



Ghilotti Construction Company

Employee Handbook



Ghilotti Construction Company – Employee Handbook

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Ghilotti Construction Company – Employee Handbook A MESSAGE FROM THE PRESIDENT

To: Ghilotti Construction Company Administrative Employees

At Ghilotti Construction Company, we believe that each employee contributes directly to our success, and we hope that you take pride in being a member of the GCC team. The success of Ghilotti Construction Company is determined by our ability to operate as a unified team.

A company operates successfully only to the degree its employees recognize and accept their responsibilities. Each of us must do his or her part to maintain a working climate that will lead to our overall success. To do this, work must be performed conscientiously with full use of skills and abilities, in a safe and efficient manner. It is our desire, to have every employee succeed in their job.

Prompt, regular attendance is essential, and all of us should be pleasant and considerate in our interactions with all employees, contractors, and suppliers on the job. The proper application of rules and policies require continuing good judgment.

This handbook has been prepared for the information and guidance of employees working at Ghilotti Construction Company. This handbook covers all employees of Ghilotti Construction Company who are not covered by a collective bargaining agreement. It is intended to cover the procedures, rules, and policies that most often apply to day-to-day work activities. Some of the information will change from time to time since our policies are under constant review and are revised when appropriate. Such changes will be communicated to you in writing, in advance of their implementation. This handbook supercedes all previous handbooks and all other rules or policy statements on subjects contained herein.

We hope this handbook will answer most of your questions. If, however, you have additional questions, please feel free to speak to the Owner or CFO.

On behalf of all of us at GHILOTTI CONSTRUCTION COMPANY, INC. we welcome you to our team.

GHILOTTI CONSTRUCTION COMPANY, INC.

By _____
Richard Ghilotti, President



I. COMPANY POLICIES

I.1 Open Door Policy

Communication and teamwork lead us to achieving our business goals. However, every work group can experience conflict. Our goal is to quickly resolve issues, while maximizing our work relationships. Open, honest communication is the key to achieving this goal. If you have a problem, suggestion or question regarding your job or working conditions, we encourage you to voice your concerns openly and directly to your supervisor. Experience has shown that when employees deal directly with their supervisors, communication can be clear and overall morale can be positive. However, if you feel it is not appropriate to contact your supervisor, or you feel that the situation has not been resolved, you may wish to bring the issue to Senior Management (Owner, CFO and Area Manager). This procedure, which we believe is important for both you and Ghilotti Construction Company, cannot result in every problem being resolved to your satisfaction. However, GCC values your input, and you should feel free to raise issues of concern, in good faith, without fear of retaliation.

I.2 Employment-At-Will

It is the goal of GCC to provide a positive work environment and a solid economic foundation upon which all employees may build a future. However, GCC is aware that personnel changes are sometimes initiated by employees and management alike. In this regard, it is expressly understood that employment at GCC shall continue only so long as it is mutually agreeable to each employee and GCC. Your employment with GCC is at-will. This means that neither you nor GCC has entered into a contract regarding the duration of your employment. Either an employee or GCC may terminate employment for any reason whatsoever, with or without cause and/or notice, at any time.

No section of this handbook is meant to be construed, nor should be construed as establishing anything other than an employment-at-will relationship, nor does it limit management's discretion to make personnel decisions. This employment-at-will relationship can not be changed by your Supervisor, and can only be changed in writing, signed by both the President of the Company and the employee in question.

GCC will consider you to have voluntarily terminated your employment if you:

- Resign from GCC;
- Fail to return, or are unable to return with a reasonable accommodation from an approved leave of absence on the date specified;
- Fail to report to work or call in for three (3) or more consecutive workdays.



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I.3 Equal Employment Opportunity

It is the policy of GCC to provide equal employment opportunity for all applicants and employees. GCC will not allow discrimination on the basis of race, color, creed, sex, gender identity, national origin or ancestry, age, religion, marital status, sexual orientation, mental or physical disability, medical condition, or any other factor rendered unlawful by federal, state or local law. GCC also prohibits discrimination based on the perception that an individual possesses any of these characteristics, or is associated with a person who possesses or is perceived as possessing any of these characteristics. All such discrimination is unlawful.

This policy applies to all areas of employment, including recruitment, hiring, training, promotion, compensation, benefits, and transfers. Further, it is our policy that employees not discriminate against each other or non-employees based upon these factors. In addition, GCC prohibits the harassment of any individual (see non-harassment policy).

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, GCC will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee, unless undue hardship would result. Any applicant or employee who requires an accommodation in order to perform the essential functions of their position should contact the human resources department staff and request such an accommodation. GCC will then conduct an investigation and identify possible accommodations, if any. If the accommodation is reasonable and will not impose an undue hardship, GCC will make the accommodation.

If you believe you have been subjected to any form of unlawful discrimination, provide a verbal or written complaint to Senior Management. GCC will undertake a thorough investigation and attempt to resolve the situation. If GCC determines that unlawful discrimination has occurred, appropriate action will be taken. GCC will not retaliate against you for filing a complaint and will not knowingly permit retaliation by management or your co-workers.

I.4 Rehires

GCC will consider former employees for re-employment. Former employees are subject to the same hiring procedures as other applicants. To be considered, an applicant must have been in good standing at the time of termination from their previous employment with the Company. Any bridging of benefits will be determined on a case-by-case basis.

I.5 Employment Eligibility

It is the policy of GCC to hire only those persons legally eligible to work in the United States. Accordingly, before any employee begins work, the INS-required I-9 form must be completed and the appropriate documentation provided.



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I.6 Employment Reference Checks

To make sure that individuals who join GCC are well qualified and have a strong potential to be productive and successful, it is the policy of GCC to check the employment references of all applicants.

GCC will respond to all reference check inquiries from other employers. Responses to such inquiries will confirm only dates of employment, and position(s) held, unless the requesting employee completes and signs a release form. All reference checks are managed by the human resources department staff.

I.7 Employment Background Checks

Employees of GCC must be able to pass a background/security clearance. If the background check conducted on behalf of GCC indicates the employee has been convicted of a crime, other than minor traffic violations, the employee may be found ineligible for employment with GCC.

I.8 Introductory Period

The first 90 days of employment are your introductory period. During this period you will have the opportunity to determine whether you are comfortable with your position, and your supervisor will determine your qualifications and suitability for continued employment. Your supervisor will also conduct an informal review of your performance. During or after the completion of the introductory period, you may be eligible for some of the benefits described in this handbook.

Should you or your supervisor decide you are not suited for this position, your employment may be discontinued before the end of the introductory period. The Company also reserves the right to extend the introductory period in certain cases where the individual circumstances justify an extension. Successful completion of the introductory period does not alter the nature of your employment relationship, which remains at will.

I.9 Job Duties

During your introductory period, your supervisor will explain your job responsibilities and performance expectations. However, the Company reserves the right to alter or change job responsibilities, reassign or transfer positions, and/or assign additional responsibilities. For example, you may be asked to work on special projects or to assist with other work. Your cooperation and assistance in performing such work is expected and appreciated.

I.10 Employment Categories

GCC will maintain standard definitions of employment status and will classify employees under defined categories so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time.



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I.10 Employment Categories - *Continued*

Exempt or Non-Exempt

- There are 3 exempt categories; 1) Executive, 2) Administrative, and 3) Professional.
- Exempt employees are not required to complete daily time sheets and are paid on a salary basis. Exempt employees are not eligible for overtime. Additional information on exempt classifications can be obtained upon request.
- Non-Exempt employees are paid for each hour worked, required to complete daily time sheets, and entitled to (authorized) overtime pay and other provisions of wage and hour laws.

Full-Time or Part-Time

- Employees who work 30 hours or more per workweek, on a regular basis, will be considered Full-Time.
- Employees who work less than 30 hours per workweek, on a regular basis, are considered Part-Time and are not eligible for non-mandatory benefits.

Regular or Temporary

- Employees are considered Regular when they are working for an indefinite and unspecified period.
- Temporary employees are hired to fill a position for a period of time, not to exceed 6 months. Temporary employees receive all legally mandated benefits. Temporary employees who are transferred to Regular status, provided that service was continuous, may have their Date of Hire backdated to include their GCC temporary period of service.

