



INFORMATION HANDBOOK

FOR

EMPLOYEES

OF

TALLEY CONSTRUCTION COMPANY, INC.

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NOTHING CONTAINED IN THIS HANDBOOK
IS INTENDED TO CREATE (NOR SHALL BE
CONSTRUED AS CREATING) A CONTRACT
OF EMPLOYMENT (EXPRESS OR IMPLIED)
OR GUARANTEE EMPLOYMENT FOR ANY
TERM OR FOR ANY SPECIFIC PROCEDURES.
THERE IS NO CONTRACT OF EMPLOYMENT
BETWEEN TALLEY CONSTRUCTION COMPANY INC. AND
ANY ONE OR ALL OF ITS EMPLOYEES.
EMPLOYMENT SECURITY CANNOT BE
GUARANTEED FOR OR BY ANY EMPLOYEE.

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FOREWORD

We believe in keeping employees fully informed about our policies, procedures, practices, benefits, what employees can expect from THE COMPANY, and the obligations assumed as an employee of TALLEY CONSTRUCTION COMPANY, INC. This practice is designed to provide fair treatment of employees. All employees are expected to become familiar with the policies, procedures, practices, and benefits of TALLEY CONSTRUCTION COMPANY, INC. This handbook is intended to provide employees with basic information. The policies and practices described in this handbook reflect a great deal of concern for the people who make it possible for TALLEY CONSTRUCTION COMPANY, INC.

Nothing contained in this handbook is intended to create a contract (express or implied), or otherwise to create legally enforceable obligations on the part of TALLEY CONSTRUCTION COMPANY, INC. or its employees.

Because TALLEY CONSTRUCTION COMPANY, INC. is a growing, changing organization, it reserves full discretion to add to, modify, or delete provisions of this handbook at any time without advance notice. For this reason, employees should check with the Human Resources Administrator to obtain current information regarding the status of any particular policy, procedure or practice. Periodically, you will receive updated information concerning changes in policy and those updates should be kept in this handbook. No individual other than the President of TALLEY CONSTRUCTION COMPANY, INC. has the authority to enter into an employment agreement or any agreement that modifies company policy. Any such modification must be in writing and must be signed by the President of TALLEY CONSTRUCTION COMPANY, INC.

All employment at TALLEY CONSTRUCTION COMPANY, INC. is "at will". At will means both employees and TALLEY CONSTRUCTION COMPANY, INC. have the right to terminate employment at any time, with or without advance notice, and with or without cause. No one other than the President of TALLEY CONSTRUCTION COMPANY, INC. has the authority to alter this agreement, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to this policy, and any such agreement must be in writing and must be signed by the President of TALLEY CONSTRUCTION COMPANY, INC.

Descriptions of various fringe benefits [such as group insurance] are summaries only. Should the descriptions in this handbook differ with any formal agreement or document involved, the formal agreement or document shall be considered correct.

The policies, procedures, practices and benefits described replace all earlier written and unwritten ones.

SECTION 1

EMPLOYMENT

A. APPLICATION FOR EMPLOYMENT

All candidates for employment with TALLEY CONSTRUCTION COMPANY, INC., (often referred to as THE COMPANY) must fully complete, date and sign THE COMPANY's standard employment application form to verify the accuracy and completeness of previous employment and personal information. THE COMPANY may investigate any portion of the requested information and may deny or later terminate the employment of anyone giving false, misleading or incomplete information. An employment application form completed by an applicant not selected for available openings will be maintained in an active file for a period of 3 years and reviewed as suitable openings occur.

Confirmation of Previous Employment

It is the policy of THE COMPANY to request information from a prospective employee's previous employer(s) in order to obtain the prospective employee's work record as it pertains to his/her application for employment.

Compliance Information

In order for THE COMPANY to comply with federal government regulations regarding its practice to employ people without discrimination, it is necessary for THE COMPANY to compile and maintain detailed information on each formal candidate for employment and those who are hired. This information will include the candidate or employee's sex, race, age, handicap status, and veteran's status, including service in the Vietnam era.

B. EQUAL EMPLOYMENT OPPORTUNITY POLICY

It is the policy of Talley Construction Company, Inc. to assure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, and disability and/or handicap. Such action shall include but not be limited to: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training. Managers and supervisors at all levels share, with the Human Resources Management staff, the responsibility to ensure equal employment opportunity, and are held accountable for achieving THE COMPANY adherence to this policy objective.

THE COMPANY is built upon teamwork and equal opportunity. We are proud of the fact that we extend equal employment opportunities to all qualified employees and applicants for employment without regard to their race, color, religion, sex, age, national origin, and disability and/or handicap which may be reasonably accommodated as required by law.

We work hard at THE COMPANY to promote the fulfillment of human potential and equal employment. We will take action to ensure that all qualified minority group individuals are given the opportunity to know of openings, are encouraged to seek promotions, and are considered for promotion opportunities. THE COMPANY will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. THE COMPANY does not reduce compensation offered or paid to individuals with handicaps because of any disability income, pension, or other benefit an applicant or employee may be receiving from another source.

This policy governs all aspects of employment, including recruiting, hiring, selection for training, promotion, demotion, discipline, job assignment, layoff, recall, transfer, compensation, termination, access to benefits, use of all facilities and participation in all company-sponsored activities.

THE COMPANY has designated JANET R. WHITE as its Equal Employment Opportunity Officer, who is responsible for coordinating all aspects of the Equal Employment Opportunity process to assure non-discrimination and compliance with all applicable orders and guidelines.

C. AFFIRMATIVE ACTION PLAN

THE COMPANY shall continue to base decisions on employment so as to further the principles of equal employment opportunity by hiring and employing qualified, reliable, productive employees without regard to race, color, religion, sex, age, national origin, mental or physical disability, veteran status or sexual orientation. In order to implement this policy, THE COMPANY has adopted an affirmative action program.

THE COMPANY will cooperate with federal, state or local government agencies that have the responsibility of observing our actual compliance with various laws relating to employment. THE COMPANY will furnish such reports, records and other matters as requested in order to foster the program of equal opportunity for all persons regardless of race, color, religion, sex, age, national origin, mental or physical disability, veteran status or sexual orientation. Further questions regarding this plan should be directed toward THE COMPANY EEO Officer.

D. IMMIGRATION LAW COMPLIANCE

THE COMPANY is committed to employing U.S. citizens and aliens who are authorized to work in the U.S., and will not unlawfully discriminate on the basis of citizenship or national origin. As a condition of employment and in compliance with the Federal Immigration Reform and Control Act (IRCA) of 1986, each new employee must complete an Employment Eligibility Verification form (I-9) and present documents that establish identity and employment eligibility. Identity documents include current state-issued driver's license, a state-issued identification card, or similar document such as a voter's registration card, or military service record. Employment eligibility documents include Social Security card, birth certificate, or immigration document. If proper identity and employment eligibility documents are not provided, an employee will not be allowed to continue employment.

E-verify

THE COMPANY will provide the Social Security Administration (SSA) and, if necessary, the Department of Homeland Security (DHS), with information from each new employee's Form I-9 to confirm work authorization. In order to determine whether Form I-9 documentation is valid, THE COMPANY uses E-Verify's photo screening tool to match the photograph appearing on some permanent resident and employment authorization cards with the official U.S. Citizenship and Immigration Services' (USCIS) photograph.

E. PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA)

Title I of the Americans with Disabilities Act prohibits discrimination in any terms or conditions of employment for qualified individuals with a disability. The Americans with Disabilities Act requires that employment decisions be based on the ability of a person to perform the essential functions of a job and not the person's disability or limitations. Further, it requires management to reasonably accommodate individuals with disabilities when necessary.

To comply with the employment provisions of the Americans with Disabilities Act, THE COMPANY will:

- Identify the essential functions of a job;
- Determine whether a person with a disability, with or without accommodation, is qualified to perform the duties; and,
- Determine whether a reasonable accommodation can be made for a qualified individual.

F. EMPLOYMENT OF MINORS

THE COMPANY will fully comply with the Child Labor Provisions of the Fair Labor Standards Act and applicable state statutes, which govern the employment of minors. This law states that no person under the age of 18 may work in a job that is considered by the Department of Labor to be hazardous.

G. MEDICAL EXAMINATION (Fitness for Duty)

To help ensure that employees are able to perform their duties safely, medical examinations may be required. When a medical examination is requested, a company-appointed physician, at THE COMPANY's expense, will conduct the medical examination. Employment is conditional pending receipt of physician's report.

