, sexual orientation, national origin, ancestry, citizenship status, uniform service member status, marital status, pregnancy, age, medical condition (cancer related or HIV/AIDS related), disability, as well as any other category protected by federal, state, or local laws. For these purposes the term “harassment” encompasses slurs, jokes, statements, gestures, pictures, or cartoons regarding an employee’s sex, race, color, national origin, religion, age, physical disability, mental disability, medical condition, ancestry, marital status, sexual orientation, family care leave status, or veteran status. Harassing and/or discriminating conduct also includes directing profanity at an employee or coworker.

In addition to the above listed conduct, "sexual harassment" can also include the following examples of unacceptable behavior:

- unwanted sexual advances;
- offering an employment benefit (such as a raise or promotion or assistance with one’s career) in exchange for sexual favors, or threatening an employment detriment (such as termination, demotion, or disciplinary action) for an employee’s failure to engage in sexual activity;

- visual conduct, such as leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or posters;
- verbal sexual advances, propositions or requests;
- verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations;
- physical conduct, such as touching, assault, impeding or blocking movements;

If you have any questions about what constitutes harassing behavior, ask your manager.

**If you feel that you are being harassed by another employee, you should immediately contact Mark Kovalik at (805) 385-7244 or Irene Kovalik at (805) 385-7244 to discuss your complaint. You may be assured that you will not be penalized in any way for reporting a harassment problem.**

All complaints of unlawful harassment which are reported to management will be investigated as promptly as possible and corrective action will be taken where warranted. The Company prohibits employees from hindering our own internal investigations and our internal complaint procedure. All complaints of unlawful harassment which are reported to management will be treated with as much confidentiality as possible, consistent with the need to conduct an adequate investigation.

Harassment of employees in connection with their work by non-employees is also prohibited. Any employee who experiences harassment by a non-employee, or who observes harassment of an employee by a non-employee should report such harassment to Mark Kovalik at (805) 385-7244 or Irene Kovalik at (805) 385-7244. Appropriate action will be taken against violations of this policy by any non-employee.

Harassment of our customers or employees of our customers, vendors, suppliers or independent contractors, by our employees is also strictly prohibited. Such harassment includes sexual advances, verbal or physical conduct of a sexual nature, sexual comments and gender-based insults. Any such harassment will subject an employee to disciplinary action, up to and including immediate discharge.

Your notification of the problem is essential to us. We cannot help resolve a harassment problem unless we know about it. Therefore, it is your responsibility to bring those kinds of problems to our attention so that we can take whatever steps are necessary to correct the problem.

If management finds that an employee has violated our Company policy, appropriate disciplinary action will be taken, up to and including termination. **In addition, under AB 1856, employees may be held personally liable for harassing conduct that violates the California Fair Employment and Housing Act.**

## **Reference/Background Checks**

Company conducts reference and background checks on all new employees. Employees who have falsified information on their employment applications will be disciplined, which could include termination. Applicants who have provided false information may be eliminated from further consideration for employment.

## **Medical Screenings**

As part of Company's employment procedures, an applicant is required to undergo a post-offer, pre-employment medical screening and receive a tuberculosis examination. Applicants hired to drive commercial vehicles will in addition be required to undergo an alcohol and drug test. Any offer of employment that an applicant receives from Company is contingent upon, among other things, satisfactory completion of these criteria and a determination by Company and Employee Health that the applicant is capable of performing the essential functions of the position that has been offered, with or without reasonable accommodations. As a condition of continued employment, employees may also be required to undergo periodic medical examinations, tuberculosis examinations, and/or alcohol and drug screening, at times specified by Company. In connection with these examinations, employees are required to provide Company with access to their medical records, if requested. Further, it should be understood that Company receives a full medical report from its examining physicians regarding the applicant's or employee's state of health. All company required pre-employment and alcohol and drug screenings are paid in full by Company.

## **Introductory Period**

For all employees, the first ninety (90) days of employment is an introductory period. The Company will closely monitor your employment during this period. This is also your opportunity to determine whether your position suits you. In short, the introductory period is a mutual opportunity to assess one another.

During this introductory period, your job performance, attendance, attitude and overall enthusiasm for your job will be monitored by your manager. During this period, you will not be eligible for most Company benefits, such as holiday pay, vacation pay, employee discounts and insurance coverage. Throughout the introductory period, the Company will assess your selection as an employee. Employees who fail to demonstrate the commitment, performance and attitude expected by Among Friends may be terminated at any time. However, completion of the introductory period does not change or alter the "at will" employment relationship. You continue to have the right to terminate your employment at any time, with or without notice, and the Company has a similar right.

If, as a result of an excused absence during the introductory period or for other reasons, the Company may, in its sole discretion, extend your introductory period as necessary to give you a further opportunity to demonstrate your ability to do your job. If your introductory period it extended, you will be notified.

# **HOURS OF WORK, BREAKS AND PAY**

## **Employee Classifications**

### **Full-Time Employees**

Full-time employees are employees who are normally scheduled to work at least forty (40) hours per week. Full-time employees are eligible for all of the benefits set forth in the following pages.

### **Part-Time Employees**

Part-time employees are employees who are normally scheduled to work fewer than forty (40) hours per week. Part-time employees are not eligible for most benefits. Part-time employees should consult their manager to determine those benefits, if any, for which they are eligible.

### **Temporary Employees**

Temporary employees are employees who are employed to work on special projects for short periods of time, or on a "fill-in" basis. These positions are not intended to be a part of continuing operations. The employment status of temporary employees will not be changed due to an extension of employment in excess of that originally planned. Temporary employees are not eligible for benefits.

If you have any questions concerning your employee classification or the benefits for which you qualify, please consult your manager.

## **Hours of Work**

Our normal business hours are 6:00 a.m. to 4:30 p.m. Monday through Friday. Your manager will inform you of the hours you are to work. Due to the changing needs of our customers, your actual work schedule may vary from time to time, and you will be expected to work the hours that are required. If it does, you will be notified by your manager.

## **Meal and Rest Periods**

All full-time non-managerial employees who work five or more hours in a day are required to take an unpaid, thirty minute meal break. A second unpaid thirty minute meal break is required for employees who work over ten hours in a day. Certain exceptions to the rule exist based on the number of hours worked and/or the nature of the employee's duties, but exceptions are uncommon, and you must have written authorization from your manager if you will not be taking a meal break. Employees taking their meal breaks must record their time on their

timesheets and punch the time-clock when they begin and end their meal periods.

In addition, the Company also provides full-time non-managerial employees a paid rest period of ten (10) minutes “net” rest time per four (4) hours worked or major fraction thereof, and which insofar as practicable shall be in the middle of each work period. However, the Company generally will not authorize a rest period for employees whose total daily work time is less than three and one-half (3 ½) hours. Rest periods are counted as hours worked, and thus, employees will be compensated for the ten (10) minutes rest period. For administrative purposes, employees are required to record their rest periods on their timesheets.

Authorized meal and rest periods cannot be used to shorten your workday or be accumulated for any other purpose. Additionally, rest periods may not be combined with a meal period.

## **Lactation Break**

The Company will provide a reasonable amount of break time to accommodate a female employee’s need to express breast milk for the employee’s infant child. The break time should, if possible, be taken concurrently with other break periods already provided. Employees should clock out for any time taken that does not run concurrently with normally scheduled rest periods, and such time will be unpaid. The Company will also make a reasonable effort to provide the employee with the use of a room or other location in close proximity to the employee’s work area, for the employee to express milk in private.

Employees should notify their immediate manager if they are requesting time to express breast milk under this policy. The Company does, however, reserve the right to deny an employee’s request for a lactation break if the additional break time will seriously disrupt operations.

## **Your Pay**

We distribute paychecks on the 5th and 20th of each month. Each employee is responsible for picking up his or her own paycheck on the normally scheduled pay day. If you have not picked up your paycheck on the standard payday, it will be mailed to you at the last known address provided to Company. If the scheduled day falls on a weekend or holiday, you will be paid on the following business day. Any questions about your pay amount or deductions should be brought to the attention of your manager immediately.

The Company does not cash employee payroll checks. Employees are expected to cash their pay checks as soon as possible so the Company’s banking records can be kept current.