I.11 Work Schedules and Hours

Our business office is open from 7:00 AM to 5:00 PM, Monday through Friday. Individual work schedules and hours vary, depending upon the employee's classification and department, and the operating requirements of the Company. Your supervisor will inform you of your work schedule.

I.12 Performance Evaluation

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths and discuss positive, purposeful approaches for meeting goals. A positive performance evaluation does not guarantee an increase in salary or a promotion. Pay increases and promotions are based on many factors in addition to performance and are solely within the discretion of the company.

Formal performance evaluations are conducted, and documented, on an ongoing 12-month cycle, ending January 31.



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I.13 Employee Records

In order to keep complete and current records, it is mandatory that you provide our office with the following information and notify our office immediately whenever there is a change in your:

- Address
- Telephone number
- Name, through marriage or otherwise
- Marital status
- Number of dependents
- Insurance beneficiary
- Military status
- Emergency Contact Information

Confidential employee information will not be given out without the prior authorization of the employee, except as legally required.

I.14 Access to Personnel Files

GCC maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals, and salary increases, payroll records, and other employment records.

Personnel files are the property of GCC and access to the information they contain is strictly restricted. Employees who wish to review their own file should contact their supervisor or management. With reasonable advance notice, employees may review the contents of their own personnel files in GCC's offices and in the presence of an individual appointed by GCC to maintain the files.

I.15 Employee Medical Records

Any medical records of the employees will be held in confidence in order to avoid unauthorized disclosure. In compliance with state and federal laws, GCC shall keep the employees' medical records separate from their personnel files. Access to employees' medical records shall be limited to those in management, on a need-to-know basis.

I.16 Religious Accommodation

GCC will make reasonable accommodations for employees' observance of religious holidays and practices. Because GCC strives for its best business performance, accommodations for an employee's religious practices will not be made if an undue hardship will result. An employee who desires a religious accommodation is required to make the request in writing to his or her supervisor as far in advance as possible. The employee is expected to cooperate with the employer in seeking and evaluating alternatives.



I.17 Garnishment of Wages

Garnishment of wages results when an unpaid creditor has taken the matter to court. A garnishment is legal permission for creditors to collect part of an employee's pay directly from the company. Although Ghilotti Construction Company does not wish to become involved in an employee's private matters, we are compelled by law to administer the court's orders.

When this situation arises, the payroll administrator will contact the employee to explain the details of garnishment and how it affects the employee's wages. Employees are encouraged to resolve these matters privately to avoid the company's involvement in this mutually unpleasant situation.

I.18 Political Neutrality

GCC will not discriminate against any employee because of identification with and support of any lawful political activity. An employee engaging in political activity should always make it clear that his or her actions and opinions are his or her own and not necessarily those of GCC, and that he or she is not representing the GCC.

I.19 Confidential Information

Employees may be privy to or have access to confidential information during the course of work. None of this information should be discussed, revealed, or provided to any person, employee, or non-employee unless specifically authorized or required in the course of daily business. An employee who discloses confidential information, except as provided above, is subject to disciplinary action, up to and including termination, and to other civil and equitable remedies that GCC may have. Confidential information includes, but is not limited to, personnel records of others, payroll and financial information of others, property locations, business plans and strategies, and policy and personnel manuals. Additionally, confidential information includes, but is not limited to: bid information, overhead and other administrative burdens, bond rates, productivity, labor usage, costs, constructability, feasibility, alternative methods of construction, customers and vendors (especially contact persons), special terms and/or discounts offered by vendors, means and methods of estimating and bidding, terms and conditions of prime contracts and subcontracts, quality control, construction claims, lawsuits and other legal actions, accounting systems and controls, financial reports and formats, and computer programs.

I.20 Conflict of Interest

GCC policy requires that you do not engage in any outside activities that might result in a conflict of interest. GCC expects you to observe the highest standards of ethics and good judgment in all transactions relating to your duties as representatives of GCC and to review with your immediate supervisor any situation that may conflict with GCC interests or have the appearance of impropriety. If you are unsure whether your actions may constitute a conflict of interest or lead to a conflict of interest, you must immediately discuss the matter with Senior Management. Violation of this policy may result in disciplinary action up to and including possible discharge.



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I.20 Conflict of Interest - *Continued*

While it is not possible to list all possible conflicts of interest that could develop, some of the more common conflicts are listed below.

- **Competitive Relationship**

GCC may not collaborate with competitors or their representatives for the purposes of establishing or maintaining prices at any particular level or to collaborate with them in any way in the restraint of trade. GCC prohibits discussion of prices with competitors or disclosing prices to any outside source at any time except for legitimate sales or purchase purposes. The privacy of the methods used to establish prices, terms, and conditions of sale should be constantly maintained without exception.

- **Accepting Outside Work**

All employees are prohibited from being employed by, or performing services for, competitors of GCC or any businesses that have business dealings with GCC. In addition, accepting outside jobs with unrelated companies may take your time, skills, or energy away from your normal work duties, and thus may interfere with your carrying out your work responsibilities at GCC. The nature of GCC's business requires the complete commitment of full-time employees. Accordingly, GCC discourages full-time employees from holding an outside job of any sort.

All employees must discuss the appropriateness of any outside job with their supervisors and obtain approval in writing before accepting outside employment or positions.

- **Financial or Other Interest**

Being financially involved or interested in a company that has business dealings with, or competes with GCC, may result in a conflict of interest. Therefore, all employees shall not, directly or indirectly, become interested in any other corporation, or other entity which directly competes with GCC in any line of business engaged in (or planned to be engaged in) by GCC or its affiliates, or that has business dealings with GCC.

This policy shall not be construed to restrict investment or require disclosure of any investment by an employee in stock or any other security of any corporation listed on a national or local securities exchange or regularly traded by registered national or local securities dealers provided that such investment does not exceed one (1) percent of the market value of the outstanding securities of such corporation.

- **Gifts**

Every customer is entitled to courteous and outstanding service. Since such service is given impartially to all, gratuities are not expected. Therefore, employees are not allowed to accept gifts of any kind from customers or vendors, with the exception of any gifts valued at less than \$100.00. If an individual presses an employee to accept such a gift, the employee should thank him, but explain that GCC policy makes it impossible to accept any gift.

Any offers to GCC personnel, or solicitation of offers from GCC personnel, which appear to be attempts at commercial bribery, shall be reported immediately to management.



I.20 Conflict of Interest - *Continued*

- **Family Members**

If any family members of an employee engages in any of the conduct prohibited in this policy, it may create a conflict of interest for the employee. Therefore, as soon as an employee learns that any of his/her family members are engaging or planning to engage in any conduct prohibited in this policy she or he must immediately inform Senior Management. Family members include spouses, any blood relations, or relations by marriage.

I.21 No Solicitation/Distribution Rule

Our objective as an organization is to focus on our clients' needs. Therefore, certain types of solicitation and distribution of literature are prohibited.

The following rules apply to non-employees:

- No solicitation on GCC property at any time.
- No distribution of literature on GCC property at any time.

The following rules apply to employees:

- No distribution, or solicitation of other employees for any purpose, within working areas.
- No solicitation or distribution of literature to other employees when the employee who is soliciting/distributing or the employee being solicited is on working time.
- These rules do not apply during break times and meal times or other periods during the workday when employees are not engaging in performing work tasks and are not in work areas.

I.22 Non-Harassment

GCC is committed to providing a work environment free of unlawful harassment. This includes sexual harassment, as well as harassment based on such factors as race, color, creed, religion, national origin or ancestry, age, gender identity, medical condition, marital status, physical or mental disability, sexual orientation, or any other basis protected by federal, state or local law. All such harassment is unlawful. This includes harassment based on the perception that a person possesses any of these characteristics, or is associated with a person who possesses, or is perceived as possessing, any of these characteristics. GCC will not tolerate harassment of our employees by anyone, including any supervisor, co-worker, vendor, associate, or customer of ours.

Harassment Defined: Harassment refers to behavior that is unwelcome, is personally offensive, debilitates morale, and interferes with the work performance and effectiveness of an employee. It includes inappropriate and disrespectful conduct and communication. Prohibited harassment includes, but is not limited to, the following behavior:

- ❑ Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;



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I.22 Non-Harassment - Continued

- ❑ Visual conduct such as derogatory and/or sexually-oriented posters, photography, e-mails, cartoons, drawings or gestures;
- ❑ Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race or any other protected basis;
- ❑ Threats and/or demands to submit to sexual requests in order for an employee to keep their job, or to avoid some other loss, and offers of employment benefits in return for sexual favors;
- ❑ Retaliation for having reported or threatened to report harassment.