H. SUBSTANCE ABUSE TESTING

THE COMPANY is committed to providing a safe, efficient, and productive work environment for all employees, and likewise, expects its employees to report to their jobs physically and mentally fit for work. Furthermore, THE COMPANY is committed to ensuring its continued representation as a quality business enterprise. To achieve these goals, THE COMPANY must take a firm and positive stand against drug and alcohol abuse. This policy is intended to ensure a drug-free environment for the benefit of the employees, co-workers, customers of THE COMPANY and the general public. To that extent, THE COMPANY may choose to test for pre-employment, reasonable suspicion, post-accident or random. Job applicants and current employees may be asked to provide body substance samples (such as urine, hair and/or blood) to determine illegal use of drugs or alcohol. Any applicant who fails the pre-employment substance abuse test will not be considered for employment. Any existing employee who fails or refuses to submit to substance abuse testing is subject to disciplinary action up to and including termination of employment. Questions regarding this policy should be directed to the Human Resources Department.

I. MOTOR VEHICLE RECORD (MVR) INQUIRY

Applicants and/or employees may be expected to drive company vehicles and must provide THE COMPANY with current and acceptable motor vehicle driving information at the employer's request. Employment and/or assignment will be conditional pending the receipt of a satisfactory report from the appropriate State Department of Transportation.

SECTION 2

EMPLOYEE INFORMATION

A. PAYROLL INFORMATION

Following the acceptance of employment, each new employee will be given federal and state tax forms to complete. The completed forms, the employment application form, and information regarding starting pay, starting date and any other pay or benefit information will be forwarded to the Human Resources Department.

B. ORIENTATION

Following the acceptance of employment, the Supervisor will discuss job duties, safety rules and areas of responsibility with a new employee. A copy of the Information Handbook for Employees will be given to each employee to read and review. After review, each employee must sign the two copies of the statement acknowledging his/her receipt of and his/her understanding of the Handbook. One signed/witnessed copy of this acknowledgement will remain in the employee's handbook. The other signed/witnessed copy of this acknowledgement must be returned within ten (10) days of the commencement of employment. This copy will become a part of the employee personnel file. The Handbook itself remains the property of THE COMPANY and must be returned upon separation from employment.

C. EVALUATION PERIOD

During the first one-hundred eighty (180) days of employment, THE COMPANY and each new employee are given an opportunity to evaluate whether the employment relationship should continue. Before the end of this 180-day period, the employee's performance will be evaluated. An employee who satisfactorily completes the evaluation period will be notified by his/her Supervisor of his/her employment status. During the evaluation period, an employee may voluntarily terminate employment without notice, or if the performance of the employee is not satisfactory, the employee may be released with or without notice.

D. EMPLOYMENT-AT-WILL

We hope that each employee's period of employment at THE COMPANY can be a rewarding experience. However, we recognize that circumstances change with the passage of time and that some employees may seek opportunities elsewhere or choose to leave THE COMPANY for other reasons. Other employees may not fulfill the operational needs of THE COMPANY or changed circumstances may reduce available employment opportunities, which may result in involuntary terminations. We sincerely hope that none of these situations occur, but realistically we have to acknowledge that the possibility does exist. Therefore, the right of the employee or THE COMPANY to terminate the employment relationship at will is recognized and affirmed as a condition of employment.

"At will" means both employees and THE COMPANY have the right to terminate employment at any time, with or without advance notice, and with or without cause.

E. ON-THE-JOB TRAINING

Occasionally, opportunities are available for employees to upgrade their skills by using the On-the-Job Training program. This program has three objectives:

- To fill the continuing need for trained workers in the construction industry.

- To provide training, employment and upgrading opportunities for workers, especially the disadvantaged and minorities.
- To demonstrate that equal employment opportunity exists at THE COMPANY.

Supervisors will advertise these opportunities for On-the-Job Training when they become available, and notices will be posted on THE COMPANY bulletin boards. Interested employees are encouraged to request more information from their supervisor or from the office of human resources. Women and minorities are encouraged to take advantage of this program. Trainees will be chosen from the field of applicants through interest, ability and work history, with no discriminatory procedures. The best applicant will receive the position.

F. CLASSIFICATION OF EMPLOYEES

Employees are designated as either non-exempt or exempt from federal and state wage and hour laws. Non-exempt employees are entitled to overtime pay under specific provisions of federal and state laws. Exempt employees are excluded from specific provisions of federal and state wage and hour laws and do not receive overtime pay. In addition, employees are divided into the following categories for the purpose of compensation and benefit eligibility:

Full-Time Employees

Employees hired full-time (thirty [30] hours or more) on a full work week basis for continuous and indefinite periods of time are considered full-time.

Part-Time Employees

Employees whose work schedule is less than full-time (less than thirty [30] hours) on a full work week basis for a continuous and indefinite period are considered part-time. Part-time employees are eligible for benefits by specific reference only.

G. BENEFIT ELIGIBILITY

The term "eligible employee(s)" used in Section 4 - Benefits of this handbook refers to full-time employee(s) unless otherwise designated. Each employee will be advised of the status of his/her position when he/she is hired.

- Full-time employees are entitled to the benefits stated in this handbook provided they qualify for each individual benefit.
- Part-time employees are entitled to those benefits specifically designated.

H. ANNIVERSARY DATE

So that THE COMPANY can maintain a record of the benefits for each employee, an anniversary date will be established for each full-time employee. The anniversary date will be the employee's first day of employment and will continue uninterrupted as long as he/she remains a full-time employee of THE COMPANY.

I. PERSONAL INFORMATION

Employees are asked to help keep THE COMPANY informed about any major changes, which may affect their employment status. Each employee is responsible for promptly notifying THE COMPANY of important changes in personnel data. Personnel data should be current and accurate at all times and any change of the following' should be reported to the Human Resources Department:

• Name	• Address
• Home Telephone	• Marital Status
• Number of Dependents	• Emergency Phone #s and whom to contact
• Change of Beneficiary	• Driving Record

• Authorized Payroll Deductions	• Additional Education or Training Certification
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J. PERSONNEL FILES

THE COMPANY will maintain a file on each employee. Personnel files are the property of THE COMPANY and will be treated the same as any other confidential company information. The following provisions apply with respect to THE COMPANY's standards for establishing, maintaining, and handling employee personnel files:

- All official records concerning an employee will be kept up to date insofar as possible and all employees shall promptly report all pertinent personal information and date changes to the Human Resources Department.
- Employees will be permitted to review their personnel files as permitted by applicable laws.
- Information regarding the medical condition or history of an employee will be kept with restricted access.
- The personnel file of an employee terminating employment will be maintained in accordance with applicable state and federal laws.

Content of Personnel Files Include:

• Original Employment Application	• Employment Eligibility Verification (Form I-9)
• Performance Appraisal Reports	• Disciplinary Actions
• Special Commendation Information	• Educational & Training Achievements
• Employee's Resume (if submitted)	• Signed/Witnessed Receipt of Handbook
• Status Changes affecting employee's work and salary history	• Other relevant documents as determined by Human Resources

Employee Request for Review of Personnel File

The following provisions apply with respect to an employee's request to review his/her personnel file:

- The Human Resources Department will have the responsibility of coordinating the review of an employee's personnel file with the employee's immediate supervisor.
- A member of the Human Resources Department staff must be present while the employee reviews his/her personnel file.
- The employee may take notes, but may not remove, deface or otherwise make notations on the documents in his/her personnel file.
- Upon request from the employee, THE COMPANY may provide a copy of any item(s) in the employee personnel file.

Management Review of Personnel Files

All information in employee personnel files is considered confidential. This information will only be available to the Human Resources Department, the employee, senior management personnel, and supervisors or managers who are responsible for the employee. Any violation of this policy is considered a serious offense and will be subject to disciplinary action up to and including termination.

K. PERFORMANCE EVALUATIONS

Performance of employees will be evaluated periodically by management, consisting of an interview during which an employee's strengths and weaknesses are discussed and evaluated and recommendations for improvement are made. These interviews may also identify the short and long-range goals of employees and management. Immediate and Senior Management must approve any recommendation for promotion or increase in pay.

SECTION 3

WORKING HOURS AND PAY

A. WORKING HOURS

The Immediate Supervisor will determine an employee's hours of work. Workdays may include Saturdays, Sundays and Holidays. Each employee is expected to complete a normal workday and week including whatever reasonable additional hours are required to meet company needs. Employees shall report to their assigned work site, ready to begin work at the established starting time. Employees are also expected to stay at work for their entire work schedule, except when required to leave on authorized company business or released by their supervisor.