# COMPANY BENEFITS

**The Company intends to keep the benefit plans described in this handbook in force. However, the Company reserves the right to terminate or modify these plans at any time, for any reason, with or without notice to employees.**

## **Paid Vacations**

The Companies has established a vacation plan to provide eligible employees who have completed at least ninety (90) days of continuous service with a period of rest and relaxation without loss of pay or benefits.

### **Eligibility**

All full-time employees begin accruing vacation benefits after completing ninety (90) days of continuous service, measured from the date of hire. Part-time employees and temporary employees do not accrue vacation benefits.

### **Accrual**

Vacation benefits do not accrue during the first ninety (90) days of employment. Beginning in the employee's fourth month of employment, and through the end of the employee's fifteenth month of employment, eligible employees will accrue five (5) days (40 hours) of vacation time. Beginning with the sixteenth month of employment, eligible employees will accrue ten (10) days (80 hours) of vacation time per year.

### **Vacation Use**

No employee may accrue more than ten (10) days (80 hours) of paid vacation at any time. Once an employee accrues ten (10) days (80 hours) of paid vacation, the employee will not become eligible to accrue any additional paid vacation except to the extent that prior paid vacation time is used.

### **No Vacation Advances**

You may not take vacation before you have earned it.

### **No Pay In Lieu Of Vacation**

No employee will receive pay in lieu of vacation except on termination of his or her employment.

### **Approval**

All vacations must be pre-approved, in writing, by your manager. Scheduling of vacations is to be done in a manner consistent with the Company's operational requirements.

The Company reserves the right to change vacation times due to business necessity.

Vacation requests should be submitted by an employee to his/her manager for approval at least four (4) weeks prior to the commencement of a requested vacation period. If you do not return from your vacation on the day you are expected, you will not be paid for the day(s) missed, nor will they be counted as additional vacation days. Employees who fail to return after a vacation or who take more than their allotted vacation may be subject to discipline, up to and including immediate termination.

### **Scheduling Conflict**

In the event that you and another employee have requested vacations covering the same period and you may not be absent simultaneously, the Company reserves the right to adjust your vacation request to ensure the smooth operation of the Company's business.

### **Vacation Pay on Termination**

On termination of employment, you will be paid all accrued but unused vacation.

### **Holidays**

A holiday that falls during a vacation period will be treated as a holiday and NOT as a day of vacation taken.

### **Vacation Accrual During Leaves of Absence**

If you take, or are placed on, a leave of absence for any reason, you will not accrue vacation time during the leave. Vacation accrual will recommence when you return to work.

## **Paid Holidays**

The company operates Monday thru Friday and is closed on the holidays listed below when these dates fall on a weekday. The holiday schedule is reviewed annually and subject to change in the Company's sole discretion. Paid holidays generally observed by the Company include:

- |                     |                     |
|---------------------|---------------------|
| 1. New Year's Day   | 4. Labor Day        |
| 2. Memorial Day     | 5. Thanksgiving Day |
| 3. Independence Day | 6. Christmas Day    |

When an observed Company Holiday falls on a weekend, an employee may be eligible for holiday pay.

## **Eligibility**

- A. Full-time employees are eligible to receive holiday pay at their regular rate of pay. Part time and temporary employees are not entitled to holiday pay.
- B. Eligibility for holiday pay requires that full-time employees work their regular scheduled workdays before and after the holiday, and if needed on the holiday itself, unless a manager previously approved an absence or vacation day. The Company may, in its discretion, provide time off to employees during operational days that fall on a holiday. Employees on approved leaves of absence during a holiday are not entitled to holiday pay.

## **Use**

Holiday pay may not be combined with Sick Days or Vacation Days. Employees who meet the requirements of holiday pay will receive holiday pay and in addition pay for the hours worked for the shift.

## **Paid Sick Leave**

In order to help prevent loss of earnings that may be caused by accident or illness, the Companies has established paid sick leave.

### **Eligibility**

All full-time employees are eligible for six (6) days of paid sick leave per calendar year provided they have completed at least ninety (90) days of continuous service from their date of hire. Part-time employees and temporary employees are ineligible to receive paid sick leave benefits.

### **Use**

Paid sick leave is available in case of actual illness or injury to the employee and/or to care for the employee's spouse, child, parent, or domestic partner (as defined under applicable law) who is suffering from an actual illness or injury. It is not an entitlement to a free day off.

Sick leave may not be accumulated and does not carry over year to year.

The Companies reserves the right to request a verification from a licensed health care provider for any absence (whether paid or unpaid) due to illness or disability. Sick pay may be withheld if a satisfactory verification is not received.

Abuse of this or any other Company policy may lead to disciplinary action, up to and including immediate dismissal.

### **No Pay In Lieu Of Sick Leave**

No employees will receive pay in lieu of sick leave under any circumstances, and employees will not receive pay for unused sick leave on termination of employment.

## **Medical and Dental Insurance**

We offer medical and dental insurance coverage for our eligible employees and their dependents, beginning on the first day of the month after completion of your ninety (90) day introductory period.

The Company will pay a specific dollar amount each month for this insurance, depending on the level of coverage chosen. Remaining costs of insurance coverage are paid by the employee. Consult the insurance Plan Document for all information regarding eligibility, coverage and benefits. It is the Plan Document that ultimately governs your entitlement to insurance benefits.

## **Consolidated Omnibus Budget Reconciliation Act (“COBRA”)**

On April 7, 1986, a federal law known as "COBRA" was enacted, requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law.

If you are an employee of the Company, covered by the Company's medical insurance plan, you have the right to choose continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part). Your eligible dependents may also have the right to elect and pay for continuation coverage for a temporary period in certain circumstances where their coverage under the Plan would otherwise end. If you have any questions concerning your rights under COBRA, please contact the Office Manager for details.

## **State Disability Insurance/Paid Family Leave**

Employees are covered by California State Disability Insurance pursuant to the California Unemployment Insurance Code. Disability insurance is payable when you cannot work because of illness or injury unrelated to your employment at the Company.

Effective January 1, 2004, an employee-contributed payroll tax of .08% will be levied on all employees to fund the state's "Paid Family Leave" benefit ("PFL"). The available benefits begin July 1, 2004. Benefits through the state are available to employees who need to take time off to care for a seriously ill child, spouse, parent, domestic partner or to bond with a new child and who are not currently receiving SDI or Workers' Compensation benefits. The Company has a fact sheet available from the State of California's Employment Development Department

(“EDD”) further explaining Paid Family Leave, including qualification, waiting periods and benefits.

Generally, employees are entitled to take PFL for up to six weeks within a 12-month period to care for parents, children, spouses, and domestic partners or to bond with a new child. PFL does not provide job protection or return-to-work rights. Employees will be required to use their accrued vacation leave and are subject to a 7-day unpaid waiting period before receiving benefits under PFL.

The Company must be advised of the employee’s intent to take PFL and, if possible, provide a 30-day advance notice of their intent to take PFL. Employees must consult with the Company regarding the scheduling of any planned medical treatment or supervision so as to minimize disruption to the Company’s operations. Employees who return to work from PFL must provide medical certification authorizing them to do so.

## **Social Security Insurance**

The Federal Insurance Contributions Act, which is better known as the Social Security Act, requires the Company to deduct a percentage of your pay, match it with an equal amount from the Company and send it to the government to be deposited in your Social Security account. If you are not familiar with the retirement and disability benefits provided under Social Security, check with your local Social Security office for a more complete explanation.

## **Workers’ Compensation Insurance**

The Company pays the entire amount of the Workers' Compensation insurance premium, which provides benefits to employees who experience injury or illness connected with employment. To be eligible for Workers' Compensation benefits, the injury must be a direct result of the job. Benefit entitlements are governed by law, but it is essential that you report all work-related accidents, injuries, and illnesses immediately.

You should be aware that California law makes it a crime to file a knowingly false or fraudulent claim for Workers' Compensation benefits, or to submit knowingly false or fraudulent information in connection with any Workers' Compensation claim. Violation of this law is punishable by imprisonment of up to five years, a fine of up to \$50,000 or both. Filing a false or fraudulent workers' compensation claim is also a violation of Company policy, and will result in disciplinary action, up to and including immediate termination.