Violations: Violations of this policy will not be tolerated. Anyone engaging in such activity is acting beyond the scope of any authority they may have from the Company. Any supervisor who is made aware of a complaint of harassment and fails to take action will be subject to corrective action, which may include termination.

Complaint Procedure: If you feel that you have experienced or witnessed harassment, you are encouraged to first confront the individual (if you are comfortable doing so), and ask him or her to stop. The next step is to notify Senior Management, verbally or in writing. GCC encourages all employees to report any incidents of harassment immediately so that complaints can be quickly resolved.

No employee should feel they must tolerate an inappropriate or uncomfortable situation. We will take your concerns seriously. Every complaint of harassment that is reported will be investigated thoroughly, promptly, and in as confidential a manner as possible. If a harassment investigation determines that inappropriate and/or unlawful harassment has occurred, GCC will take specific action that is in line with the severity of the offense. Any employee determined by GCC to be responsible for harassment will be subject to appropriate corrective action, up to and including termination of employment. In addition, appropriate action will be taken to prevent any future harassment.

GCC will not retaliate against any employee for filing a complaint, and will not knowingly permit retaliation by any representative of the organization. If we become aware of any retaliatory activity, appropriate corrective action will be taken.

Your Rights: GCC encourages all employees to report any incidents of harassment immediately, using the complaint procedures described above. You should also be aware that you have the right to contact the Federal Equal Employment Opportunity Commission (EEOC) and the California Department of Fair Employment & Housing (DFEH). The nearest offices are listed in the telephone book.



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I.23 Workplace Violence Policy

Ghilotti Construction Company (GCC) has adopted a **Zero Tolerance Policy** to workplace violence because the safety and security of our employees are of vital importance. The costs of workplace violence are great, both in human and financial terms, and has been recognized as a growing problem nationwide.

Workplace violence is considered any act of physical violence, attempts to act or threats of physical violence, acts with the intent to cause a harmful or offensive contact, harassment, intimidation, or other threatening, disruptive behavior that occurs at the job site. Workplace violence can affect or involve employees, clients, and other individuals including but not limited to the public.

A number of different actions in the work environment can trigger or cause workplace violence. Non-work-related situations such as domestic violence or “road rage” that lead to violence occurring on the job, or acts by an employee or to an employee because of their employment relationship (even if off the job) are covered under our policy. Workplace violence can be inflicted by an abusive employee, a manager, supervisor, co-worker, client, family member, or even a stranger. Whatever the cause or whoever the perpetrator, workplace violence is not accepted or tolerated at GCC.

General examples of prohibited conduct include, but are not limited to, the following:

- All threats or acts of violence occurring on GCC property or job sites, regardless of the relationship between the parties involved in the incident.
- All threats or acts of violence not occurring on GCC property or job site, but that involves an individual who is acting in the capacity of a representative of GCC.
- All threats or acts of violence not occurring on GCC property or job site, but that involves an individual whose threats or acts of violence affect the legitimate interests of GCC.
- Any threats or acts resulting in the conviction of an employee or agent of GCC, or of an individual performing services on GCC’s behalf on a contract or temporary basis, under a criminal code provision related to threats or acts of violence that adversely affect the legitimate interests and goals of GCC.

Specific examples of prohibited conduct include, but are not limited to:

- Hitting, shoving or any offensive or harmful contact with an individual (any physical assault)
- Threatening to harm an individual or his/her family, friends, associates, or their property
- Making harassing or threatening telephone calls, letters or other forms of written or electronic communications
- Intimidating or attempting to coerce an employee to do wrongful acts that would affect the business interests of GCC
- Harassing surveillance, also known as “stalking; the willful, malicious and repeated following of another person and making a credible threat with intent to place the other person in reasonable fear of his or her safety
- Possession or inappropriate use of firearms, weapons, or any other dangerous devices on GCC property or job site



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I.23 Workplace Violence Policy - *Continued*

Violations:

Violation by an employee or agent of GCC of this policy will lead to appropriate disciplinary action (up to and including termination). Non-employees engaged in violent acts on GCC property or job sites will be reported to the proper authorities and GCC will cooperate with prosecution to the fullest extent possible by law.

To make deliberate false accusations of workplace violence will also be considered a violation of the GCC Workplace Violence Policy. In such instances, the complainant will be subject to disciplinary action. However, failure to prove a claim of workplace violence does not constitute proof of a false and/or malicious accusation.

Any individual that is aware, or a victim, of workplace violence is encouraged to report the incident immediately to Senior Management. Part of your job duties as an employee is to participate in making GCC free of workplace violence. Your failure to timely report known instances of workplace violence is a violation of our policy and may have serious consequences to the victim and to other employees later.

Employees who, in good faith, report what they believe to be workplace violence or who cooperate in any investigation will not be subjected to retaliation. Any employee who believes he/she has been the victim of retaliation for reporting workplace violence or cooperating in an investigation should immediately contact Senior Management.

I.24 Use of Electronic Media (E-mail/Internet Use)

GCC's computers, phones (including cell phones), fax machines, and electronic and voice mail systems are company property, and are generally to be used for conducting company business only. The use of this equipment for private purposes should be limited as described below.

Employees may not access a computer file, or retrieve or store communication, other than where authorized, unless there has been prior clearance by an authorized GCC representative. In order to protect the integrity of the system, employees wishing to download programs or files, and/or to load personal or other external software onto GCC equipment should first check with Senior Management.

Our phone system should generally be used for job-related purposes only. To maintain the efficiency of our operation, please limit personal calls to as few occasions and as short a conversation as possible. In addition, whenever possible, please make personal calls during your meal and rest periods. Long-distance calls should generally be limited to emergency situations, and should be made on your cellular phone, or charged to your home phone or credit card. You are expected to reimburse GCC for any personal calls that may be inadvertently charged to the Company. Please report any such calls to your supervisor.



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I.24 Use of Electronic Media (E-Mail/Internet Use) - *Continued*

Personal use of electronic mail and other computer systems should be limited, and should generally occur only during break and meal periods. Excessive personal use will not be tolerated. The use of the internet, whether for business or personal use, should not include the accessing of offensive or otherwise inappropriate sites (see below).

Electronic media (including the internet) may not be used in any manner that would be discriminatory, harassing or obscene, or for any other purpose which is illegal, against Company policy or not in the best interest of GCC. Voice or e-mail messages may not contain content that may reasonably be considered offensive or disruptive to any employee. Offensive content would include, but would not be limited to, sexual comments or images, racial slurs, gender-specific comments or any comment that would offend someone on the basis of their age, sexual orientation, religious or political beliefs, national origin, disability, or any other basis protected by law.

GCC reserves and will exercise the right to review, audit, intercept, access and disclose all matters on the Company's e-mail system at any time, with or without employee notice. This access may occur during or after working hours. The use of a Company-provided password or code does not restrict GCC's right to access electronic communications.

Violations of this policy may lead to disciplinary action, up to and including termination. Employees needing additional information regarding this policy should speak to Senior Management.

I.25 Substance Abuse Policy

GCC is committed to providing a safe work environment and promoting the well-being and health of its employees. That commitment is jeopardized when any GCC employee illegally uses drugs on the job, comes to work under the influence, or possesses, distributes, or sells drugs in the workplace. These activities may adversely affect an employee's work performance, efficiency, safety, and health, and therefore seriously impairs his/her value as an employee. In addition, these activities constitute a potential danger to the welfare and safety of other employees and the public, and exposes GCC to risks of property loss or damage.

Drug Testing

Drug and alcohol testing will be performed under the following circumstances:

- New Hire Testing (Post-Offer/Pre-Employment)
- Reasonable Suspicion Testing
- Random (per legal restrictions) and Post Accident Testing

Employment with GCC is contingent on passing the drug/alcohol test. If a proposed candidate for employment tests positive, any job offer made will be considered rescinded.



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I.25 Substance Abuse Policy - *Continued*

If an existing employee's test results are positive, the employee shall be removed from duty and be subject to immediate disciplinary action, up to discharge.