B. OVERTIME

Employees may be scheduled to work overtime when operating requirements or other needs cannot be met during regular working hours. Whenever possible, advance notification will be provided. Non-exempt employees will be paid overtime compensation in accordance with federal and state wage and hour provisions.

C. PAY

Pay Period

The pay period is weekly. Personnel are normally paid on Friday for work performed Sunday through Saturday of the previous week.

Recording Time Worked

Government regulations require THE COMPANY keep an accurate record of time worked by employees in order to calculate pay and benefits. Non-exempt employees are required to report in to the Supervisor when they report to work and report out when they finish. The Immediate Supervisor will maintain time sheets. Questions regarding time worked should be discussed with the Immediate Supervisor. It is a violation of company policy for one employee to discuss pay rates, report another employee's time, alter another employee's time sheet, or alter his/her own time sheet without permission. Violations of this policy may be subject to disciplinary actions up to and including termination.

Report in Pay

In the event an employee reports for work and weather or circumstance prevents work that day, the employee will be paid for two (2) hours show up time.

Payroll Deductions

The company will make payroll deductions for the following:

<ul style="list-style-type: none">• Federal & State Income Taxes	<ul style="list-style-type: none">• Social Security and Medicare
<ul style="list-style-type: none">• Past Due Taxes	<ul style="list-style-type: none">• Court Ordered Garnishments (Child Support)
<ul style="list-style-type: none">• 401 K Retirement Savings Plan Contributions	<ul style="list-style-type: none">• Volunteer Pre-tax Insurance Premiums
<ul style="list-style-type: none">• Employee Portion of Pre-tax Group Insurance Premiums	<ul style="list-style-type: none">• Loss, Misuse, Damage or Destruction of Company Property

The employee must authorize any deductions (other than statutory deductions). All deductions will be itemized on the employee's paycheck stub. Questions regarding payroll deductions should be directed to the Human Resources Department.

Garnishment of Employee Wages

Garnishments are court orders requiring an employer to withhold specified amounts from an employee's wages for payment of a debt owed by the employee to a third party. State law requires THE COMPANY to honor garnishments of employee wages (including child support) as a court or other legal judgment may instruct.

Error in Pay

THE COMPANY takes precautions to ensure that employees are paid correctly; however, if an error does occur, the employee should notify his/her Immediate Supervisor and the Human Resources Department. THE COMPANY will make every attempt to adjust the error no later than the employee's next regular pay period.

Authorized Check Pickup

If an employee is absent on pay day and instructs someone to pick up his/her paycheck, a note signed by the employee, authorizing THE COMPANY to release his/her payroll check to a third party, must be provided before the check can be released. The person picking up the paycheck must show proper identification and sign for the check. This policy protects both the employee and THE COMPANY.

Lost Paychecks

Lost or stolen paychecks cannot be replaced until 24 hours after notification to the bank by the payroll department.

D. ATTENDANCE AND TARDINESS

Regular and on-time attendance is expected for efficient operations at THE COMPANY. While it is recognized that an occasional illness or extenuating personal reason may cause unavoidable absence from work or tardiness, regular on-time attendance is required for continued employment. **Employees are expected to personally make the effort to notify THE COMPANY of any absence or tardiness.** Tardiness applies to returning from lunch and/or break periods as well as the beginning of the workday. Any employee who fails to maintain an acceptable attendance record may be subject to disciplinary actions which may include verbal or written reprimands, suspension without pay and or termination.

If you will not be arriving at work on-time, or will not be reporting to work on a scheduled day due to illness or other reason, you are to call your Supervisor. If your Supervisor cannot be reached, leave a voicemail stating your reason for absence.

Medical Absences

THE COMPANY reserves the rights to request an explanatory note from the employee's physician should an absence extend beyond two (2) consecutive working days due to a non-job-related illness or injury. When an employee is absent from work for more than three (3) consecutive working days, Management will review the situation to determine if there is a need to fill the position in the individual's absence.

Absence due to pregnancy, childbirth, and related medical conditions will be treated the same as any other non-pregnancy-related illness or disability.

Unexcused Absences

Disciplinary actions may result from unexcused absence. These disciplinary actions may include verbal reprimands, written reprimands, and suspension without pay and/or termination. If any employee has three (3) consecutive days of unexcused absence, it will be assumed that the employee resigned and employment will be terminated as of the last day worked.

E. SEVERE WEATHER CONDITIONS AND EMERGENCY CLOSINGS

Occasionally, severe weather or emergency situations [such as rain, snow, fire, power failure or flooding] may disrupt company operations and necessitate early closing, late opening, or cancellation of work. A determination on opening or closing will be made at the discretion of senior management.

F. FAMILY EMERGENCIES

In the event the Human Resources Department receives word of an emergency related to a member of an employee's family, the employee will be notified as soon as possible. Arrangements will be made to contact the employee, and, if necessary, arrange for the employee to return home immediately.

SECTION 4

EMPLOYEE BENEFITS

THE COMPANY provides a well-balanced program of benefits designed to meet the needs of employees and provide protection from financial hardship. Full-time employees are eligible for benefits provided by THE COMPANY if they meet specific requirements. The information contained in this handbook regarding employee benefits is not a contract to provide these benefits to any employee. At the present time, THE COMPANY pays for a significant portion of the cost of employee benefits. Questions concerning benefits and/or insurance claim information should be directed to the Human Resources Department.

The terms of the benefit plans described are subject to change at any time by the insurer(s) or THE COMPANY.

A. GROUP HEALTH INSURANCE

Group health insurance is available to all full-time employees. Coverage will become effective on the first (1st) day of the month following ninety (90) days of continuous employment. At the present time, THE COMPANY pays a significant portion towards the cost of premiums for coverage on employees and their eligible dependents. As health care costs continue to rise, THE COMPANY will attempt to provide suitable health coverage to its employees. However, when necessary, THE COMPANY reserves the right to change the portion paid by employees for health insurance premiums. The insurance carrier will provide eligible employees with a detailed summary of the insurance coverage provided. **Please see Human Resources for your insurance packet.**

Continuation of Group Health Insurance (COBRA)

THE COMPANY will comply with federal regulations relating to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), which is designed to provide employees and eligible dependents with the opportunity to continue health insurance coverage at group rates in certain instances in which coverage would otherwise cease. The premium for this coverage is the sole responsibility of the employee or dependent. Further information may be obtained from the Human Resources Department.

B. GROUP LIFE INSURANCE

Group life insurance is available to all full-time employees who enroll in group health coverage. Premiums for group life insurance are paid in full by THE COMPANY. This coverage becomes effective at the same time as the group health insurance. Information will be provided together with the group health insurance booklet. Questions regarding group life insurance should be directed to the Human Resources Department.

C. 401(K) PROFIT SHARING PLAN

This program enables employees to save for retirement on a pre-tax basis or after-tax (Roth) basis. Employees may elect to defer from 1 % to 100% of their pay. Employees are eligible to participate in the 401(K) Profit Sharing Plan following six (6) months of continuous service, and may enter the Plan on either January 1st or July 1st.

Vesting

Employee Contributions and company safe harbor contributions are 100% vested immediately. All company contributions added to the 401 (K)/Profit Sharing Plan account are vested according to the plan documents published and distributed at the time the employee becomes eligible for the plan.

The 401(K)/Profit Sharing Plan are subject to yearly review without prior employee notification. Any changes made to the plan will be published to the employee after the annual Plan renewal on January 1st.

D. BEREAVEMENT LEAVE

Bereavement leave will be granted to employees in the event of the death of a family member. In the event of the death of an employee's spouse, child, parent, or sibling, the employee will be paid up to three (3) days. In the event of the death of an employee's grandparent, father/mother-in-law, son/daughter-in-law or brother/sister-in-law the employee will be paid one (1) day. Additional unpaid time may be requested. Subject to prior approval, an employee may also take up to one (1) full day unpaid leave to attend the funeral of other relatives or friends. All requests for bereavement leave should be made to the employee's immediate supervisor.

E. JURY/WITNESS DUTY

When an employee is required to serve as a juror or is subpoenaed to serve as a witness [on company business], time off will be granted only for the time actually necessary to report and serve as a jury member.

- The employee must notify the Human Resources Department upon receipt of a summons or subpoena so that arrangements can be made to accommodate the employee's absence.
- A document from the court, which shows the time spent by the employee and the amount paid to the employee, must be submitted to Human Resources.
- THE COMPANY will pay the difference between what the court pays the employee and the employee's regular rate of pay for actual civic time served. If salaried, the employee must turn in all pay from the court to THE COMPANY.
- Verification of an employee being seated on a jury, being detained in a jury pool, or subpoenaed as a witness is required.
- If the court dismisses the jury early, the employee is expected to return to work as soon as possible, and is expected to complete a regular work day comprised of civic time and time on the job.
- Should the employee's work duties with THE COMPANY be vital to its operation, THE COMPANY may ask the court to excuse the employee from jury duty.
- An employee who is subpoenaed to serve as a witness for reasons not related to company business must do so without pay.