**Among Friends ADHC Actively  
Policies For Fraudulent  
Workers’ Compensation Claims**

## **401(k) Plan**

The Company offers a 401(k) Savings Plan to all eligible employees. The terms and conditions of the 401(k) Savings Plan are controlled by the Plan Document. Contact the Office Manager for more information on the Plan.

## **Training and Educational Assistance**

The Company provides periodic training courses for qualified employees. In addition, eligible employees may be given the opportunity to attend training programs that will enable them to improve their skills and qualify for advancement.

Employees should consult the Office Manager for information on the rate of pay for time spent attending an approved training course. This rate is subject to change without notice.

Advance approval by the Chief Executive Officer is required before any course is taken. Reimbursement is paid upon successful completion of an approved course.

Membership in professional organizations wherein the employee receives benefits that can be directly applied to improving job performance will be reimbursed by the Company provided the employee participates in the organization and receives prior authorization for the reimbursement from the Chief Executive Officer.

## **Civic Duties**

The Company encourages each of its employees to accept his or her civic responsibilities. We are a good corporate citizen, and we are pleased to assist you in the performance of your civic duties.

**Jury Duty** - If you receive a call to jury duty, please notify your manager immediately so he or she may plan the department's work with as little disruption as possible.

Employees who are released from jury service before the end of their regularly scheduled shift or who are not asked to serve on a jury panel are expected to call their manager as soon as possible and report to work if requested.

**Witness Duty** - If you receive a subpoena to appear in court, please notify your manager immediately. You are expected to return to work as soon as your service as a witness is completed.

**Voting** - Although polls are open for extended hours, we realize that in some instances our employees are required to work overtime and may find that these hours are not sufficient to enable them to make it to the polls. If you have a problem in this respect, please let your manager know so that we can make arrangements for you to have the necessary time off to vote.

## **Unpaid Family School Partnership Leave**

The Company encourages its employees to be involved in the education of their children. Parents, guardians, and grandparents with custody of school age children (K-12) are eligible for up to forty (40) hours of unpaid leave each school year to participate in school-related activities of their children, provided the following criteria are met.

The employee must personally notify his or her manager and the Office Manager as soon as the employee learns of the need for the planned absence. Employees will be denied time off if they do not provide their managers with adequate notice. The Company may require verification of the school-related activity. Employees are requested to schedule individually-scheduled activities, such as parent/teacher conferences, during non-work hours. Employees who request leave for unauthorized purposes will be subject to discipline, up to and including termination.

## **Attendance at Suspended Child's School**

In accordance with California state law, the Company provides employees with time off to attend a portion of a school day at a suspended child's school. To qualify for such leave, the employee must have received written notice from the school principal that his or her appearance is required. The employee must give his or her manager as much advance notice as possible of the need for the leave and must provide a copy of the written notice from the school principal. For non-exempt employees, partial day absences to appear at a suspended child's school may be taken as unpaid time or the employee may utilize accrued vacation time.

## **Literacy Assistance**

The Company wishes to assist employees who require time off to attend an adult literacy education program. Any employee who needs time off to attend such a program should inform their manager. The Company will attempt to make reasonable accommodations for an employee by providing unpaid time off unless such accommodation would cause the Company to suffer an undue hardship. The Company will also make reasonable efforts to safeguard the privacy of the disclosures made to the manager when an employee is enrolled in an adult literacy education program.

## **Volunteer Firefighter Emergency Duty**

The Company will provide leave for any employee required to perform emergency duty as a volunteer firefighter. The employee must give his or her manager as much advance notice as possible of the need for the leave. Time off for volunteer firefighter duty may be taken as unpaid leave or the employee may utilize any accrued vacation time.

## **Pregnancy Disability Leave of Absence**

Leaves for female employees for disabilities relating to pregnancy or childbirth are available for up to four (4) months regardless of length of service with the Company. Employees who are granted leaves for pregnancy will be returned to their same or similar position in accordance with state law. A transfer to a less strenuous or hazardous position may be available pursuant to your request, if such a transfer is medically advisable. Prior to the start of the leave, the Company will require a statement from your physician indicating that you are unable to perform your job and the anticipated date of your return. In the event your leave exceeds the anticipated date of return, it is your responsibility to provide further verification from your physician that you are unable to perform your job and the revised anticipated date of return. Depending on an employee's eligibility, medical insurance may be continued during the leave in accordance with the Plan Document, COBRA, or provisions of federal and/or state law relating to unpaid medical leave.

## **Discretionary Medical Leaves of Absence**

After an employee has completed the ninety (90) day introductory period, he or she is eligible, subject to management's exclusive discretion and approval, for up to four (4) weeks of unpaid leave of absence for medical reasons. Medical reasons may include illness, injury, or related medical and surgical procedures. A statement, acceptable to the Company, from your physician indicating that you are unable to perform your job and the anticipated date of your return is required by the Company prior to the start of any approved leave. In the event your leave exceeds the anticipated date of return, it is your responsibility to provide further verification from your physician that you are unable to perform your job and the revised anticipated date of return. You must provide at least 30 days' advance notice to the Company of your need for leave or in case of an unforeseen circumstance in which 30 days' advance notice is not possible, you must provide as much advance notice as is possible. The Company may require employees who are requesting leave, or who are already on a leave, to be examined by a physician of the Company's choice. The Company also may require periodic verification by a physician of the employee's inability to work.

Employees who are granted a medical leave of absence during their first 12 months of employment may return to their regular job if it is available. If it is not available, we will generally attempt to place the employee in a similar job for which he or she is deemed by management to be qualified, if such a job is available. If no jobs are available at the time, we will generally give the employee consideration for any position for which he or she applies and is deemed by management to be qualified. A returning employee will be considered for a 30 day period following his/her notifying the Company in writing that he/she is ready to return to work. If the employee does not return within this 30 day period, he/she will be terminated. Medical insurance may be continued during the leave in accordance with the Plan Document and COBRA.

## **Family and Medical Leave Act/California Family Rights Act**

Eligible employees may take up to 12 workweeks of unpaid, job-protected leave under the Family and Medical Leave Act and the California Family Rights Act ("FMLA / CFRA") in a

12-month period for specified family and medical reasons.

### **Employee Eligibility**

To be eligible for FMLA / CFRA leave, you must:

- Have worked at least 12 months for the Company; AND
- Have worked at least 1,250 hours for the Company over the preceding 12 months; AND
- Work at a location where there are at least 50 employees within 75 miles.

### **Conditions Triggering Leave**

FMLA / CFRA leave may be taken for the following reasons:

- Birth of a child, or to care for a newly-born child;
- Placement of a child with the employee for adoption or foster care;
- To care for an immediate family member (spouse, child, or employee's parent) with a serious health condition; or
- Because of the employee's serious health condition which makes the employee unable to perform the functions of the employee's job.

### **Duration of Leave**

Eligible employees may receive up to 12 workweeks of unpaid leave during any "rolling" 12-month period, measured backward from the date of any FMLA/CFRA leave. FMLA/CFRA leave for the birth or placement of a child for adoption or foster care must be concluded within 12 months of the birth or placement. Leave for female employees for disabilities associated with pregnancy or childbirth is also available, as described in the Pregnancy Disability Leave of Absence Policy. We encourage employees to see their manager regarding FMLA/CFRA leave related to pregnancy or childbirth, as special rules apply.

You may take FMLA / CFRA leave intermittently, or by reducing your normal weekly or daily work schedule, when medically necessary for your own or immediate family member's serious health condition. Intermittent leave for birth of a child, to care for a newly-born child, or for placement of a child for adoption or foster care may be available, but may be subject to additional restrictions. Employees who require intermittent leave or reduced-schedule leave must try to schedule their leave so that it will not disrupt the Company's operations.

### **Benefits During Leave**

Depending on the purpose of your leave request, you may choose (or the Company may require you) to use accrued paid leave, if available, concurrently with some or all of the FMLA/CFRA leave. In addition, you will not be eligible to accrue seniority or benefits,

including vacation and holidays, during any period of an FMLA/CFRA leave.

### **Maintenance of Health Benefits**

If you and/or your family participate in our group health plan, the Company will maintain coverage under the plan during the first twelve weeks of your FMLA/CFRA leave on the same terms as if you had continued to work. If applicable, you must make arrangements to pay your share of health plan premiums while on leave and failure to pay your portion, if any, of the premium may result in loss of coverage. In some instances, the Company may recover premiums it paid to maintain health coverage or other benefits for an employee and family.