GCC encourages any employee with an alcohol or drug problem to ask for help. Employees are eligible for assistance in obtaining a leave of absence and entering a rehabilitation program. Matters of this nature are treated in a confidential manner.

Only designated individuals of GCC will receive testing results. He or she will notify other managers of GCC strictly on a need-to-know basis.

Substance Abuse Guidelines

GCC has established the following guidelines:

1. The company will not tolerate or condone substance abuse. It is the policy of GCC to maintain a workplace free from alcohol and other forms of drug abuse and its effects.
2. It is a violation of company policy for any employee to possess, use, buy, trade, or offer for sale illegal drugs or alcohol, or otherwise engage in the illegal use of drugs or alcohol on the job.
3. It is a violation of company policy for anyone to report to work under the influence of illegal drugs or alcohol.
4. It is a violation of company policy for anyone to use prescription drugs illegally. However, nothing in this policy precludes the appropriate use of legally prescribed medications, unless doing so hinders the performance of essential job functions and/or creates identified safety hazards. Employees who believe, or have been informed, that their use of any prescription drug may present a safety risk are to report such drug use to their supervisor or management to insure the safety of themselves, other employees, the public, and employer property. It is a violation of this policy to utilize prescribed medication, during the course of employment, which impairs performance.
5. Violations of this policy are subject to disciplinary action up to and including immediate termination. Employees found to be engaged in the sale or purchase of illegal drugs during working hours shall be reported to the appropriate law enforcement agency, and be subject to immediate termination and shall not be eligible for rehire.

GCC expects the full support of this policy by all employees and all persons doing business with the company.



I.25 Substance Abuse Policy - *Continued*

Employee Voluntary Referrals

An employee who abuses drugs and/or alcohol is encouraged to participate in an Employee Voluntary Self-Help Program. Employees who seek voluntary assistance for alcohol and/or substance abuse may not be disciplined for seeking such assistance. GCC reserves the right to approve a reasonable time for a leave of absence under this policy. The leave of absence will be handled confidentially. Voluntary assistance obtained independently, or under the condition of an Informal Referral, will be considered confidential. No information can be released to GCC without the employee's written consent.

Employer/Company Responsibility

To provide a drug and alcohol-free working environment, GCC will:

1. Establish definitive rules and regulations
2. Recognize that there may be employees who have an alcohol or other drug problem and stand willing to assist in the solution of that problem by encouraging employees to seek help through employee assistance programs provided by their respective health care providers.
3. Administer a program that takes into consideration an employee's rights and is within legal boundaries.
4. Inspect persons and their property in our employ or doing business with the Company, within legal boundaries.
5. Maintain consistent enforcement of the company Substance Abuse Policy. Any supervisor who knowingly permits a violation of this policy by employees under his/her direct supervision shall be subject to disciplinary action.
6. Cooperate with outside law enforcement agencies.
7. Conduct post-accident, and post-injury, drug and alcohol testing (within legal restrictions) immediately following any at-fault accident that results in bodily injury or property damage, whether a citation is issued or not. Post-accident testing includes any accident that occurs during the course of work. This includes accidents in personal vehicles while performing job tasks.

Employee Responsibility

GCC believes that each employee has the responsibility to:

1. Report to work at all times free of alcohol or other drugs and their effects.
2. Not possess or use, or have the odor of alcohol or drugs on his/her breath.
3. Seek and accept assistance for alcohol and drug abuse.
4. Support efforts to eliminate alcohol and other drug abuse among employees where it exists.
5. Not engage in any work related activity when taking medications or drugs (prescription or non-prescription), and/or alcohol that may create an unsafe or dangerous situation for the employee, the public, or the employee's co-workers.
6. Immediately report any incident involving property damage or bodily injury that would require post-accident/post-injury drug testing to the supervisor or management.



Ghilotti Construction Company – Employee Handbook COMPANY POLICIES

I.25 Substance Abuse Policy - *Continued*

7. Testing must be performed by a designated facility immediately after occurrence of an incident where the employee appears to be the cause of, or contributed to, an accident involving bodily injury or property damage. For on-site testing, the employee must remain at the work site location. If circumstances require off-site testing, the employee must be accompanied to a designated testing facility by a company-representative immediately, but not to exceed 4-hours, after occurrence.

Confidentiality

Every effort will be made to ensure that all employees' substance abuse problems will be discussed in private and actions taken will not be made known to anyone other than those directly involved in coordinating the testing and obtaining the results, or who are required to be involved in the disciplinary procedures.

Only designated company individuals will receive testing results. He/she will notify other GCC managers strictly on a need-to-know basis.

No laboratory or medical reports or test results shall appear in an employee's personnel folder. All necessary measures shall be taken to keep the results of the test confidential.

Responsibility for interpretation of the Company's Substance Abuse policy falls to the human resources department staff.



Ghilotti Construction Company – Employee Handbook EMPLOYEE COMPENSATION

II. EMPLOYEE COMPENSATION

II.1 Paydays

Ghilotti Construction Company utilizes a Direct Deposit system for issuing payroll earnings. An Automatic Direct Deposit form is provided at hire for your completion. You may split your weekly payroll earnings between 1 to 5 different Financial Institution accounts. The funds will be automatically deposited into your account(s) on Friday morning and you will receive a Direct Deposit Advice with all of your payment information (similar to standard check stubs). *Note:* An actual check will be issued to you the first week. After the bank verifies your account and bank information, the automatic direct deposit will be initiated.

II.2 Payroll Deductions

When you receive your paycheck (copy) and earnings description, the stub will indicate the total amount of your earnings and the deductions made. The deductions fall into two categories: required and voluntary. Required deductions are mandated by state and federal law. Voluntary deductions such as group disability insurance will only be made with the written authorization of the employee.

II.3 Timekeeping

Federal and state laws require an employer to keep accurate records of the time worked by all non-exempt employees.

Exempt employees do not complete a daily time sheet, but do submit vacation requests and notice of sick/vacation days used.

Non-exempt employees should accurately record the time they begin and end their workday, as well as the beginning and ending time of each meal period, or departure from work for personal reasons. A time sheet will be utilized for this purpose and must be approved by your supervisor. Overtime work must always be approved by your supervisor before it is performed.

II.4 Attendance Policy

Employees are responsible for being at their workstation at the beginning of their scheduled shift. If an employee cannot report for work, or cannot be there at the starting time, he/she must notify their supervisor before the beginning of his/her shift. Failure to notify the supervisor for 3 consecutive days will be considered as resignation of employment. GCC reserves the right to require a verification of illness and medical release to return to work from any employee absent for three (3) or more work days. Failure to follow these procedures may result in disciplinary action. Excessive absenteeism or tardiness will result in disciplinary action, up to and including discharge.

II.5 Lunch Period

Non-exempt employees must take a 1-hour lunch period to be designated by the supervisor.



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EMPLOYEE COMPENSATION

II.6 Overtime

All overtime for non-exempt personnel must be authorized in advance by your supervisor. Overtime for non-exempt personnel will be paid at the rate established by state or federal law, whichever is applicable. Overtime will be paid the week following the week worked. The work week is considered Sunday through Saturday. Only actual hours worked are counted toward overtime eligibility.

II.7 Pay Adjustments

Salary increases or decreases are based on merit, business conditions or other appropriate factors determined by management in its sole discretion. Any pay increase given would be determined by the Chief Financial Office or President of Ghilotti Construction Company.

II.8 Pay Advances

GCC does not provide pay advances on unearned wages to employees.

II.9 Administrative Pay Corrections

GCC takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Accounting Supervisor.

II.10 Make-up Time

GCC allows the use of make-up time when non-exempt employees need time off to tend to personal obligations. Employees may take time off and then make up the time later in the same workweek, or may work extra hours earlier in the workweek to make up for time that will be taken off later in the workweek. The Company's seven-day workweek is Sunday through Saturday.

Make-up time worked will not be paid at an overtime rate. Employees may not work more than 11 hours in a day or 40 hours in a workweek as a result of making up time that was or would be lost due to a personal obligation.

Make-up time requests must be submitted in writing to your supervisor, with your signature, on the form provided by GCC. Requests will be considered for approval based on the legitimate business needs of the Company at the time the request is submitted. A separate written request is generally required for each occasion the employee requests make-up time. Your make-up time request must be approved in writing before you take the requested time off or work make-up time, whichever is first.