F. MILITARY LEAVE

Military reservist employees and those volunteering for or called to active military duty are entitled to reemployment with THE COMPANY upon their return from duty in full compliance with all applicable federal and state laws. In addition, besides the military leave benefits discussed above, employees who request a military leave of absence may elect to use and accrued vacation pay in lieu of unpaid leave and may elect to continue health care benefits to the extent permitted by law, during their leave of absence.

G. FAMILY MEDICAL LEAVE ACT (FMLA)

THE COMPANY complies with all applicable federal and state labor and employment laws including the Family and Medical leave Act of 1993 (FMLA).

Eligibility

In general, an eligible employee under the FMLA, is one who has completed at least twelve (12) months of continuous service with THE COMPANY, who has performed at least 1,250 hours of service in the prior 12-month period and who works at a facility in which at least 50 employees are employed by THE COMPANY either at that facility or within 75 miles of that facility. In no instance does the federal law require THE COMPANY to grant more than a total of twelve (12) weeks of unpaid leave in any consecutive twelve (12) month period.

Qualifying Events

Family/medical leave may be taken only if it is made necessary due to one of the following reasons:

1. Within twelve (12) months of the birth of a child of the employee in order to care for the child;
2. Within twelve (12) months of the placement of a child with the employee in connection with adoption or foster care in order to care for the child;
3. A serious health condition of the employee's child, parent, or spouse;
4. A serious health condition of the employee.

If an employee and his/her spouse both work for THE COMPANY, they would be eligible for a single twelve (12) week period which they can split between them; however, if the need for leave is for their own serious health condition or that of their spouse or child, each would be eligible for a total of twelve (12) weeks.

Serious Health Condition

For the purpose of determining whether an eligible employee or his or her spouse, child, or parent has a serious health condition, such a condition includes any injury, illness, impairment, or physical or mental condition that requires either in-patient care in a medical facility (i.e. overnight hospitalization), or continuing treatment by a health-care provider. These terms are construed by THE COMPANY in accordance with applicable federal laws and regulations.

Health Care Provider Certificate

In cases of leave to be taken to care for a seriously ill family member or due to the employee's own health condition, an eligible employee must provide THE COMPANY with a completed and signed health care provider certification indicating that the employee requires FMLA leave. This certification must be returned to THE COMPANY within fifteen (15) days after the employee gives notice of his or her intent to take FMLA leave and must contain the following information:

1. The date on which the serious health condition commenced;
2. The probable duration of the condition;
3. The treatment regimen prescribed;
4. Any appropriate medical facts within the health care provider's knowledge regarding the condition;
5. If applicable, a statement that the employee is needed to provide care for his or her spouse, child or parent and an estimated duration of days needed; and
6. If applicable, a statement regarding the medical necessity of intermittent or reduced hours.

Failure to return this certification in a timely manner may result in delays in securing authorization for leave and failure to return the certification at all will preclude the employee from taking leave.

THE COMPANY also may require, at its own expense, a second and third health care provider opinion if there is question as to the validity of the certification provided by the employee.

An eligible employee also may be asked to furnish THE COMPANY with subsequent health care provider certification on a reasonable basis during the employee's leave period. An eligible employee's failure to furnish subsequent certification may result in termination of the employee's right to leave.

An eligible employee on FMLA leave must submit to THE COMPANY a medical release (i.e. fitness for duty certification) indicating that the employee is able to return to work. Failure to submit such a release will preclude the employee from being restored to his or her employment with THE COMPANY.

Intermittent or Reduced Hours Leave

In the case of leave taken to care for a seriously ill spouse, child, or parent; or due to the employee's own serious health condition, an employee may take leave intermittently (i.e. periodically) or on a reduced hours schedule (i.e., reduced number or working hours per day or per week) only when such leave is medically necessary, as certified by the employee's or family member's health care provider. Otherwise, such leave is not permitted except at the sole discretion of THE COMPANY. Any employee who takes leave intermittently or on a reduced leave schedule may be temporarily transferred to another position for which the employee is qualified, to better accommodate that leave. Any leave granted due to the birth or adoption of a child must be taken consecutively unless otherwise agreed to by THE COMPANY and must be completed within one (1) year of the adoption or birth.

Compensation for FMLA Leave

Generally, FMLA leave is not paid. However, an eligible employee may elect to any accrued paid vacation leave or paid personal leave days in lieu of taking unpaid leave under the FMLA. Such paid leave will be counted toward the employee's 12 weeks of FMLA leave granted per leave year.

Employee Notice Requirements

An eligible employee must give THE COMPANY at least a 30-day notice of his or her intent to take leave under the FMLA. If the employee is unable to give such notice because the need for leave is not foreseeable, then the employee must give as much notice as practicable. Typically, this will mean giving notice to THE COMPANY within one or two working days of learning that FMLA leave must be taken. Any employee who fails to give the requisite notice may be delayed in receiving authorization for leave.

Continuation of Group Health Plan Coverage

During the leave, the employer will maintain the employee's health care coverage under the same conditions as coverage would be provided if the employee were continuously employed during the entire leave period. Both the employer and the employee will be responsible for payment of their share of the premium during the leave period.

Employee Reinstatement

An eligible employee who takes leave under the FMLA and who returns to work before his or her annual FMLA entitlement has expired will be restored to the position he or she held when the leave commenced, or to an otherwise equivalent position with respect to pay, benefits, and other terms and conditions of employment, unless the employee would no longer have been employed in such a position had the employee not taken such leave or the employee is a "key" employee. Additionally, any unused employment benefits that had accrued to an eligible employee prior to the commencement of leave will be restored upon return after FMLA leave.

A “Key” employee is defined as a salaried employee who is eligible for FMLA and who is among the highest 10% (but not more than 10%) of all employees. Earnings include wages, premium pay, incentive pay and bonuses, but do not include incentives to be valued at some future date (e.g., stock options), benefits, or perks. Denial of employment reinstatement to a key employee is a function of a determination that restoration (not the absence) would cause “substantial and grievous economic injury” to THE COMPANY’s operations. If THE COMPANY believes reinstatement may be denied, an employee will be given written notice at the time FMLA leave is requested or commences.

For more information regarding the FMLA policy, contact the Human Resources Department.

H. SOCIAL SECURITY

Social Security provides benefits for employees and their families as specified by law in the event of retirement, hospitalization after age 65 (Medicare), total and permanent disability before age 65, and death at any time. THE COMPANY contributes the amount of Social Security/Medicare Taxes as prescribed by law. Contact the local Social Security Office for details.

I. WORKERS COMPENSATION

Employees of THE COMPANY are covered by Workers Compensation insurance, which is purchased by THE COMPANY in the state in which it operates. This insurance provides compensation to an employee for lost wages caused by illness, accidental injury, or death suffered in the course of or as a result of his/her employment with THE COMPANY in accordance with the laws of the state. THE COMPANY will comply with all state and federal laws pertaining to Workers' Occupational Diseases and Workers' Compensation.

- Eligibility for benefits under Workers Compensation insurance is automatic and is effective on date of hire.
- Reporting - A report must be filed immediately but no longer than 24 hours of the onset of illness or injury.
- Workers Compensation benefits provide weekly payments based upon a statutorily specified amount of the employee's regular earnings as well as payments for medical and hospital expenses arising out of an occupational illness or injury.
- Any time lost by an employee due to an occupational illness or injury covered by Workers Compensation insurance will be credited as active service for all company benefits.

J. UNEMPLOYMENT COMPENSATION

Unemployment compensation is required by law and paid for in its entirety by THE COMPANY. Unemployment compensation helps employees meet a loss of income resulting from unemployment beyond their control by paying certain benefits while they are out of work.

SECTION 5

EMPLOYEE PROMOTIONS & TRANSFERS, SEPARATION FROM EMPLOYMENT AND LEAVE OF ABSENCE

A. PROMOTIONS AND TRANSFER OF EMPLOYEES

It is the policy of THE COMPANY to fill all positions with the best-qualified people. THE COMPANY also prefers to promote from within whenever possible. As position become available, management will, at its discretion, either directly promote or transfer a qualified employee of THE COMPANY or open the position for application to internal and/or external candidates. To apply for a vacant position, a qualified individual should submit his or her request in writing to the Human Resource Department and request an interview.