### **Job Restoration**

Upon returning from FMLA/CFRA leave, you will normally be restored to your original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, you will have no greater right to job restoration than if you had been actively working.

### **Notice and Medical Certification**

When seeking FMLA/CFRA leave, you must provide:

- Thirty (30) days' advance notice of the need to take FMLA/CFRA leave, if the need is foreseeable, or notice as soon as practicable in the case of unforeseeable leave;
- Medical certification supporting the need for leave due to a serious health condition affecting you or an immediate family member must be returned before your leave begins, or if not possible, within 15 days of the Company's request to provide the certification. If you fail to do so, we may delay the commencement of your leave or withdraw any designation of FMLA/CFRA leave, in which case your leave of absence would be unauthorized, subjecting you to discipline up to and including termination. Additional medical opinions and periodic re-certifications may also be required;
- Periodic reports as deemed appropriate during the leave regarding your status and intent to return to work; and
- Medical certification of fitness for duty before returning to work, if the leave was due to your serious health condition.

Failure to comply with the foregoing requirements may result in delay or denial of leave.

### **Failure to Return After FMLA/CFRA Leave**

Any employee who fails to return to work as scheduled after FMLA/CFRA leave or exceeds the 12-week FMLA/CFRA entitlement may be subject to termination of employment.

### **Limited Nature of This Policy**

This policy is intended to provide only those leave benefits and protection required by FMLA/CFRA.

## **Military Leave of Absence**

Employees who require time off from work to fulfill military duties will be treated in accordance with applicable requirements of state and federal laws. You are expected to notify the Company of upcoming military duty by providing your manager with a copy of your orders as soon as possible.

# COMPANY RULES

## Company Policies

This section of your Handbook discusses your responsibilities to the Company as an employee. Please thoroughly familiarize yourself with these policies and apply them in your work. The result of your effort will be a more efficient, productive and pleasant atmosphere for you, your co-workers and our customers.

## Rules to Protect Us All

Every city, nation and society has rules for the orderly conduct of business. People cannot live and work together successfully and enjoyably without order.

The Company is the same way. We need to have certain reasonable policies and rules for the conduct of our business. Our most important rule is the "rule of reason." The following portions of this handbook focus on basic rules that should not be violated under any circumstances. Violation of any of these basic rules, the policies in this handbook, or any other policy of the Company may lead to discipline, up to and including immediate termination. Obviously, this list is not all inclusive and there may be other circumstances for which employees may be disciplined, up to and including immediate termination. If you have any questions about these basic rules, or what we expect of you as one of our employees, please discuss them with your manager.

The Company's identification of these rules does not alter the at-will nature of your employment. Described below are the basic rules which we expect our employees to follow. This list is not all-inclusive, but should provide employees with an overview of what is expected from them. You have the right to terminate your employment at any time, with or without cause or notice, and the Company has a similar right.

## Absenteeism and Tardiness

Each of our employees plays an important role in getting the day's work done. Therefore, each employee is expected to be at his or her work station on time each day and to remain there throughout his or her scheduled hours. Absenteeism or tardiness, even for good reasons, is disruptive of our operations and interferes with our ability to satisfy our customer's needs. Excessive absenteeism or tardiness, excused or unexcused, can result in discipline, up to and including discharge.

If you are going to be late or absent from work for any reason, you must personally notify your manager as far in advance as possible so that proper arrangements can be made to handle your work during your absence. Of course, some situations may arise in which prior notice cannot be given. In those circumstances, you are expected to notify your manager as soon as

possible. Leaving a message does not qualify as notifying your manager -- you must **personally** contact your manager. If you are required to leave work early, you must also **personally** contact your manager and obtain his/her permission.

When absence is due to illness, the Company may require appropriate medical documentation.

## **Alcohol and Drug Policy**

### **Purpose**

Alcohol and drug abuse ranks as one of the major health problems in the United States. Our employees are our most valuable resource, and their safety and health is of paramount concern. We are committed to providing a safe working environment to protect our employees and others; to provide the highest level of service; and to minimize the risk of accidents and injuries.

### **General Policy**

Each employee has a responsibility to co-workers and the public to deliver services in a safe and conscientious manner. Continuing research and practical experience have proven that even limited quantities of narcotics, abused prescription drugs or alcohol can impair your reflexes and judgment. This impairment, even when not readily apparent, can have catastrophic results. For these reasons, we have adopted a policy that all employees must report to work and remain completely free from the presence of drugs and the effects of alcohol.

### **Drug Use/Distribution/Possession/Impairment**

All employees are prohibited from manufacturing, cultivating, distributing, dispensing, possessing or using illegal drugs or other unauthorized or mind-altering or intoxicating substances while on Company property (including parking areas and grounds), or while otherwise performing their work duties away from Company. Included within this prohibition are lawful controlled substances, which have been illegally or improperly obtained. This policy does not prohibit the possession and proper use of lawfully prescribed drugs taken in accordance with the prescription

Employees are also prohibited from having any such illegal or unauthorized controlled substances in their system while at work, and from having excessive amounts of otherwise lawful controlled substance in their systems. This policy does not apply to the authorized dispensation, distribution or possession of legal drugs where such activity is a necessary part of an employee's assigned duties.

### **Alcohol Use/Distribution/Possession/Impairment**

All employees are prohibited from distributing, dispensing, possessing or using alcohol while at work or on duty. Furthermore, all employees are prohibited from having alcohol in their system while at work or on duty.

## **Prescription Drugs**

The proper use of medication prescribed by your physician is not prohibited; however, we do prohibit the misuse of prescribed medication. Employees' drug use may affect their job performance, such as by causing dizziness or drowsiness. In addition, employees can report the use of prescription or nonprescription drugs which may affect drug tests by completing a written consent form. It is the employee's responsibility to determine from his/her physician whether a prescribed drug may impair job performance.

## **Notification of Impairment**

It shall be the responsibility of each employee who observes or has knowledge of another employee in a condition which impairs the employee to perform their job duties, or who presents a hazard to the safety and welfare of others, or is otherwise in violation of this policy, to promptly report that fact to their immediate manager.

## **Who is Tested**

The Company may conduct drug tests in the following circumstances:

- **Application for Employment.** Job applicants may be required to submit to a drug test. Refusal to submit or a positive confirmed drug test may be used as a basis for refusal to hire the applicant.
- **Reasonable Suspicion.** Employees may be required to submit to drug/alcohol screening whenever the Company has a reasonable suspicion that they have violated any of the rules set forth in this policy. Reasonable suspicion may arise from, among other factors, managerial observation, co-worker reports or complaints, performance decline, attendance or behavioral changes, results of drug searches or other detection methods, or involvement in a workplace or vehicular accident.

## **Discipline**

Violation of this policy or any of its provisions may result in discipline up to and including termination of employment.

## **Enforcement Policy**

In order to enforce this policy and procedures, the Company may investigate potential violations and require personnel to undergo drug/alcohol screening, including urinalysis, blood tests or other appropriate tests and, where appropriate, searches of all areas of the Company's physical premises, including, but not limited to work areas, personal articles, employees' clothes, desks, work stations, lockers, and personal and company vehicles, etc. Employees will be subject to discipline up to and including discharge for refusing to cooperate with searches or investigations, to submit to screening or for failing to execute consent forms when required by supervision.

## **Investigations/Searches**

Where a manager has reasonable suspicion that an employee has violated the substance abuse policy, the manager, or his designee, may inspect vehicles, lockers, work areas, desks, purses, briefcases, and other locations or belongings without prior notice, in order to ensure a work environment free of prohibited substances. An employee may be asked to be present and remove a personal lock. The employee is hereby notified that locked areas or containers do not prevent a search and thus employees should understand there is no expectation of privacy on Company premises. Where the employee is not present or refuses to remove a personal lock, the Company may do so for him or her, and compensate the employee for the lock. Any such searches will be coordinated with a representative of management. The Company may use unannounced drug detection methods.

### **Employee Assistance**

The Company expects employees who suspect they have an alcohol or drug problem to seek treatment. The Company will help employees who abuse alcohol or drugs by providing a referral to an appropriate professional organization. However, it is the responsibility of the employee to seek and accept assistance before drug and alcohol problems lead to disciplinary action, including termination. Failure to enter, remain or successfully complete a prescribed treatment program may result in termination of employment. Confidentiality of records and information will be maintained in accordance with all local, state, and federal laws.