If an employee takes time off and is not able to work their scheduled make-up time, the hours missed will typically be unpaid. However, in some situations alternative make-up time during the workweek may be arranged with your supervisor, if operations permit. If an employee makes up time in advance, they must take the equivalent amount of time off later in the week, even if the time off is no longer needed.

An employee's use of make-up time is completely voluntary. GCC does not encourage, discourage or solicit the use of make-up time.



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EMPLOYEE COMPENSATION

II.11 Resignation

As an at-will employee you can resign at any time. However, should you decide to leave GCC, we request that you notify us, in writing, at least two (2) weeks in advance. Your consideration in this regard will enable us to arrange for a replacement. You will also be asked at this time to give us an evaluation of your employment with us. This information will be helpful to us in our continuing program of seeking to improve our Company.

Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense, if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

II.12 Final Pay

If the Company terminates an individual's employment, all wages and accrued vacation earned but unpaid will be paid on the termination date. An employee who resigns and provides at least 72 hours notice to the Company will be paid all wages and accrued vacation on the last date of employment. An employee who resigns with less than 72 hours notice will receive their final and vacation pay no later than 72 hours after notice is given.

II.13 Severance Pay

California law does not require an employer to grant severance pay upon termination of employment. You will receive your final paycheck for all hours worked and accrued vacation at the time of separation from GCC.



III.EMPLOYEE BENEFITS

III.1 Benefit Plans

GCC is pleased to offer employees a variety of benefits. Our policy is to provide meaningful benefits for the protection and well being of eligible employees. However, because business conditions and affordability change over time, we reserve the right to modify or discontinue any benefits currently provided. Information on available benefits will be provided at the time of hire.

III.2 Workers' Compensation

California employers are required by law to provide workers' compensation insurance coverage at no cost to employees. This insurance covers injury or illness that requires medical, surgical, or hospital treatment, sustained because of, and during the course of, employment. Injured employees are eligible for applicable benefits as defined/determined under California law.

You are required to report all injuries, no matter how slight, to your supervisor immediately. You will be directed to a designated occupational medical facility for treatment.

After seeing a physician for a work-related injury, you are required to report directly back to your supervisor. If your shift has ended and/or the physician sends you home, contact your supervisor as soon as possible. Employees will be permitted to return to work following an injury only upon presenting appropriate medical clearance.

It is mandatory that you follow these procedures. Failure to report an on-the-job injury immediately may lead to disciplinary action and, could lead to the denial of Workers' Compensation benefits.

Refer to the Workers' Compensation pamphlet provided with the new-hire package for additional information.

Workers Compensation fraud will not be tolerated under any circumstances. Workers Compensation fraud is a felony; and any employee found guilty of such conduct may be subject to fines, imprisonment, and termination of employment. GCC may grant rewards to those employees who provide information leading to the arrest and conviction of a perpetrator. Any such information should be reported in confidence to Senior Management. Because fraudulent claims substantially damage GCC's financial health (thereby threatening the employees' jobs), it is in the employees' best interests to help eradicate all fraud.

GCC and/or the insurance carrier is not liable for the payment of benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic event, even when sponsored by GCC.



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EMPLOYEE BENEFITS

III.3 Vacation

All regular, full-time employees are eligible to accrue vacation time, beginning at the time of hire. Vacations are computed based on a calendar year. Any employee starting employment mid-year will have his or her vacation prorated as applicable. Part-time and temporary employees are not eligible to earn, or be paid for, vacation benefits. Vacation for full-time employees accrues as follows:

Accrual

First 5 years of continuous service	10 days per year
6 – 10 years of continuous service	15 days per year
After completion of 10 th year	20 days per year

Vacation time may be used as accrued. Vacations are limited to a maximum two-week duration. Employees are encouraged to utilize their full vacations in the year in which the days are accrued. Employees will be permitted to carry forward vacation into another calendar year. However, vacation accrual is capped when an employee has accrued and not taken 2 times their annual vacation. Accrual will recommence when the employee has taken vacation time off such that his/her balance of accrued vacation time is less than 2 times their annual. Accrued vacation time will not be charged when official holidays occur during a period of approved vacation.

Employees must submit their vacation request for approval, in writing, at least 30-days in advance. Management is responsible for approving vacation prior to actual absences, and shall accommodate employee requests to the extent that the workload and department requirements permit. **GCC reserves the right to refuse to schedule vacations during peak business cycles and when such vacation conflicts with other employees' vacations. GCC will attempt to give employees with the most seniority preference when scheduling vacations.**

Vacation leave can be used in lieu of sick leave when there is not adequate sick leave to cover a period of absence due to illness, injury, or death in the immediate family.

Management has the authority to require an employee to use available vacation leave for absences other than those for which sick leave may be used rather than approve the employee's request for leave without pay.

Under no circumstances will an employee receive pay in lieu of time off, except at termination of employment. Upon termination of employment, employees will be paid for unused accrued vacation time that has been earned through the last day of work.

Vacation time will not be accrued during periods of personal and medical extended leaves.



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EMPLOYEE BENEFITS

III.4 Holidays

GCC provides the following paid holidays each year:

- New Year's Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day
- Floater Holiday

When a holiday falls on a Saturday, it will be observed the preceding Friday. When it falls on a Sunday, it will be observed the following Monday. Holidays that fall during a scheduled vacation do not count as vacation used. This schedule is intended to adhere to collective bargaining agreements and may be subject to change based on field operations.

Full-time and Part-Time employees are eligible upon hire for paid holidays. Employees are paid based on the hours they would have regularly been scheduled. Temporary employees are not eligible for paid holidays.

III.5 Sick Leave

All regular, full-time employees are eligible to accrue ten (10) days of sick leave per calendar year, with accrual beginning at the time of hire. Sick leave may be used as accrued. Regular, part-time employees are eligible to accrue sick leave on a pro rata basis. Temporary employees are ineligible to earn or receive sick leave benefits. Sick leave may be taken only for personal illness, emergency, disability, medical/dental appointments, and illness/appointments for immediate family members.

Employees, excluding Managers, may carry over accrued, unused sick leave from one calendar year to the next; however, employees may not carry over more than 20 days of sick leave. If the employee's accrued sick leave exceeds 20 days at the end of the calendar year, the Company will convert that excess to vacation days (at the rate of 50 percent). This calculation will be made each January for the preceding calendar year. For example, assume an employee has 30 days of accrued sick leave at the end of 2004. In January of 2005, the Company will convert the excess (10 days) to the equivalent of five vacation days, and the employee's available sick leave will be reduced to 20 days.

GCC may request verification from a licensed medical practitioner for any absence due to illness or disability. Sick pay may be withheld if a satisfactory verification is not received.

Employees may be required to provide a release from the treating physician, with or without reasonable accommodation, before being allowed to return to work. If there is concern as to whether or not the employee can perform his/her usual and customary duties, GCC may request that the employee undergo a physical examination (physical capacity testing) to determine fitness for duty, at GCC's expense.

If an employee is out sick for more than seven calendar days for a personal injury or illness that is not work-related, the employee should apply for State Disability Insurance (SDI) benefits. For absences of more than seven calendar days for family related injuries or illnesses, the employee should apply for Paid Family Leave benefits. Assistance with these benefits can be obtained from the human resources department staff.



Ghilotti Construction Company – Employee Handbook

EMPLOYEE BENEFITS

III.5 Sick Leave – *Continued*

Sick day advances are not permitted. Employees will only be paid for actual sick time accrued. Vacation leave can be used in lieu of sick leave when there is not adequate sick leave to cover a period of absence due to illness or injury.

Abuse of GCC's sick leave policy may be grounds for disciplinary action up to and including termination of employment. No employee will receive pay in lieu of unused sick leave upon termination of employment.

III.6 State Disability Insurance and Paid Family Leave

Employees at GCC are covered under the State of California's Disability Insurance Program, which provides payments to employees who become unable to work because of non-occupational illness or injury. Payments for disability will be made in accordance with the current State policy. Employees are also covered by the State's Paid Family Leave insurance benefit, beginning July 1, 2004. Payroll deductions for this program began in January 2004.