Transfer of employees from one department to another or from one location to another for THE COMPANY's convenience may be made to meet company requirements. A request for transfer should be made in writing and submitted to the Human Resource Department for consideration. A transfer may be made if management determines it is in the best interest of THE COMPANY and the employee.

B. SEPARATION FROM EMPLOYMENT

An employee may be separated from employment voluntarily or involuntarily by retirement, voluntary resignation, lack of work, or termination. However, if any misconduct warranting discipline is severe enough, the Immediate Supervisor has the authority to discharge the employee immediately.

The Supervisor will advise the Human Resources Department immediately of the date and reason for terminating an employee. All company property in the employee's possession must be returned to the Supervisor upon separation from employment before the final paycheck is released.

Voluntary Resignation

Any employee who voluntarily resigns his/her position with THE COMPANY is expected to provide THE COMPANY with advance written notice of at least two (2) weeks. If the employee does not provide advance notice as requested, the employee may not be eligible for rehire.

Pay At Time of Separation from Employment

THE COMPANY will determine if the terminating employee has any outstanding debt owed to THE COMPANY and whether the individual has in his/her possession any company credit cards, uniforms, tools, keys, computers, cell phones, safety equipment, vehicles or other company property.

Upon completion of a full accounting of the employee's and THE COMPANY's accounts (as determined by THE COMPANY), a final pay check for time worked (less deductions) will be issued to the employee on the next regular pay day in accordance with applicable federal and state law.

THE COMPANY will issue a check designated as the final payment for all services rendered. The final check will not reflect any time not actually worked.

Upon resignation or termination, the employee should contact the Human Resources Department for possible conversion of group insurance and to address any financial issues.

C. LEAVE OF ABSENCE

An employee with at least twelve (12) months of continuous service may ask for a leave of absence without pay from THE COMPANY; however, no employee is guaranteed a leave of absence. Any request for a leave of absence must be made in writing stating a definitive period of time and must be approved (in advance) by THE COMPANY President. If the time period requested is longer than the position can be held open, then the employee will be advised at that time that the job may not be available upon the employee's return to work.

Management may recommend either approval or denial of a leave of absence request based upon business considerations and/or circumstances of the request (e.g., staffing needs, employee disability, military obligations, family crisis, unusual circumstances, etc.).

Due to lack of work, THE COMPANY may require an employee to take an unpaid leave of absence. The length of THE COMPANY-initiated leave of absence may vary.

- The employee is responsible for the payment of all insurance premiums for his/her individual coverage and dependent health insurance coverage (if applicable).
- The employee will retain his/her original employment date (continuous service or anniversary date) showing no interruption in service.
- The employee will retain his/her membership in THE COMPANY's Profit Sharing and 401(K) Retirement Savings Plan up to the amount of time allowed in the Plan.
- If an employee accepts other employment, all of his/her benefits with THE COMPANY will be terminated.
- Any leave of absence is without pay.

D. REDUCTION OF WORKFORCE

In the event that a reduction in THE COMPANY's workforce becomes necessary, employees over and above the number determined by THE COMPANY as needed to perform the available work will be terminated. In determining those employees to be retained, THE COMPANY will consider among other things, operational requirements; the skill, productivity, past performance and attendance of those involved; and whenever feasible, length of service.

If feasible, but not as a vested right, employees subject to termination will be given a notice prior to the anticipated termination. Upon such termination, any insurance benefits that are required to be offered will be brought to the employee's attention.

If an employee on layoff has fulfilled the orientation period requirements at the time of termination, and the employee is recalled by THE COMPANY and returns to work within 90 calendar days of the date of termination, benefits and time of service will be fully reinstated on the date of return to work. This rule does not apply to the group insurance plan, the terms of which will be governed by the actual group insurance contract in effect at the time the employee returns to work.

SECTION 6

WORK POLICIES AND REGULATIONS

The following set of rules and regulations are intended to serve as a general guideline in governing appropriate employee behavior. The list is not intended to include all offenses for which an employee may be disciplined or terminated.

A. GENERAL WORK BEHAVIOR

THE COMPANY's successful business operation and reputation is built upon the principles of fair dealing and the ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulation, as well as a scrupulous regard for the highest standards of conduct and personal integrity. Thus, employees owe a duty to THE COMPANY, its customers and the general public to act in a way that will merit trust and confidence.

Improper conduct by and between employees and/or by and between employees and business associates on THE COMPANY's premises or adversely affecting company work will not be tolerated. Any employee demonstrating improper conduct will be subject to disciplinary action including termination of employment.

Insubordination

Insubordination is prohibited. Insubordination includes the failure or refusal to obey the orders or instruction of a supervisor or management, the use of abusive or threatening language toward such individuals, or conduct that undermines supervisory authority. Insubordination would not include an employee concerns regarding their personal safety or personal safety of others as it relates to a supervisor's instructions or orders. If an employee is ordered to complete a task that he/she feels is unsafe, they should immediately call THE COMPANY Safety Director.

Employees must not threaten, intimidate, coerce, provoke, interfere or fight with fellow employees, supervisors, foreman, management, customers, visitors or suppliers at any time.

Employees must not make false or malicious statement about fellow employees, supervisor, foreman, management, THE COMPANY or its projects, customers, suppliers or visitors at any time.

B. PERSONAL APPEARANCE/CLOTHING

Personal appearance, proper hygiene and appropriate attire are important to our work practices. Our customers gauge the quality of our company by the attention we show to personal appearance and attire. Employees are expected at all times to present a professional, business like image to customers, prospects, and the public. Acceptable personal appearance is an ongoing requirement of employment with THE COMPANY. It is the policy of THE COMPANY that each employee's dress, grooming and personal hygiene should be appropriate to the work situation.

Any employee, who has regular contact with Customer Representatives or the general public, must comply with the following personal appearance standards:

1. Employees are expected to dress in a manner that is normally acceptable in similar business establishments. Employees should not wear suggestive attire, athletic clothing, shorts, sandals, novelty buttons, baseball hats, and similar items of casual attire that do not present a businesslike appearance.

2. Hair should be clean, combed, and neatly trimmed or arranged. Shaggy, unkempt hair is not permissible regardless of length.
3. Sideburns, mustaches, and beards should be neatly trimmed.
4. Tattoos and body piercings (other than earrings) should not be visible.

C. CARE OF EQUIPMENT AND FACILITIES

Employees should not abuse, misuse, damage, destroy, sabotage or steal company property, machines, tools or equipment or the property of fellow employees, supervisors, foreman, customers, suppliers owners or visitors.

Employees are expected to follow all operating instructions, safety standards and guidelines. If any equipment, machines, tools, vehicles, etc. appear to be damaged, defective, or in need of repair, notify the Immediate Supervisor. Unsafe, destructive, careless, negligent, or improper use or operating of equipment may result in disciplinary action up to and including termination of employment.

The use of company tools or equipment for personal purposes is not permitted unless authorized by the President.

D. HARASSMENT / DISCRIMINATION POLICY

The law prohibits the harassment or discrimination of any employee on the basis of that individual's race, color, religion, sex, age, national origin, mental or physical disability, veteran status or sexual orientation. THE COMPANY will not tolerate the harassment or discrimination of any of its employees. Harassment or discrimination may include, slurs, epithets, threats, derogatory comments, unwelcome jokes, teasing, sexual advances, requests for sexual favors, verbal or physical behavior that may be offensive, the distribution or display of pictures or other materials that may be offensive or other conduct that could reasonably be perceived as creating a hostile or abusive work environment. Allegations of harassment or discrimination may also arise out of intimate relationships between employees or from the hostile or abusive actions of a customer, vendor or contractor against an employee or the hostile or abusive actions of an employee against a customer, vendor or contractor.

Sexual Harassment

One aspect of our policy requiring some clarification is the prohibition of any form of sexual harassment in the workplace. Sexual harassment includes unwelcome sexual advance, requests for sexual favors, and other verbal, visual or physical conduct of a sexual nature. No employee shall threaten or insinuate, either explicitly or implicitly, that another employee's/applicant's refusal to submit to sexual advances will adversely affect that person's employment, work status evaluation, wages, advancement, assigned duties, or any other condition of employment or career development. Similarly, no employee shall promise, imply or grant any preferential treatment in connection with another employee or applicant engaging in sexual conduct. Sexual harassment also includes unwelcome sexual flirtations, advances or propositions, verbal abuse of a sexual nature, subtle pressure or requests for sexual activities, unnecessary touching of an individual, graphic or verbal commentaries about an individual's body, sexually degrading words, a display of sexually suggestive objects or pictures, sexually explicit or offensive jokes, or physical assault.