Entrance into a treatment program does not relieve an employee of the obligation to satisfy the Company's standards regarding an employee's performance, and participation will not prevent the Company from administering discipline for violation of its policies or relieve the employee of his/her responsibility to perform his/her job in a satisfactory, safe and efficient manner.

### **Confirmation Testing**

All urinalysis drug tests will utilize an initial immunoassay methodology or an equivalent. All positive results shall be confirmed by a licensed laboratory using gas chromatography/mass spectrometry (GC/MS) or an equivalent.

### **What Happens When an Employee Tests Positive for Prohibited Substances**

All employees who test positive in a confirmed substance test will be subject to discipline up to and including discharge.

In those rare circumstances in which an employee is not immediately terminated for testing positive or for some other violation of the policy, the Company, in its sole discretion, may allow the employee to return to work pursuant to the employee executing an agreement acknowledging:

- That they tested positive or otherwise violated the policy; and,
- That in exchange for the Company not terminating them for this instance of testing positive or otherwise violating the policy, they agree to undergo rehabilitation, counseling or other activities prescribed by the Company's coordinating physician in

conjunction with management; to undergo periodic unannounced screening for a set period; and be subject to termination for any future violation of the policy.

### **Returning/Continuing To Work**

Employees who test positive, admit to drug or alcohol use or related misconduct, or voluntarily seek assistance, and are not terminated, will not be returned to work or continue working until they have been evaluated by a Company selected physician allowed to determine if they can safely return to work.

### **Bad Attitude**

Every employee should display a positive attitude towards their job. A bad attitude creates a difficult working environment and prevents the Company from providing quality service to our customers.

### **Bulletin Boards**

The Company maintains a bulletin board as an important source of information. This bulletin board is to be used solely to post information approved by the Company regarding Company policies, governmental regulations, and other matters of concern to all employees and related to the employees' employment by the Company. Please develop a habit of checking the bulletin boards daily so that you will be familiar with the information posted there. No information may be placed on these bulletin boards without the approval of the Office Manager.

### **Cell Phone Policy**

Employees are not allowed to use their cell phones while at work to make or receive personal calls.

The Company is committed to promoting highway safety by encouraging the safe use of cellular telephones by its employees while they are on Company business. While the Company recognizes that there often is a business need to use cellular phones, safety must be the first priority.

If an employee needs to make phone call while driving, the individual should find a proper parking space first. Stopping on the side of the road is not acceptable. The only exception is for genuine emergencies such as an accident or a car breakdown. Employees with hands-free telephones may make brief phone calls while driving but must park when road conditions are poor, traffic is heavy, or the conversation is involved.

Proper cellular phone use is one part of safe driving. Employees also should remember that while traveling on business, they are expected to follow posted speed limits, practice defensive driving, wear seat belts and take a sufficient number of breaks so they remain alert.

The Company also expects its employees to be properly licensed and reserves the right to request that employees present a current license for inspection.

## **Code of Conduct**

Employees of Company are expected to accept certain responsibilities, adhere to accepted business and professional principles in manners of personal conduct, and exhibit a high degree of personal integrity at all times. This responsibility not only involves sincere respect for the rights and feelings of others, but also demands that both in professional and in personal life employees refrain from any behavior that might be harmful to the employees, affiliates, clients of Company or that might be viewed unfavorably by current clients or by the public at large.

## **Company Keys**

Each employee to whom a key is given is responsible for proper use of that key and will be required to sign for it. A lost or misplaced key must be reported immediately to your manager. Never duplicate or loan a key to anyone for any reason. See your manager if you need another key. All keys must be turned in to your manager upon separation from the Company. Employees who take a leave of absence must turn in any keys prior to beginning their leave. Employees are solely responsible for the maintenance of keys and any damage, alteration, unauthorized duplication or loss of the materials and the cost associated with replacing or repairing the keys and associated materials will be at the full expense of the employee.

## **Company Property and Vehicles**

Only authorized employees may use Company vehicles. If a Company vehicle incurs any damage while under the charge of a particular employee, that employee will be responsible for reporting the damage immediately. The employee may be responsible to pay the deductible portion of our insurance.

You must hold a valid state driver's license for the class of vehicle you are driving. Further, you may never use a motorcycle to conduct either business or provide transportation for a customer or fellow employee. All people in Company vehicles are required to use their seatbelts. Not using seatbelts in a Company vehicle may lead to disciplinary action, up to and including termination. Only people authorized by your manager can be passengers in Company vehicles. Permitting unauthorized passengers may lead to disciplinary action, up to and including termination.

Any employee whose duties include the operation of Company or customer vehicles who is cited for D.U.I. or for any other serious moving violation will be considered to have an unacceptable driving record and his or her continued employment will be subject to review. The Company must be notified immediately of any change in the status of your driving record. Any employee whose duties include the operation of Company or customer vehicles who becomes uninsurable under the Company's liability policy will be considered to have an unacceptable

driving record and his or her continued employment will be subject to review.

If an employee receives a traffic citation while operating a Company or customer vehicle, the employee will be responsible for paying any fine or penalty. If an employee is involved in a traffic accident while operating a Company or customer vehicle, the employee is required to call a police officer to the scene of the accident. The employee must report the accident to the Office Manager immediately. Do not attempt to render medical care or assistance beyond your ability.

## **Computers, E-Mail, Voice Mail, Media Streaming, and the Internet**

The following policy governs the use of all Company-owned computers, e-mail and voicemail systems, and Internet access via Company computers and/or data lines.

### **Company Property**

All Company computers, e-mail and voice mail facilities, and Internet access accounts are the Company's property to be used solely to facilitate the business of the Company. In addition, all software that has been installed on Company computers, and any data collected, downloaded and/or created on Company computers is the exclusive property of the Company and may not be copied or transmitted to any outside party or used for any purpose not directly related to the business of the Company. Upon termination of employment, no employee shall remove any software or data from Company-owned computers.

### **Proper Use**

Employees are strictly prohibited from using Company computers, e-mail and voice mail systems, and Internet access accounts for personal reasons or for any improper purpose. Some specific examples of prohibited uses include but are not limited to:

- Transmitting, retrieving, downloading, or storing messages or images that are offensive, derogatory, defamatory, off-color, sexual in content, or otherwise inappropriate in a business environment.
- Making threatening or harassing statements to another employee, or to a vendor, customer, or other outside party.
- Transmitting, retrieving, downloading, or storing messages or images relating to race, religion, color, sex, national origin, citizenship status, age, disability, or any other status protected under federal, state and local laws.
- Sending or receiving confidential or copyrighted materials without prior authorization.
- Soliciting personal business opportunities, or personal advertising.
- Gambling of any kind, monitoring sports scores, or playing electronic games.

- Day trading, or otherwise purchasing or selling stocks, bonds or other securities or transmitting, retrieving, downloading or storing messages or images related to the purchase or sale of stocks, bonds or other securities.

In order to ensure that the Company's network functions correctly, employees must refrain from leaving software programs open when not in use. In addition, when your use of a Company computer is completed, you must save your work, close the software program and log-off the computer.

### **Streaming Media**

All Company employees and representatives are prohibited from accessing any streaming media programs, feeds, material and content unless the subject matter being streamed is directly required for fulfilling job responsibilities. No streaming media sites are to be accessed nor are any streaming media programs or applications to be downloaded, installed and/or operated by end users for entertainment purposes using organization-provided computers, servers, systems and/or networks.

Employees are also prohibited from accessing media streams from such Web sites as Google Video, Internet Radio, iFilm and YouTube, among others. Streaming media programs and devices prohibited from operation within the organization or on any organization equipment or network (unless used for expressly permitted activities) include, but are not limited to:

- Apple Computer, Inc.'s QuickTime
- DivXNetworks, Inc.'s DivX Player
- Listen.com, Inc.'s Rhapsody
- Microsoft Corp.'s Windows Media Player
- Nullsoft, Inc.'s SHOUTcast and Winamp
- Orb Networks, Inc.'s Orb Audio or Orb TV
- RealNetworks, Inc.'s RealOne Player
- Sling Media's Slingbox
- Yahoo, Inc.'s LAUNCHcastBearShare
- Pandora Media's Pandora Internet Radio

The Company's computer systems and network are to be used only for fulfilling business activities. Legitimate streaming media use, such as might be required for conducting financial research or training, constitutes acceptable use with written management approval.