III.7 Funeral Leave

When death occurs in an employee's immediate family, the employee shall be granted upon request, a personal paid leave of up to three consecutive days off, subject to the following:

- One of the three consecutive days off must be the day of the funeral.
- An employee's immediate family is limited to the employee's spouse, domestic partner, sons, stepsons, daughters, stepdaughters, mother, father, grandparents, grandchildren, brothers, sisters, mother-in-law, and father-in-law.

III.8 Jury/Witness Duty

GCC recognizes the civic obligations of our employees to serve on juries. If you are summoned to serve for jury duty, provide a copy of the summons to your Manager immediately.

Employees are required to contact their respective Manager after completing jury duty each day to advise of the status of the jury duty. Failure to return to work (during normal work hours) on the day you are excused from jury duty is treated as an unexcused absence. For non-exempt employees the first 5 days, per year, are paid, then accrued vacation/sick or unpaid time may be used. Per legal requirements, exempt employees will be paid their full salary for any partial weeks worked during jury/witness duty.

III.9 Voting Time Off

If an employee does not have sufficient time outside working hours within which to vote in a state election because of extraordinary travel to a work site or the employee is working overtime, the employee may take off up to 2-hours with pay, either at the beginning or end of the shift, to vote. Employees who fall within this category must notify Management 2-days before the election of the need for time off to vote. Employees will not be given time off because personal commitments in their nonworking hours prevent them from voting.



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EMPLOYEE BENEFITS

III.10 Benefits Continuation (COBRA)

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) give employees and their qualified beneficiaries the opportunity to continue health insurance coverage (medical and dental) under GCC's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events include:

If you are an employee:

- A reduction in your hours of employment (creating part-time employment status)
- Termination of your employment

If you are the spouse of an employee:

- Death of your spouse
- A reduction in your spouse's hours of employment
- Termination of your spouse
- Your spouse takes a leave of absence
- Divorce or legal separation from your spouse
- Your spouse becomes eligible for Medicare

If you are the dependent of an employee, you have the same rights as a spouse. Additionally, if a dependent child no longer meets eligibility requirements for medical coverage, they may be eligible under COBRA. Under COBRA the employee, or eligible spouse/dependent, pays the full cost of coverage.

III.11 School Activities

Employees are encouraged to participate in the school activities of their children. Absences for this purpose are subject to the following provisions, in accordance with legal requirements: Parents, guardians or grandparents having custody of one or more children in a licensed daycare facility, kindergarten or grades one to twelve may take time off for a school activity. The time off cannot exceed eight hours in any calendar month, or a total of 40 hours each calendar year. Employees must provide as much advance notice as possible to their supervisor. If both parents are employed by the Company, the first employee to request such leave will receive the time off. The other parent will receive the time off only if the leave is approved as such by his/her supervisor. Non-exempt employees will not be paid for this time off, and may use vacation time if requested. Exempt employees' salaries will not be impacted, unless the absence is for a full day. If requested, employees must provide their supervisor with documentation from the school that indicates that the employee participated in a school activity on the day of the absence for that purpose.

If it becomes necessary for an employee who is the parent or guardian of a child to attend the child's school to discuss possible suspension, the employee should alert his or her supervisor as soon as possible so that appropriate alternative arrangements may be made. Pursuant to California Labor Code Section 230.7, no discriminatory action will be taken against the employee for taking time off for this purpose.



Ghilotti Construction Company – Employee Handbook EMPLOYEE BENEFITS

III.12 Other Legally Mandated Time Off

GCC will comply with all other laws requiring employee time away from work. This includes time off, as appropriate, for serving as a volunteer firefighter, for leave necessary due to a domestic violence or sexual assault situation, and for time off for victims (or family members of victims) of violent or serious felonies to attend related judicial proceedings.



IV. EXTENDED LEAVES OF ABSENCE

IV.1 Family and Medical Leave Policy (FMLA)

State and federal family and medical leave laws provide up to 12 workweeks of unpaid family/medical leave within a 12-month period, under the following conditions:

- The employee has more than 12 months of service;
- The employee has worked at least 1,250 hours during the previous 12-month period before the need for leave; and
- The employee is employed at a work site where there are 50 or more employees within a 75 mile radius.

Leave may be taken for one or more of the following reasons:

- The birth of the employee's child, or placement of a child with the employee for adoption or foster care;
- To care for the employee's spouse, child, or parent who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform his or her job.

Duration of Leave

The 12-month leave period is measured forward from the date any employee's first Family and Medical Leave Act leave begins. Successive 12-month periods commence on the date of an employee's first use of such leave after the preceding 12-month period has ended. No carryover of unused leave from one 12-month period to the next 12-month period is permitted.

Under most circumstances, leave under federal and state law will run at the same time and the eligible employee will be entitled to a total of 12 weeks of family and medical leave in the designated 12-month period.

However, leave because of the employee's disability for pregnancy, childbirth or a related medical condition is not counted as time used under California law (the California Family Rights Act). Time off because of pregnancy disability, childbirth or related medical condition does count as family and medical leave under federal law (the Family and Medical Leave Act). Employees who take time off for pregnancy disability and who are eligible for family and medical leave will also be placed on family and medical leave that runs at the same time as their pregnancy disability leave. Once the pregnant employee is no longer disabled, she may apply for leave under the California Family Rights Act, for purposes of baby bonding.

Any leave taken for the birth, adoption, or foster care placement of a child does not have to be taken in one continuous period of time. California Family Rights Act leave taken for the birth or placement of a child will be granted in minimum amounts of two weeks. However, the Company will grant a request for a California Family Rights Act leave (for birth/placement of a child) of less than two weeks' duration on any two occasions. Any leave taken must be concluded within one year of the birth or placement of the child with the employee.



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EXTENDED LEAVES OF ABSENCE

IV.I Family and Medical Leave Policy (FMLA) - *Continued*

When both parents are employed by the Company, and request simultaneous leave for the birth or placement for adoption or foster care of a child, the Company will not grant more than 12 weeks total of family/medical leave.

In accordance with Americans with Disabilities Act and applicable state law, the Company will consider any requests for leave greater than twelve weeks or extensions going beyond the twelve-week limit on a case-by-case basis if the employee has a disability as defined under state and federal laws. (Refer to “ADA/Disability Accommodation” policy)

Intermittent Leave

Employees may take Family and Medical Leave Act/California Family Rights Act leave intermittently (in blocks of time, or by reducing their normal weekly or daily work schedule) if the leave is for the serious health condition of the employee’s child, parent, or spouse, or of the employee, and the reduced leave schedule is medically necessary as determined by the health care provider of the person with the serious health condition. The smallest increment of time that can be used for such leave is 1 working day.

Request and Notice Requirements

Please contact the human resources department staff as soon as you realize the need for family/medical leave.

If the leave is based on the expected birth, placement for adoption or foster care, or planned medical treatment for a serious health condition of the employee or a family member, the employee must notify the Company at least 30 days before leave is to begin. The employee must consult with his or her supervisor regarding scheduling of any planned medical treatment or supervision in order to minimize disruption to the operations of the Company. Any such scheduling is subject to the approval of the health care provider of the employee or the health care provider of the employee’s child, parent, or spouse. If the employee cannot provide 30 days’ notice, the Company must be informed as soon as is practical.

If the Family and Medical Leave Act/California Family Rights Act request is made because of the employee’s own serious health condition, the Company may require, at its expense, a second opinion from a health care provider that the Company chooses. The health care provider designated to give a second opinion will not be one who is employed on a regular basis by the Company. If the second opinion differs from the first opinion, the Company may require, at its expense, the employee to obtain the opinion of a third health care provider designated or approved jointly by the employer and the employee. The opinion of the third health care provider shall be considered final and binding on the Company and the employee.



Ghilotti Construction Company – Employee Handbook EXTENDED LEAVES OF ABSENCE

IV.I Family and Medical Leave Policy (FMLA) - *Continued*

The Company requires the employee to provide medical certification within 15 days of any request for family and medical leave under state and federal law, unless it is not practicable to do so. The Company may require recertification from the health care provider if additional leave is required.

If the leave is needed to care for a sick child, spouse, or parent, the employee must provide a certification from the health care provider stating:

- Date of commencement of the serious health condition;
- Probable duration of the condition;
- Estimated amount of time for care by the health care provider; and
- Confirmation that the serious health condition warrants the participation of the employee.