Any employee who feels that he or she is being harassed or discriminated, witnesses an employee being harassed or discriminated by someone outside THE COMPANY or witnesses an employee harassing or discriminating someone outside THE COMPANY must immediately report the matter to THE COMPANY's EEO Officer. If that would prove to be uncomfortable, an employee may directly contact any other company officer. This same requirement applies to any employee who feels that he or she is being

subjected to a hostile or abusive work environment. THE COMPANY will investigate all complaints made regarding this policy and will take actions based on the results of the investigation. A resolution may include, but will not be limited to, an apology, direction to stop behavior, counseling, warning, suspension with or without pay or termination. In the even the discriminatory or offensive behavior or any retaliation recurs, it should be immediately reported. This policy applies to all employees.

E. SUBSTANCE ABUSE POLICY

The use, possession, sale or transfer of an illegal drug by an employee on company premises and/or jobsites, in performance of company business or at company-sponsored events is prohibited.

The use of any legally obtained drug by an employee while performing company business or while on company premises is prohibited to the extent that such use may adversely affect the safety of the employee or others, the employee's job performance, or THE COMPANY's regard or reputation in the community. Employees who have been informed or have discovered that the use of a legal drug may adversely affect job performance or behavior are to report such drugs use and possible side effects to management. Management will attempt to reassign employees, whenever possible; to a job setting that is safe for the employee and co-workers.

The unauthorized use, possession, sale or transfer of alcohol on company premises and/or jobsites is prohibited. The use of alcohol by employees while conducting business, attending company sponsored business or social functions, or otherwise representing THE COMPANY off company premises is permitted only to the extent that it is not unlawful and does not adversely affect the safety of the employee or others, the employee's job performance, or THE COMPANY's reputation in the community.

The presence in specified amounts of any illegal drug or the presence of alcohol above a BAT level of .02, in any employee's system while on company premises, while otherwise performing company business, or while operating company equipment or vehicles at any time is prohibited.

Employees shall notify THE COMPANY of any arrest or conviction from a drug or alcohol related offense.

For the purposes of this policy, company premises or property includes all property or equipment that is owned, leased, used or under the control of THE COMPANY.

F. SMOKING POLICY

THE COMPANY is dedicated to providing a healthy and productive work environment for our employees as well as a healthy, comfortable environment for our customers. This goal can only be achieved through ongoing efforts to protect non-smokers and to help employees adjust to restrictions on smoking. Therefore, smoking is prohibited throughout company office facilities.

In addition, all buildings or structures that are under construction whereabouts the roof and sides have been constructed, making it enclosed, shall be considered "non-smoking".

G. BULLETIN BOARD

THE COMPANY maintains a bulletin board at the main office to keep employees informed of current items of general interest. Employees should check the board regularly. Projects that have an office trailer may also have a bulletin board with the same information.

H. UNIFORMS

Specific personnel are provided with uniforms which may be worn at work. The rental cost of the uniforms is set-up as a payroll deduction of the employee. The employee is responsible for returning

the rented uniforms to THE COMPANY if they are separated from employment. If the rented uniforms are not returned, the cost will be deducted from the employee's final paycheck.

I. SAFETY EQUIPMENT

Employees will be provided with safety equipment if it is a requirement for a particular job. This equipment will be signed for by the employee and replaced at the employee's expense if the equipment is lost or intentionally damaged. Safety Equipment showing signs of wear, stolen or defective will be replaced by THE COMPANY at no cost to the employee.

J. COMPANY TOOLS AND EQUIPMENT

THE COMPANY will furnish all necessary tools and equipment to complete job assignments and all items remain the property of THE COMPANY and represent a valuable asset of THE COMPANY. It is the responsibility of the employee to whom tools and equipment are assigned to maintain and safeguard these assets as if they were his/her personal property. If an employee is negligent in the proper storage of tools, materials, or supplies or they are misplaced or stolen, the employee will be asked to replace the item at fair market value or the cost of the item will be deducted from the employee's paycheck. When leaving a work area, it is required that all tools be placed back in designated storage areas or removed from the work area and secured in locked storage where available. The use of company tools or equipment for personal purposes is not permitted unless authorized by the President.

K. OUTSIDE EMPLOYMENT

Employees may hold outside jobs as long as they meet the performance standards of their jobs with THE COMPANY. All employees will be judged by the same performance standards and will be subject to THE COMPANY's scheduling demands, regardless of any existing outside work requirements.

If THE COMPANY determines that an employee's outside work interferes with performance or the ability to meet the requirements of THE COMPANY as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with THE COMPANY.

Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or other material gain from individuals outside THE COMPANY, for material produced or services rendered while performing their jobs at THE COMPANY.

L. COMMUNICATION SYSTEMS:

The following office procedures apply concerning THE COMPANY's communications:

- Company communications equipment is the sole property of THE COMPANY, including mail, electronic mail (e-mail), facsimiles, telephone systems, computers, internet connections, computer files, video equipment and tapes, tape recorders and recordings, pagers and cell phones.
- Company e-mail and Internet services may be accessed only by employees specifically authorized by THE COMPANY. Company e-mail, internet and phone usage should be limited to work-related activities. The following use of company e-mail, internet access and phone usage is strictly prohibited:
 1. Dissemination or printing of copyrighted materials (including articles or software) in violation of copyright laws.
 2. Sending, receiving, printing or otherwise disseminating proprietary data, trade secrets or other confidential information of THE COMPANY, in violation of company policy or other proprietary agreements.
 3. Offensive harassing statements or language, including, disparagement of others, based on their race, color, religion, sex, age, national origin, mental or physical disability, veteran status or sexual orientation.

4. Viewing, sending or soliciting sexually oriented messages or images.
 5. Operating a business, commandeering business opportunities, soliciting money for personal gain, or searching for jobs outside of THE COMPANY.
 6. Sending chain letters, gambling, or engaging in any other activity in violation of local, state or federal law.
 7. File Downloading. Under no circumstances shall any program software, application, upgrade or other information be downloaded onto computers without specific approval from THE COMPANY.
 8. Streaming audio or video websites.
- The use of THE COMPANY e-mail, phones, or any other communication device to engage in any communications that are in violation of company policy, including but not limited to transmission of defamatory, obscene, offensive or harassing messages, or messages that disclose personal information without authorization is prohibited.
 - Employees should not use THE COMPANY's communication services and equipment for personal use except in emergencies or when circumstances warrant it. When personal use is unavoidable, employees must properly reimburse THE COMPANY for them. Mobile phone should be limited to company business, except in case of emergencies.
 - THE COMPANY reserves the right to review all electronic commuted messages and communications.

Two-way Radios

When using company two-way radios, all shall use proper radio procedure and appropriate language.

SECTION 7

CONFLICTS OF INTEREST

Employees shall avoid outside employment, activities, investments, and other interests that involve obligations which may compete with or be in conflict with the interests of THE COMPANY. A conflict of interest can arise in dealings with anyone that THE COMPANY transacts business with, i.e.; customers, clients, owners, buyers, suppliers, banks, insurance companies and people in other organizations with whom we have contact and/or make agreements.

A. EXAMPLES OF CONFLICTS OF INTEREST

Conflicts of interest should be avoided and may include the following examples:

- Serving as an employee, officer, director or consultant for any customer, client, competitor or supplier of materials or services.
- Engaging in a part-time activity for profit or gain in any field in which THE COMPANY is engaged.
- Borrowing from, or lending money to any customer, client, competitor or supplier of materials or services other than recognized financial institutions (i.e. banks, credit unions, etc.).
- Holding any financial interest by an employee or an immediate family member (including father, mother, brother, sister, son, daughter, husband or wife) in the business of any direct customer, client, competitor or supplier of materials or services. This does not include a financial interest in widely held corporations that are quoted and sold on the open market.
- Accepting gifts entertainment or anything of value from any customer, client competitor or supplier of materials or services other than minor holiday and/or customer appreciation gifts of normal nature.

It is important to avoid not only any situation that is an obvious conflict of interest such as those listed above, but also any situation that might give the appearance of being conflicts of interest. In general, common sense and good judgment will guide you with respect to lines of acceptable conduct. However, if a situation arises in which it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor and if necessary, THE COMPANY's Executive Vice President for advice and consultation.