### **Unsolicited E-mail**

Unfortunately, virtually every Internet user today receives unsolicited e-mail from outside parties advertising various websites, products or services. Therefore, to further prevent the receipt of offensive or undesired outside e-mail, you should:

- Not use your Company computer to access any website not directly related to Company business; and

- Delete unfamiliar or suspicious e-mail from outside the Company without opening it.

### **Monitoring**

**Employees should expect that all information created, transmitted, downloaded, received or stored in Company computers may be accessed by the Company at any time without prior notice. Employees should not assume that they have an expectation of privacy or confidentiality in such messages or information (whether or not such messages or information is password-protected), or that deleted messages are necessarily removed from the system.**

Employees must provide all passwords and access codes for Company computers to the Program Director. Changing passwords or creating new passwords without notifying the Program Director is strictly prohibited.

### **System Integrity**

Because outside disks may contain viruses, employees are not permitted to use personal disks or copies of software or data in any form on any Company computer without first (1) obtaining specific authorization from the Office Manager, and (2) scanning the data for viruses. Any employee who introduces a virus into the Company's system via use of personal software or data shall be deemed guilty of gross negligence and/or willful misconduct and will be held responsible for the consequences, including cost of repair and lost productivity.

Similarly, information is not to be downloaded directly from the Internet onto the Company's computer system. All information downloaded from the Internet is to be placed on a disk and scanned for viruses before being introduced into the Company's system.

### **Enforcement**

Violations of this policy may result in disciplinary action, up to and including termination of employment. Employees who damage the Company's computer system through its unauthorized use may additionally be liable for the costs resulting from such damage. Employees who misappropriate copyrighted or confidential and proprietary information, or who distribute harassing messages or information, may additionally be subject to criminal prosecution and/or substantial civil money damages.

### **Confidentiality**

All records and files of the Company are property of the Company and considered confidential. No employee is authorized to copy or disclose any file or record. Confidential information includes all letters or any other information concerning transactions with customers, customer lists, payroll or personnel records of past or present employees, financial records of the Company, all records pertaining to purchases from vendors or suppliers, correspondence and agreements with manufacturers or distributors and documents concerning operating procedures of the Company. All telephone calls, letters, or other requests for information about current or

former employees should be immediately directed to the Office Manager or the Chief Executive Officer.

## **Conflict Of Interest**

It is our policy to forbid employees from engaging in any other business which competes with the Company. Also, Company policy forbids a financial interest in an outside concern, which does business with or is a competitor of the Company (except where such ownership consists of securities of a publicly owned corporation regularly traded on the public stock market). Rendering of directive, managerial, or consulting services to any outside concern which does business with or is a competitor of the Company, except with the knowledge and written consent of the Chief Executive Officer of the Company, is also prohibited. If you think that there is a possibility that you may have a conflict, it is your responsibility to notify the Chief Executive Officer and obtain his/her approval in writing.

## **Courtesy**

Courtesy is the responsibility of every employee. Everyone is expected to be courteous, polite and friendly to our customers, vendors and suppliers, as well as to their fellow employees. No one should be disrespectful or use profanity or any other language, which injures the image or reputation of the Company.

## **Damage to Property**

We have made a tremendous investment in our building and equipment in order to better serve our customers and to make your job easier. Deliberate or careless damage to the Company's, your co-workers' or customers' property will not be tolerated.

## **Document Preparation**

Correspondence and documents should be error-free and neatly prepared. Care shown in preparation reflects attention to accuracy and detail. Even simple errors cause unnecessary inconvenience and irritation. Furthermore, the time required to correct them is wasteful and expensive.

## **Facsimile and Copy Machines**

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The facsimile and copy machines are for legitimate business purposes only and should not be used for personal use. Employees are prohibited from using these machines for the purpose of transmitting, receiving or copying materials, which may be deemed offensive or insulting. Any employee, who receives such materials via facsimile transmission, the mail, or from any other source, should report the transmission immediately to the Chief Executive Officer.

## **Fighting, Threats, and Weapons**

Obviously, we cannot allow fighting, threatening words or conduct. Nor can we allow the possession of weapons of any kind on Company premises.

## **Fraud, Dishonesty and False Statements**

No employee or applicant may ever falsify any application, medical history record, invoice, paperwork, time sheet, time card, investigative questionnaires or any other document. Any employee found to have engaged in resume fraud or who made material misrepresentations or omissions on their employment application will be subject to immediate termination of employment. If you observe any such violations, please report them to the Chief Executive Officer immediately.

## **Gambling**

Gambling is prohibited on Company property.

## **Gifts and Gratuities**

Employees may not request or accept any gift or gratuity of any kind from a customer or supplier without the express written authorization of the Chief Executive Officer.

## **Hazardous and Toxic Materials**

If your job requires that you use hazardous or toxic materials, you are expected to comply with all laws, rules and regulations concerning their safe handling and disposal. If you have any questions about the materials you work with or the proper safety procedures to follow, please discuss them with your manager.

## **Honesty**

Our credibility with our customers is the most important element of our relationship. Misrepresentation to a customer is against Company policy and against the law. The law provides that an employee is personally liable. It is also against Company policy to mislead or misrepresent any credit application or customer credit status to any financial institution. Employees are also expected to be honest in their dealings with their managers and co-workers.

## **Housekeeping**

Employees are responsible for maintaining their own work areas in a presentable manner. At the close of each business day, ensure that all equipment is cleaned and put away. All stationery and miscellaneous supplies should be removed from benches/furniture tops. No paperwork may be left out overnight. Employees will not litter or discard such items as cigarettes or wrappers on the premises. Remember, we want our customers to look at us as a professional, neat organization.

Work areas must be maintained in a clean, healthy and orderly fashion to prevent unsafe conditions and potential accidents. If you observe conditions or equipment which are potentially dangerous, report them immediately to your manager. It is each employee's responsibility to make sure the work area is clean and orderly at the completion of their scheduled work shift.

## **Illegal Activity**

Employees are not permitted to engage in any kind of illegal activity on duty or on the Company's property, or while off the job which reflects detrimentally or adversely on the Company's reputation.

## **Insubordination**

We all have duties to perform and everyone, including your manager, must follow directions from someone. It is against our policy for an employee to refuse to follow the directions of a manager or management official or to treat a manager or management official in an insubordinate manner in any respect. Employees must fully cooperate with Company investigations into potential misconduct. Refusal to fully disclose information in the course of a Company investigation is insubordination and will not be tolerated.

## **Licensing**

Employees are required as a condition of their employment to hold an unrestricted license from the State of California to perform any job duty or duties for which such a license is required by law. In the event an employee's license is revoked or otherwise suspended, he or she must immediately notify the Company of that revocation or suspension. Employees who are prevented from performing their regular job duties as a result of a revocation or suspension of their license are subject to disciplinary action, up to and including immediate termination of

employment.

## **Loans and Pay Advances**

Experience in business teaches that loans to employees or advances in pay do little in the long run to help an employee meet his or her financial obligations. At the same time, the Company may be put in a very difficult and unpleasant position if we are required to collect a past due loan. For these reasons, it is our policy not to make loans or advances of pay to employees. Similarly, managers and employees are prohibited from extending loans to any fellow employees because of the potential for conflict that may result.

## **Meetings**

From time to time, individual or staff meetings may be held for the purpose of providing instruction, training, or counseling or to review Company operating policies. If such a meeting is called and includes your department, or you individually, attendance is required.

## **Misuse of Property**

No employee should misuse, or use without authorization, equipment, vehicles or other property of customers, vendors, other employees or the Company.

## **Non-Fraternization**

The Company desires to avoid misunderstandings, actual or potential conflicts of interest, complaints of favoritism, possible claims of sexual harassment, and the employee morale and dissension problems that can potentially result from romantic relationships involving managerial and managerial employees in the Company or certain other employees in the Company.