If an employee cites his/her own serious health condition as a reason for leave, the employee must provide a certification from the health care provider stating:

- Date of commencement of the serious health condition;
- Probable duration of the condition; and
- Inability of the employee to work at all or perform any one or more of the essential functions of his/her position because of the serious health condition.

The Company will require certification by the employee's health care provider that the employee is fit to return to his or her job. Failure to provide certification by the health care provider of the employee's fitness to return to work will result in denial of reinstatement for the employee until the certificate is obtained.

Benefits

An employee taking family medical leave will be allowed to continue participating in any health and welfare benefit plans in which he/she was enrolled before the first day of the leave (for a maximum of 12 workweeks) at the level and under the conditions of coverage as if the employee had continued in employment for the duration of such leave. The Company will continue to make the same premium contribution as if the employee had continued working. Employees will be required to pay the same contribution they would pay if they were working. Payment is due when it would have been made by payroll deduction.

The continued participation in health benefits begins on the date leave first begins under Family and Medical Leave Act (e.g., for pregnancy disability leaves) or under the Family and Medical Leave Act/California Family Rights Act (e.g., for all other family care and medical leaves). In some instances, the Company may recover from an employee premiums paid to maintain health coverage if the employee fails to return to work following family/medical leave.

Employees on family/medical leave who are not eligible for continued paid coverage may continue their group health insurance coverage through the Company in conjunction with the federal COBRA guidelines by making monthly payments to the Company for the account of the applicable premium. Employees should contact their supervisor for further information.



Ghilotti Construction Company – Employee Handbook EXTENDED LEAVES OF ABSENCE

IV.I Family and Medical Leave Policy (FMLA) - *Continued*

Paid leave *will be* substituted for unpaid leave in the following circumstances (within legal restrictions):

- Accrued sick leave is required to be used during Family and Medical Leave Act/California Family Rights Act leave for the employee's own serious health condition, up to a limit of that which is accrued; and/or
- Accrued sick leave is required to be used during Family and Medical Leave Act, up to a limit of that which is accrued, to attend to the illness of a child, parent, or spouse of the employee; and/or
- Accrued vacation is required to be used for any family/medical leave qualifying event.

Employees on Family and Medical Leave Act/California Family Rights Act leave will not continue to accrue vacation and sick leave during Family and Medical Leave Act/California Family Rights Act leave.

Reinstatement and Return to Work

Under most circumstances, upon return from family/medical leave, an employee will be reinstated to his or her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. For example, if an employee on family/medical leave would have been laid off had he or she not gone on leave, or if the employee's job is eliminated during the leave and no equivalent or comparable job is available, then the employee would not be entitled to reinstatement. In addition, an employee's use of family/medical leave will not result in the loss of any employment benefit that the employee earned before using family/medical leave.

Reinstatement after family/medical leave may be denied to certain salaried "key" employees under the following conditions:

- An employee requesting reinstatement was among the highest-paid 10 percent of salaried employees employed within 75 miles of the work site at which the employee worked at the time of the leave request;
- The refusal to reinstate is necessary because reinstatement would cause substantial and grievous economic injury to the Company's operations;
- The employee is notified of the Company's intent to refuse reinstatement at the time the Company determines the refusal is necessary; and
- If leave has already begun, the Company gives the employee a reasonable opportunity to return to work following the notice described previously.



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EXTENDED LEAVES OF ABSENCE

IV.2 Pregnancy Disability Leave

California pregnancy disability laws govern leaves taken because of pregnancy, childbirth and related medical conditions. Any employee anticipating or needing a pregnancy disability leave of absence should contact the human resources department staff for additional information about their rights under this law. All requests for pregnancy disability leave must be accompanied by a physician's statement indicating the last day you can work, and the expected duration of your leave. In addition, a written physician's release is required before you can return to work. Duration of the leave will be determined by the advice of the employee's physician, up to a maximum of four months. Pregnant employees may also be eligible for a work assignment change in some situations. An employee requesting pregnancy disability leave may use available vacation or sick leave, at their option.

Under most circumstances, upon submission of a medical certification that an employee is able to return to work from a pregnancy disability leave, she will be reinstated to the same position held at the time the leave began, or to an equivalent position, if available. An employee returning from a pregnancy disability leave has no greater right to reinstatement than if they had been continuously employed rather than on leave. If the employee on pregnancy disability leave would have been laid off had she not gone on leave, or if the employee's position has been eliminated or filled in order to avoid undermining the Company's ability to operate safely and efficiently during the leave, and there are no equivalent or comparable positions available, then the employee would not be entitled to reinstatement.

IV.3 Other Medical Leave

GCC may also grant other medical (not work-related) leaves of absence, at management's discretion, for situations not covered within the family and medical leave and/or pregnancy disability leave laws and policies. These requests will be handled on a case-by-case basis. You must use any available sick leave if you are requesting a medical leave. You may also use available vacation time, at your discretion.

IV.4 Workers' Compensation Leave

California workers' compensation laws govern work-related injuries and illnesses. GCC intends to fully comply with these laws (refer to Workers' Compensation section under Employee Benefits).

IV.5 Military Leave

In accordance with applicable federal and state laws and regulations, employees who serve in the uniformed services will be granted leaves of absence, if called to duty. Military leave is unpaid, but you may utilize accrued vacation time before the commencement of your leave.

To preserve your right to re-employment, you must notify GCC that you are available to work within ninety (90) days of completion of service. (Leave time may be extended up to two (2) years for those injured during service.) If you fail to report in a timely manner, you will be considered absent and unexcused. As a condition of re-employment, you will need to present GCC with documentation establishing you satisfactorily completed service such as separation papers or other documentation showing that you were honorably discharged from service.



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EXTENDED LEAVES OF ABSENCE

IV.6 Personal Leaves

Requests for personal leaves of absence will be considered and evaluated on an individual basis. Unpaid leaves may be granted up to one (1) month for employees who have completed at least 1-year of service. Approval or denial of such requests will be entirely at the discretion of GCC. In determining the feasibility of granting such requests, factors such as the purpose of the requested leave, availability of coverage for job responsibilities during the requested leave, previous absences, length of employment, prior work record and performance, and similar considerations will be reviewed. Such requests shall be submitted in writing (Leave Request Form) to your supervisor. Employees' benefits will be affected in the same manner as employees who are on medical leaves (benefits will not be accrued).

GCC will attempt to return an employee to his/her former position, or a comparable position, upon return from a personal leave. However, given changing business needs, no guarantee of reinstatement can be made and is solely at GCC's discretion.

Employees on leave are asked to confirm their return date at least two weeks before they return to work. Requests for additional leave must be made as soon as possible. The employee should notify his/her supervisor. Employees on leave who do not return as scheduled, and fail to request or cannot show good reason, in GCC's discretion, why an extension should be granted, will be terminated as of the day the original leave expires.

Contact the human resources department staff for additional information regarding extended leaves of absence.



V. WORK RULES

V.1 Performance and Professional Conduct

All employees are expected to exhibit professional conduct based on respect, honesty, teamwork, and a commitment to achieving the mission of GCC. We will strive to keep you informed in the event that we feel your work performance is below standard, or your conduct does not meet our policies or rules. Unacceptable employee conduct or performance may result in disciplinary action being taken.

The following conduct is prohibited, and will not be tolerated by GCC. This list of prohibited conduct is illustrative only. Other types of conduct injurious to security, personal safety, employee welfare and the Company's operations may also be prohibited. The inclusion of this list does not change the at-will nature of your employment relations with GCC.

- Failure to comply with Company work, safety, health, and/or security policies, rules and procedures.
- Failure to comply with the Company's non-harassment policy.
- Insubordination, including but not limited to failure or refusal to follow the orders or instructions of any supervisor, or the use of abusive or threatening language toward any supervisor.
- Failing to properly notify the immediate manager or supervisor or other person in charge, before the scheduled start time, when the employee will be late or absent.
- Being absent from work for three (3) consecutive workdays without notifying the immediate manager.
- Failure to observe working schedules, including rest and meal periods.
- Unsatisfactory job performance and/or continued failure to properly carry out assigned tasks.
- Working overtime without authorization, or refusing to work assigned overtime.
- Having excessive tardiness or absenteeism.
- Falsification of employment records (including employment application, employment information, or other GCC employee records)
- Altering, falsifying, or tampering with time sheets/records. This includes recording the work time of another employee, or allowing another employee to record your work time.
- Negligent or careless actions which endanger the life or safety of another person.
- Fighting, threatening of another employee, or engaging in horseplay on Company premises.
- Using language at work that is abusive, threatening or demeaning toward co-workers and clients
- Theft, deliberate or careless damage or destruction of any Company property or the property of any employee or customer
- Removing or transferring property without authorization from the responsible supervisor.
- Failure to comply with the Company Substance Abuse policy.
- Possessing, using, or offering for sale firearms, or explosive materials, while on Company time.