B. CONFIDENTIALITY

It is the responsibility of all employees to safeguard sensitive company information. The nature of our business and the economic well-being of THE COMPANY are dependent upon protecting and maintaining proprietary information. Continued employment within THE COMPANY is contingent upon compliance with this policy. Sensitive company information is defined as trade secrets or confidential information relating to products, processed, know-how, customers, designs, drawings, formulas, test data, marketing data, accounting, pricing or salary information, business plans and strategies, negotiations and contracts. Unless otherwise identified by management, all employees shall assume that such information is confidential. To this extent employees are prohibited from storing information outside THE COMPANY (either in written or electronic form) about any matter pertaining to the conduct of THE COMPANY's business which may compromise a customer or THE COMPANY to outsiders.

C. BRIBES, KICK-BACKS AND OTHER ILLEGAL PAYMENTS

Bribes, kickbacks and other illegal payments to or from any individual with which we conduct business (in any form and for any purpose) are prohibited.

SECTION 8

RULES TO HELP US ALL

It is the policy of THE COMPANY to expect all employees to abide by certain work rules of general conduct and performance at all times. The regulations governing employee conduct and responsibilities have been established in the best interest of THE COMPANY, its employees, and its customers.

Accordingly, a violation of these regulations constitutes misconduct on the part of the employee and appropriate disciplinary action will be initiated. **These rules are guidelines only and are not all-inclusive.**

A. EXAMPLES OF MISCONDUCT

The following are only examples of misconduct for which an employee may be subject to discipline and these examples do not constitute a complete list of the circumstances for which discipline will be warranted.

- Falsification of any records or reports pertaining to absence from work, claims pertaining to injuries occurring on company premises, claims for any benefits provided by THE COMPANY, communications or records including personnel and production records.
- Gaining unauthorized access to company records.
- Disclosing confidential information to outsiders.
- Gambling or fighting on job sites or company property.
- Unethical conduct including but not limited to the use of threatening, profane or abusive language or the demonstration of lack of courtesy towards other employees, customers or vendors.
- Participating in serious conflicts of interest
- Defective work or not completing assignment up to the quality required by THE COMPANY.
- Stealing THE COMPANY's property, a customer's property or the property of any employee; hiding, concealing or misappropriation of company property or the property of other employees or customers; sabotage or willful damage to company property, of other employees, or customers.
- Unauthorized use or sale of any company-owned property, salvage material or equipment.
- Reporting to work under the influence of alcohol or illegal drugs; possession, sale or use of illegal drugs or chemicals, or consumption of alcohol while working on job sites, in the office or in company vehicles.
- Gross negligence or willful acts in the performance of duties resulting in misuse or damage to company property or injury to others.
- Gross insubordination - a willful and deliberate refusal to follow reasonable orders by a member of management.
- Violation of THE COMPANY's equal opportunity or harassment policies.
- Serious safety violations of THE COMPANY's safety manual including the failure to report personal injury resulting from an on-the-job work situation.
- Speeding or reckless driving or unauthorized use of company vehicle.
- Use of mobile phones while working, driving vehicles or operating equipment.

B. DISCIPLINARY POLICY

Disciplinary action may include, but is not limited to, verbal reprimand, written reprimand, and suspension from work without pay, and immediate termination of employment. Management reserves the right to terminate or discipline any employee as THE COMPANY, in its discretion, considers necessary in individual circumstances.

In the event an employee is suspended from work for disciplinary reasons, benefits will not accrue nor will benefits be recoverable during the suspension period.

SECTION 9

SAFETY

THE COMPANY will conduct its operations so that injuries to people, damage to property, and adverse impact on the environment will be avoided. This policy implemented in an effort to eliminate hazards and to achieve our ultimate goal of zero incidents.

It is THE COMPANY's policy to provide a clean, safe and healthy working environment for all employees. It is our intention to comply with all safety and health standards that are enforced by local, state and federal authorities. To that end, we will provide engineering controls, administrative controls, personal protective equipment and training to abate and reduce exposure to hazards and prevent injury and illness. We have developed policies, rules, and procedures, which will contribute to the safety of all employees. We expect all employees to work according to good safe practices as posted, instructed, and discussed.

Employees will contribute to THE COMPANY safety program by following all safety rules, bringing unsafe conditions to the attention of management and recommending actions to improve the effectiveness of the program. Questions, concerns or recommendations regarding safety should be addressed to your immediate supervisor. If you receive an injury on the job or while performing work in the interest of THE COMPANY, you should immediately notify your supervisor. Failure to promptly notify your supervisor may result in a denial of any Workers Compensation benefits.

All levels of management and supervision shall insist that employees observe and obey every rule, regulation and order necessary for the safe conduct of work, and shall take such action necessary to obtain compliance.

A. SAFETY RULES

The following is not a complete list of safety rules and these rules are not intended as a substitute for common sense and good judgment.

- Proper work attire shall be worn at all times including long pants and a shirt with a 4" sleeve. Shorts, sweat pants and cut offs are not appropriate attire.
- All jewelry should be removed before reporting to the job.
- A solid work boot shall be worn at all times. Sandals, tennis shoes or any other soft cloth shoe shall not be worn. Where deemed necessary, steel toe shoes and/or metatarsal guards shall be worn to provide additional impact and compression protection. This type of protection may be required when carrying or handling excessively heavy materials or performing activities such as jack-hammering.
- Hard hats will be worn on the job at all times except while working under an approved rollover protective structure (ROPS) or in an enclosed vehicle cab.
- THE COMPANY will provide eye, face and hearing protection when necessary. Safety glasses, goggles and/or face shield will be used when eye and face hazards are present such as, breaking out concrete or asphalt, grinding, using a cutting torch, welding, sanding, using chisels, chipping slag, breaking rock or handling hazardous materials. Hearing Protection such as earplugs or ear muffs shall be worn when operating loud power tools and machinery.
- First aid kits are provided on each job. It is the responsibility of the Supervisor to see that the kits are on the job and remain well stocked.
- All gasoline shall be stored in approved safety cans.
- Know where the fire extinguishers are located and how to use them.

- Extension cords used with electric tools and appliances shall be of the three-wire type. Defective cords shall be taken out of service immediately. Electrical tape shall not be used to attempt the repair of electrical cords.
- All trenches or excavations 5' deep must be shored, benched or sloped to the angle of repose. Spoil piles and materials must be kept at least 2' back from the edge of the trench.
- Defective materials or tools must be properly tagged out and removed from service.
- All defective materials or tools must be returned to the Supervisor and not remain on the job.
- Employees should check with the Supervisor regarding any potentially hazardous material.
- Employees must abide by all hazardous materials instructions provided and Material Safety Data Sheets (MSDS). MSDS Sheets can be obtained from your supervisor.
- Keep oxygen and gas cylinders in an upright position and secured at all times. Protective caps should be kept on tanks not in use. Keep tanks free from oil and grease.
- Practice good housekeeping. Keep work area neat, clean and free from tripping hazards, grease, etc. Keep materials out of walkways. Remove all protruding nails.
- Learn to lift the correct way. Bend knees, keep back erect, and get help for moving heavy objects.
- No scuffling or horseplay on the job.
- Do not run. Keep firm footing and proper balance at all times.
- Do not throw anything from a height without a spotter below.
- Keep guards and protective devices in place at all times. When guards are removed for repairs, replace in proper order before starting up.
- Use tools only for their intended purposes. Do not use broken or dangerously dull tools.
- Do not attempt to operate special machinery or equipment without permission, instructions and training.
- Do not repair or adjust machinery while it is in operation. Never oil moving parts except on equipment fitted with safeguards for this purpose.
- Never work under vehicles that are supported by jacks or chain hoists without protective blocking in case of hoist or jack failures.
- Do not disconnect air hoses and compressors until hose line has been bled. All compressed air hoses should be secured at each connection.
- Field personnel are required to attend all scheduled tool box meetings. Employees must sign their name acknowledging participation at the meeting.
- Special customer requirements for safety, including those issued by the government, may apply to projects on which THE COMPANY is working.
- Mobile phones should not be used while working, driving vehicles or operating equipment.

B. HAZARD COMMUNICATION

The Environmental Protection Agency has grouped certain chemicals and chemical groups into categories which have been defined as toxic. This means that in concentrated forms or by accumulating and combining with other chemicals (even the air), these chemicals can be hazardous to human health if exposure occurs.

From time to time in the normal course of their jobs, employees may handle materials which have been classified as hazardous by the standards of the Occupational Safety and Health Act (OSHA) regulations.

Hazardous materials that are received from our suppliers should have Materials Safety Data Sheets (MSDS) or labels which state the chemical ingredients of the contents, precautions to take, what to do if exposure occurs and how to properly dispose of the material.

Employees will be instructed on how to control hazardous materials and what to do if they are exposed to hazardous materials.