Accordingly, managers are prohibited from fraternizing or becoming romantically involved with one another or with any other employee of the Company. Additionally, all employees, both managerial and non-managerial, may be prohibited from fraternizing or becoming romantically involved with other employees when, in the opinion of the Company, their personal relationships may create a conflict of interest, cause disruption, create a negative or unprofessional work environment, or present concerns regarding supervision, safety, security, or morale.

An employee involved with a manager or fellow employee should immediately and fully disclose the relevant circumstances to the Chief Executive Officer so that a determination can be made as to whether the relationship violates this policy. If a violation is found, the Company may take whatever action appears appropriate according to the circumstances, up to and including transfer or discharge. Failure to disclose facts may lead to disciplinary action, up to

and including termination.

All employees should also remember that the Company maintains a strict policy against unlawful harassment of any kind, including sexual harassment. The Company will vigorously enforce this policy consistent with all applicable federal, state, and local laws.

## **Off-Duty Use of Facilities**

Employees are prohibited from being on the Company premises or making use of Company facilities while not on duty. Employees are expressly prohibited from using Company facilities, Company property or Company equipment for personal use.

## **Off-Duty Social and Recreational Activities**

During the year, the Company may sponsor social or recreational activities for its employees. Your attendance at such social activities, however, is completely voluntary and is not work-related. Neither the Company nor its insurer will be liable for the payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

## **Outside Employment**

There have been times when most of us have had the opportunity or the need to have two jobs at one time. It is important that such outside interests do not interfere in any way with an employee's primary job with the Company. An employee should be careful that extra hours of work do not affect the safe operation of his regular job by leaving him tired and slow to react. Drivers if working a second job must allow for at least an 8 hour break period from the previous job before commencing operation of a motor vehicle with Company. If your second job could create a potential conflict of interest, for example, working for a competitor, you are required to obtain written approval, in advance, from the Chief Executive Officer.

## **Overtime**

The Company may periodically schedule overtime or weekend work in order to meet production needs. We will attempt to give as much advance notice as possible, and we expect that all employees who are scheduled to work overtime will be at work, unless excused by their manager. All overtime work must be pre-approved by your manager. **Working overtime without your manager's approval may result in discipline, up to and including termination.**

## **Parking**

So that we will have sufficient convenient parking for our customers, we require all of our employees to park their vehicles in the area designated for employee parking. Generally employees are allowed to park their personal vehicles only in the West Parking Lot of the building. Employees are not allowed to park in the North Lot nor in front of the building to allow for accommodation of company vehicles. If you have any questions as to where you should park your vehicle, please ask your manager.

The company is not responsible for loss, damage, theft, or vandalism, to vehicles while on company premises.

## **Participants Rights**

In dealing with participants or prospective participants of the Company, Employees are prohibited from giving any assurance in any form that any particular employee will treat or care for any particular participant. The Company has sole responsibility for determining which of its employees will be assigned to participants to care for them. All participants' records constitute the property of the Company, and will be retained by the Company. Participant records may not be removed, photocopied, faxed, or otherwise transmitted to anyone without the written permission of the Company, except when such removal, photocopying, faxing or transmitting is within the ordinary course of an employee's duties.

## **Personal Appearance and Behavior**

We do not have a formal dress policy and prefer to rely on every employee's good judgment to dress appropriately for a business such as ours and the job he or she is performing. We do expect all employees to present a neat, well-groomed appearance and a courteous disposition. We feel that these qualities go further than any other factor in making a favorable impression on the public and your fellow workers.

Please avoid extremes in dress and behavior. Flashy, skimpy or revealing outfits and other non-business-like clothing are unacceptable. Likewise, unprofessional behavior in the workplace, such as sexually related conversations, inappropriate touching (*i.e.*, kissing, hugging, massaging, sitting on laps) of another employee, and any other behavior of a sexual nature is prohibited. Employees who fail to observe these standards will be subject to disciplinary action, up to and including termination.

Employees should dress in a business-like manner. Shoes with open toes are not permitted due to safety concerns. Casual sportswear, such as tight fitting knits, shorts, and mini-length skirts or dresses, are not considered appropriate and should not be worn to work. Male employees in a managerial position are expected to wear dress slacks, dress shirts, and dress shoes. Female employees in a managerial position should dress in a similar businesslike manner. Nursing staff members are required to wear medial scrub / nursing uniforms. Employees who are provided with Company uniforms are required to keep them in a neat and clean condition and must be accompanied by company approved black slacks. Employees provided with Company

uniforms must wear them at all times when on duty, for the full duration. Uniform shirts must be tucked in at all times. Alterations, customization, and modification of uniform attire at any time for any reason, without the written authorization by administration is prohibited. Employees provided with clothing or material bearing company logo or name must remain observant to adhere to the code of conduct policy.

Employees are expected to observe the Company's personal appearance and behavior policy at all times while at work. Employees who report to work in unacceptable attire may be requested to leave work and return in acceptable attire. Such time off from work will generally be without pay.

## **Personal Mail**

All mail which is delivered to the Company is presumed to be related to our business. Mail sent to you at the Company will be opened by office personnel and routed to your department. If you do not wish to have your correspondence handled in this manner, please have it delivered to your home.

Company postage meters and letterhead may not be used for personal correspondence.

## **Personal Telephone Calls and Visits**

We have a limited number of telephone lines at the Company, and it is essential that we keep those lines open for business calls. Therefore, we ask our employees to refrain from making or receiving personal calls except in emergencies. Long distance business calls must be cleared by your manager unless your job duties include the routine making of long distance calls. Under no circumstances are employees permitted to use Company telephones to call "900" lines or similar pay-per call services. Employees will be personally liable for unauthorized calls and will be subject to discipline, up to and including immediate termination.

Personal visits by friends or relatives during work hours can be disruptive to our operations and are strongly discouraged. If you receive a non-business-related visit from a friend or relative, you must notify your manager at the time of your guest's arrival and departure. Non-employees are strictly forbidden from entering unauthorized areas.

## **Poor Performance**

Employees are expected to make every effort to learn their job and to perform at a level satisfactory to the Company at all times.

## **Publicity**

In the course of advertising, public relations or other similar conduct for business

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purposes, the Company may utilize media resources. The Company may use your photograph, picture, and/or voice transcription for promotion or advertising at any time without compensation.

## **Safety**

### **General Policy**

It is the policy of Among Friends ADHC that accident prevention shall be considered of primary importance in all phases of operations and administration.

It is the intention of the company's top management to provide safe and healthy working conditions and to establish and insist upon safe practices at all times by all employees.

The prevention of accidents is an objective affecting all levels of the organization and its activities. It is therefore, a basic requirement that each supervisor and lead personnel make the safety of employees an integral part of his or her regular management function. It is equally the duty of each employee to accept and follow established safety regulations and procedures.

Every effort will be made to provide adequate training to employees.

**However, if an employee is ever in doubt how to do a job safely, it is their duty to ask a qualified person for assistance.**

Employees are expected to assist management in accident prevention activities. Unsafe conditions must be reported. Fellow employees that need help should be assisted. Everyone is responsible for the housekeeping duties that pertain to their jobs.

Any injury that occurs on the job, even a slight cut or strain, must be reported to management as soon as possible. In no circumstance, except an emergency, should an employee leave a shift without reporting an injury that occurred.

Safety is a state of mind and requires constant vigilance and common sense. Safety is everyone's responsibility. Remember: **SAFETY FIRST.**

When you have an accident, everyone loses; you, your family, your fellow workers and the company. Please work safely. It's good for everyone.

### **Safety Communication**

It is our company policy to maintain open communication between management and staff on matters pertaining to safety. Your thoughts regarding safety are considered important, and we encourage your active participation in our company safety program. Please feel free to express any of your safety concerns or suggestions during safety meetings, individually to your supervisor, or in writing on the applicable Employee Safety Information Form. (This will allow you to remain anonymous if you so desire; however, this will make it difficult to provide you

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special recognition if your suggestion is put to action.) Be assured that all safety suggestions will be given serious consideration, and that each will receive a response.

In turn, the company will provide current safety news and activities, safety reading materials, signs, posters, and a bulletin board for easy access to them all. Also, at each dept meeting, safety items will be discussed so that all employees have an opportunity to receive safety training and voice personal opinions regarding safety.