If any employee suspects that the materials or wastes he/she may encounter as an employee are hazardous (whether or not they are being created or used by THE COMPANY), he/she should immediately inform their Supervisor.

As a company, we are committed to not creating or disposing of hazardous wastes which will contaminate the environment. Whenever possible, we will choose materials which have been judged as non-hazardous and will properly dispose of hazardous materials if used. Also, we will not knowingly dump any wastes into the environment at any time.

C. REPORTING INJURIES AND ACCIDENTS

When any accident, injury or illness occurs while an employee is at work, it must be reported to the Immediate Supervisor as soon as possible regardless of the nature or severity. THE COMPANY will provide the proper forms for reporting job-related accidents, injuries and illnesses. Any employee failing to report such occurrences will be subject to disciplinary action and may be denied possible Workers Compensation benefits.

In the event of a vehicular accident involving a company-owned/leased vehicle or personal vehicle while on company business, the employee must report all information immediately to their Supervisor and/or the Office. In no instance should responsibility for an accident be expressed to anyone until the proper person in THE COMPANY has been notified and permission has been obtained to make statements.

SECTION 10

TRANSPORTATION AND TRAVEL EXPENSES

A. FLEET VEHICLES

All travel in company vehicles on other than company business must be authorized in advance by Management. For the purposes of this policy, a Fleet Vehicle is defined as any vehicle owned, leased or rented under the control of THE COMPANY.

The following are policies related to Fleet Vehicles.

- Monthly records must be kept for all mileage driven.
- Company-owned/leased vehicles will be driven only as needed for jobs during working hours.
- Company-owned/leased vehicles will be driven only for transportation to and from destinations as specified.
- Company-owned/leased vehicles will not be driven for private use unless specific arrangements have been made in advance.
- Only the driver assigned is authorized to sign for gasoline, oil, etc ...
- All charge receipts must include the name and address of the vendor, the date of purchase, the number of gallons purchased, the amount paid, the vehicle ID number, and the mileage on the odometer.
- No one, other than an authorized company employee, is permitted to operate or ride in a company-owned/leased vehicle.
- Drivers must be determined "Qualified Drivers" by THE COMPANY in order to operate a fleet vehicle. The requirements of a "Qualified Driver" can be found in the Fleet Safety Policy of THE COMPANY Safety Manual.
- Alcoholic beverages or illegal drugs or chemicals will not be allowed in a company vehicle at any time.
- No employee may operate a fleet vehicle while under the influence of alcohol or illicit drugs.
- No employee shall operate a fleet vehicle in violation of company, local, state or federal regulations. (Employees are responsible for paying all parking and traffic violations fines and associated costs incurred while operating or in charge of a fleet vehicle.)
- The use of cell phones, PDAs etc. is prohibited while operating a fleet vehicle.
- Vehicles shall not be loaded in excess of manufacturer's recommendations and all loads shall be secured to prevent displacement.
- Each driver must remove the ignition key and lock all doors on his/her assigned fleet vehicle whenever it is left unattended and unsupervised.
- Vehicles must be kept clean (interior and exterior) at all times and thoroughly washed on a regular basis.
- Vehicles must be properly maintained according to the manufacturer's schedule.
- Any employee who misuses a company-owned/leased vehicle will be subject to dismissal.
- Each driver must report every accident and property damage incident involving the fleet vehicle to his/her supervisor within one work day. Immediate notice is required in all cases involving bodily injury regardless of how slight.
- Any damage to a company-owned/leased vehicle caused by employee carelessness or misjudgment is the responsibility of the employee. This includes insurance deductibles.

B. PERSONAL VEHICLES

THE COMPANY may, from time to time find that the efficiency of our operations will be improved if an employee uses his/her personally owned or leased vehicle for company business. When THE COMPANY and the employee agree to this, THE COMPANY will reimburse the employee for the business use of his/her personal vehicle at a mileage rate based on acceptable and current IRS regulations. Every employee, while engaged in company business must abide by the rules as stated above for drivers of company-owned or leased vehicles and must be considered a "Qualified Driver" in accordance with the Fleet Safety Program. At no time will motorcycles be allowed for such use.

An employee who is to be reimbursed for the business use of his/her personally owned or leased vehicle must maintain the vehicle in a safe operating condition and provide at his/her expense vehicular property damage and liability insurance as specified by THE COMPANY's insurance carrier. Employees may be required to provide the appropriate proof of insurance.

Note: No employee shall use his/her personal vehicle for company business without proper insurance coverage. If insurance is cancelled or allowed to lapse, the employee shall immediately notify THE COMPANY and no further business use of his/her vehicle will be allowed until insurance is reinstated and permission to resume business use of vehicle is granted by THE COMPANY.

C. TRAVEL EXPENSES

THE COMPANY will reimburse an employee for some expenses incurred when he/she is on assignment away from the normal work location. THE COMPANY will reimburse the employee for the cost of travel, lodging, meals, or other expenses directly related to accomplishing the assignment. Employees are expected to limit expenses to reasonable amounts.

All business travel must be approved in advance by the Immediate Supervisor. Travel and/or business expenses submitted for reimbursement must be accompanied by receipts showing name(s), date(s), business discussed, amount(s) and the account to be charged.

Questions concerning the proper procedure for making travel arrangements or reservations, the types and amounts of expenses that will be reimbursed, personal travel and traveling with companions, use of credit cards, or the completion of expense reports should be directed to the Executive Vice President.

Expense Records

All expense records (including gasoline credit card receipts) must be turned in daily and/or monthly, or as requested by management. An expense report form must be properly completed and submitted. Documentation for all expenses is required. Any item that is not accompanied by a receipt will not be approved.

D. TRAVEL ADVANCES

An advance to cover reasonable anticipated expenses for travel may be provided to an employee after travel has been approved.

SECTION 11

EMPLOYEE CONCERNS

TALLEY CONSTRUCTION COMPANY, INC. believes in open communication. If an employee has a suggestion or concern, management wants to know. In most cases, an employee will get satisfaction by discussing the matter with his/her Supervisor. However, THE COMPANY recognizes that not all complaints will be satisfactorily resolved between an employee and his/her Supervisor.

For complaints which cannot be resolved informally between an employee and his/her Supervisor, the following procedure has been established to ensure a fair and impartial review. All complaints will be given prompt and objective consideration in an atmosphere of mutual assistance. Time periods specified may be extended at the discretion of the management person reviewing a particular complaint if extenuating circumstances justify a longer period. This complaint reporting procedure does not apply directly to complaints of harassment which are more specifically discussed in Section 6 - Work Policies and Regulations.

Step 1: The employee must present his/her complaint to the EEO Officer who will make a thorough inquiry into the facts and circumstances of the complaint and will make every effort to resolve the matter promptly and fairly.

Step 2: If an employee is dissatisfied with the decision of the EEO Officer, the employee may submit a written report to the next management level within thirty (30) working days of receiving the decision.

If further review is required, the higher management level will conduct the appropriate investigations and hearings and advise the employee of the findings and of any change in the earlier decision.

Regardless of the time limits established, the filing of a complaint will not be accepted more than thirty (30) days after an employee has been terminated from employment.

Step 3: At any time within thirty (30) working days following receipt of the decision reached in Step 2 or within thirty (30) working days after the employee's termination date, the employee may submit a written request for further review of his/her complaint to the President of TALLEY CONSTRUCTION COMPANY, INC. . The personnel actions taken previously will be reviewed and a final decision will be made.

TALLEY CONSTRUCTION COMPANY, INC.

Acknowledgement of [Receipt and] Understanding Read and Sign Immediately

I understand and/or agree that:

The statements contained in the Information Handbook for Employees of TALLEY CONSTRUCTION COMPANY, INC. are intended to serve as general information concerning TALLEY CONSTRUCTION COMPANY, INC. and its existing policies, procedures, practices of employment and employee benefits.

Nothing contained in the Information Handbook for Employees of TALLEY CONSTRUCTION COMPANY, INC. is intended to create (nor shall be construed as creating) a contract of employment (express or implied) or guarantee employment for a definite or indefinite term.

From time to time TALLEY CONSTRUCTION COMPANY, INC. may need to clarify, amend and/or supplement the information contained in the Information Handbook for Employees of TALLEY CONSTRUCTION COMPANY, INC. and that THE COMPANY will inform me when changes occur.

I have received a copy of the Information Handbook for Employees of TALLEY CONSTRUCTION COMPANY, INC., have read and understand the information outlined in the handbook, have asked any questions I may have concerning its contents and will comply with all policies and procedures to the best of my ability.

Employee's Name (Print): _____

Employee's Signature: _____

Date: _____