## **Searches and Inspections**

In order to protect the safety and property of all of our employees, the Company reserves the right to inspect employees' lockers, desks, cabinets, briefcases, toolboxes, purses, personal computers, personal motor vehicles and any other personal belongings brought onto Company property. Employees are expected to cooperate in any search. Failure to cooperate will result in disciplinary action up to and including termination of employment.

All files and records stored on Company computers are the property of the Company and may be inspected at any time. Company computers are for business purposes only and should not be used for non-work related matters. Use of Company computers for unauthorized purposes is prohibited. Electronic mail and voice mail messages are to be used for business purposes only and are considered Company property. The Company may access these items at anytime with or without prior notice and the employee should not assume that such messages are confidential.

## **Sleeping**

Everyone needs to be fully alert while on the job in order to protect the safety of all employees and to properly serve our customers. Therefore, we cannot tolerate sleeping or inattention on the job.

## **Smoking**

Smoking in the presence of some customers and co-workers may be offensive to them. Therefore, we expect that employees who choose to smoke will exercise good judgment as to when and where they smoke. Smoking is prohibited in all Company buildings and vehicles. Smoking must be confined to designated outdoor areas. Of course, smoking is prohibited in all areas where paint and flammable materials are present.

## **Solicitation - Distribution Policy**

Our main job at the Company is to give our Company's customers the best service possible. In order to allow employees to provide the Company's customers and their jobs with their undivided attention, the solicitation by an employee of another employee or a customer for

the support of any organization is prohibited during the working time of either employee. In addition, the distribution of advertising materials, handbills or other literature is prohibited in all working areas and sales areas at all times. E-Mail, facsimile machines, and voice mail may not be used to advertise or solicit employees. Similarly, non-employees may not come on the Company's property at any time to solicit for any cause or distribute material or literature of any kind for any purpose.

## **Theft**

Our society has laws against theft and so do we. To protect you, your co-workers and the Company, we reserve the right to inspect all purses, briefcases, packages, lockers and vehicles on the Company's property. If you must remove Company property from the premises, you must obtain written permission in advance from your manager.

## **Timekeeping Procedures**

Unless otherwise notified, each employee is required to record his or her hours of work for the Company either through the use of a time card or through a hand written record. Accurately recording all of your time is required in order to be sure that you are paid for all hours worked as required by the wage and hour laws. You will be informed your first day on the job whether you are required to keep your time by a time clock, a time sheet or some other method. Whatever your method of timekeeping, you are expected to follow the established procedures in keeping an accurate record of your hours worked.

Any changes or corrections to your time card or time record must be initialed by you and your manager. Under no circumstances may any employee punch another employee's time card.

## **Unauthorized Interviews**

As a means of protecting yourself and the Company, no unauthorized interviews are permitted to be conducted by individuals representing themselves as attorneys, peace officers, investigators, reporters, or someone who wants to "ask a few questions." If you are asked questions about the Company or its current or former employees, you are to refer that individual(s) to your manager. A decision will then be made as to whether that individual may conduct any interview and they will be introduced to you by your manager with a reason for the questioning. Similarly, if you are aware that an unauthorized interview is occurring at the Company, immediately notify the Chief Financial Officer, the Chief Operations Officer or the Chief Executive Officer.

## **Workplace Violence Policy**

The Company has a zero tolerance for violent acts or threats of violence against our

employees, applicants, customers or vendors. No employee should commit or threaten to commit any violent act against a co-worker, applicant, customer or vendor. This includes discussions of the use of dangerous weapons or of bringing such weapons onto Company property, even in a joking manner. Any employee who is subjected to or threatened with violence by a co-worker, customer or vendor, or is aware of another individual who has been subjected to or threatened with violence, is to report this information to his/her manager or manager as soon as possible. Please do not assume that any threat is not serious. Please bring all threats to our attention so that we can deal with them appropriately. All threats will be thoroughly investigated, and all complaints which are reported to management will be treated with as much confidentiality as possible.

# CHANGES IN STATUS

## Changes in Personnel Records

To keep your personnel records up to date, to ensure that the Company has the ability to contact you, and to ensure that the appropriate benefits are available to you, employees are expected to notify the Company promptly of any change of name, address, phone number, number of dependents, or other applicable information.

## Outside Inquiries Concerning Employees

All inquiries concerning employees from outside sources should be directed to the Office Manager. No information should be given regarding any employee by any other employee or manager to an outside source.

## Notice of Resignation

In the event you choose to resign from your position, we ask that you give us at least two weeks written notice. You are responsible for returning Company property in your possession or for which you are responsible.

## Exit Interview

Any employee leaving the Company may be required to attend an exit interview conducted by the employee's manager. The purpose of the interview is to determine the reasons for termination and to resolve any questions of compensation, Company property or other matters related to the termination.

## To Sum It All Up

This handbook highlights your opportunities and responsibilities at the Company. It is a guide to your bright future here. By always keeping the contents of the handbook in mind, you should be successful and happy in your work at the Company. Once again, welcome to our Company, and we look forward to working with you.

# EMPLOYEE ACKNOWLEDGMENT AND AGREEMENT

This will acknowledge that I have received my copy of the Among Friends Employee Handbook and that I will familiarize myself with its contents. I understand that this handbook represents the current policies, regulations, and benefits, and that except for employment at-will status and the Arbitration Agreement, any and all policies or practices can be changed at any time by the Company. The Company retains the right to add, change, or delete wages, benefits, policies, and all other working conditions at any time (except the policy of "at-will employment" and Arbitration Agreement, which may not be changed, altered, revised or modified without a writing signed by the Chief Executive Officer of the Company).

I further understand that nothing in the Employee Handbook creates or is intended to create a promise or representation of continued employment and that my employment, position, and compensation at the Company are at-will, and may be changed or terminated at the will of the Company. I understand that I have the right to terminate my employment at any time, with or without cause or notice, and that the Company has a similar right. My signature below certifies that I understand the foregoing agreement that at-will status is the sole and entire agreement between the Company and myself concerning the duration of my employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings, and representations (whether written or oral) concerning my employment with the Company.

I further agree and acknowledge that the Company and I will utilize binding arbitration to resolve all disputes that may arise out of the employment context. Both the Company and I agree that any claim, dispute, and/or controversy that either I may have against the Company (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) or the Company may have against me, arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with the Company shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the Act's other mandatory and permissive rights to discovery). Included within the scope of this Agreement are all disputes, whether based on tort, contract, statute (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, or any other state or federal law or regulation), equitable law, or otherwise, with exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers' Compensation Act, Employment Development Department claims, or as otherwise required by state or federal law. However, nothing herein shall prevent me from filing and pursuing proceedings before the California Department of Fair Employment and Housing, or the United States Equal Employment Opportunity Commission (although if I choose to pursue a claim following the exhaustion of such administrative remedies, that claim would be subject to the provisions of this Agreement). In addition to any other requirements imposed by law, the arbitrator selected shall be a retired California Superior Court Judge, or otherwise qualified

individual to whom the parties mutually agree, and shall be subject to disqualification on the same grounds as would apply to a judge of such court. All rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8 shall apply and be observed. The Company shall bear full responsibility for the arbitrator's fees and costs. Each party shall pay for its own costs and attorneys' fees, if any. However, if any party prevails on a statutory claim which affords the prevailing party attorneys' fees, or if there is a written agreement providing for fees, the arbitrator may award reasonable fees to the prevailing party. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of "just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with the arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion. I understand and agree to this binding arbitration provision, and both I and the Company give up our right to trial by jury of any claim I or the Company may have against each other.

This is the entire agreement between the Company and me regarding dispute resolution, the length of my employment, and the reasons for termination of employment, and this agreement supersedes any and all prior agreements regarding these issues. It is further agreed and understood that any agreement contrary to the foregoing must be entered into, in writing, by the Chief Executive Officer of the Company. No manager or representative of the Company, other than its Chief Executive Officer, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after you are hired do not alter this Agreement. If any term or provision, or portion of this Agreement is declared void or unenforceable it shall be severed and the remainder of this Agreement shall be enforceable.

**MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS. DO NOT SIGN UNTIL YOU HAVE READ THE ABOVE ACKNOWLEDGMENT AND AGREEMENT.**

\_\_\_\_\_  
Print Full Name (Employee)

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\*\*\*\*\***RETAIN IN EMPLOYEE PERSONNEL FILE**\*\*\*\*\*