V.I Performance and Professional Conduct - *Continued*

- Engaging in criminal conduct, whether or not related to job performance.
- Causing, creating or participating in disruption of any kind during working hours on company or customer property.
- Sleeping on the job.
- Unauthorized absence from assigned work location, walking off the job or interference with another employee's work.
- Performing any unsafe act on Company or customer premises including parking lots.
- Smoking is not permitted while working. Smoking is permitted only during a break and is allowed only in designated "smoking areas."
- Soliciting employees for any purpose on Company property at any time by persons not employed by the Company is strictly prohibited. Likewise, persons not employed by the Company may not distribute materials of any kind to employees while on Company property without the express permission of the Company.
- Bringing unauthorized persons onto company premises, without management approval.

Discipline may be administered for poor work performance, violations of standards of conduct, or for other reasons. Depending upon the nature, frequency and severity of conduct, the likelihood of remediation, and other factors GCC believes relevant, GCC may use one or a combination of the following types of action: Counseling, Verbal Warning, Written Warning, Suspension Without Pay, Decreases in Pay, Reassignment, Termination of Employment, or any other action deemed appropriate. Some or any of these actions may be taken. In an effort to correct unacceptable conduct or avoid its repetition, GCC tries to use progressive disciplinary steps where appropriate. However, no order or progression of discipline is required. This policy does not limit GCC's discretion to take the action it believes appropriate, including the right to terminate employees, at will, with or without notice and with or without prior disciplinary action.

V.2 Media Contacts

All media contacts are to be referred to Senior Management. No other employee is authorized to provide information to the media.

V.3 Customer Relations

We are a service business, and must all remember that the customer always comes first. Employees are expected to be polite, courteous, prompt and attentive to every customer. If a situation arises where you do not feel comfortable or capable of handling a situation with a customer, your supervisor should be contacted immediately.



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V.4 Company Property

Desks, computers and related equipment, vehicles, and all other work-related equipment are Company property and must be maintained according to Company rules and regulations. They must be kept clean, and are generally to be used only for work-related purposes. The Company reserves the right to inspect all Company property to ensure compliance with its rules and regulations, without notice to the employee and/or in the employee's absence. Please get authorization from GCC before any personal use of Company property, or before any Company property is removed from the premises. Any loaned property must be kept in good working order.

V.5 Off-Duty Use of Facilities

Any off-duty use of our facilities must be approved by GCC.

V.6 Visitors

Visitors to our facilities are generally discouraged. If you want to bring a visitor to our premises, please check in with your supervisor. In addition, all visitors must check in at the front desk, and be escorted at all times. This will ensure maximum safety, security, productivity, and confidentiality.

V.7 Leaving the Office

If you are leaving the office for the day at other than your regular quitting time for any reason, be sure to alert your supervisor or management as to the time you are leaving.

If you are leaving the office but expect to return during the day, alert your supervisor or management as to the time you are leaving, destination point, and expected time of return, and note same on your time card before leaving.

V.8 Personal Appearance Policy

Ghilotti Construction Company has established guidelines for office employees regarding appropriate dress, grooming and personal hygiene. Employees are expected to maintain an appearance that is appropriate to the work situation.

The personal appearance of office employees is to be governed by the following:

- Clean, properly fitting casual attire is appropriate
- Good personal hygiene must be maintained
- Hemlines should be conservative
- Use of perfume, cologne, and other scented products, should not be used. Strong odors that may seem natural to you may be offensive to others, causing allergic/respiratory conditions and headaches/migraines.



V.8 Personal Appearance Policy – *Continued*

The following are some examples of inappropriate dress:

- Tattered clothing
- Items containing obscene, profane, discriminatory, provocative or inflammatory words or pictures
- Items advertising alcoholic beverages, drugs, drug paraphernalia
- Clothing revealing bare backs or midriffs; and any revealing or provocative clothing (see-through garments)
- Pool/beach attire

Senior Management responsible for evaluating the dress and appearance of employees under his or her supervision. If deemed necessary, the employee may be sent home to change into appropriate clothing (time spent in transit will not be considered working time). Further violations may result in disciplinary action, up to and including discharge.

V.9 Accident Prevention

Each employee has a personal responsibility in accident prevention. He or she has a responsibility to his family, to his fellow workers, and to his employer.

Some of the employee's responsibilities are:

- To report all injuries immediately, no matter how slight the injury may be.
- To know and obey safety rules.
- To understand the consequences for violating established company safety rules.
- To caution fellow workers when they perform unsafe acts.
- To discuss questions or concerns with your supervisor when there is any doubt concerning safety.
- To refrain from tampering with anything which you do not understand.
- To report all unsafe conditions or equipment to your supervisor or management immediately.

V.10 Safety Rules

GCC has established and maintains an Injury and Illness Prevention Program (IIPP) as required under the California Occupational Safety and Health Act. Copies of the IIPP are available for review upon request. Please direct any questions regarding the IIPP to your supervisor or a Senior Manager.

Your safety, and that of those who work with you, is one of our greatest concerns. GCC will endeavor to provide a clean, healthy, and safe place to work. With an alert safety attitude, you can help eliminate painful and costly accidents.

V.10 Safety Rules - Continued

The following is an outline of GCC's safety practices and procedures established for administrative employees. All GCC personnel are required to read and observe these safety rules. For employees exposed to job site hazards, refer to the GCC Code of Safe Practices for additional rules and regulations. Failure to comply with established safety rules can be cause for disciplinary action. GCC firmly believes in preventive safety measures and encourages all employees to participate in the further development of our safety program by making safety suggestions and/or recommendations.

Safety Tips:

- Report any injuries immediately to your supervisor or management.
- Report to work rested, and mentally and physically fit to perform your work.
- All employees shall drive safely and obey all traffic laws.
- Report any unsafe conditions to your supervisor or management.
- Keep "horseplay" and roughhousing away from the work place. Practical jokes often become painful injuries.
- Keep your mind on your job – and temper under control always!
- Never perform a task that you feel is unsafe. Report to your supervisor immediately.
- Give your wholehearted support to safety activities.

Good Housekeeping Practices:

Many office accidents are caused by poor housekeeping practices. By keeping the office floor both neat and clean, you can eliminate most slipping, tripping, and falling hazards. Additional safe housekeeping practices include:

- Making sure electrical cords and phone cords do not cross walkways
- Cleaning spills and picking up debris immediately.
- Storing items in approved areas only.
- Do not stack boxed or other items too high.
- Make sure boxes are clearly labeled with their contents.
- Report tripping hazards (i.e. defective floor tiles, boards, or carpet) immediately.

Preventing Slips and Falls:

To ensure the safety for yourself, and your co-workers, following are tips to help avoid slips and falls in the office:

- Use the right tool for the job. (i.e. use a ladder, not your chair!)
- Arrange office furnishings in a manner that provides unobstructed paths for movement.
- Keep stairs and steps clear of objects.
- Do not place wastebaskets or other objects in walkways.



V.10 Safety Rules - *Continued*

Electrical Considerations:

- Do not overload circuits. Notify your supervisor if additional power outlets are needed.
- Power strips may be used where necessary, but must not overload circuits.
- Do not use electrical cords that are frayed or otherwise defective. Electrical equipment with defective cords should be taken out of service immediately and reported to your supervisor.

Preventing Cuts and Punctures:

Cuts and punctures happen when people use every day office supplies, without exercising care. Tips for avoiding cuts and punctures include:

- Using a liquid dispenser, not your tongue, to seal envelopes!
- Be careful when using kitchen knives, scissors, staplers, letter openers, and box openers. Use the proper tool to perform the task.
- Identify objects that expose sharp points or edges. Report exposures to your supervisor immediately.

File Cabinets – Safety Tips:

- Open only one file drawer at a time to keep the cabinet from toppling over.
- Close drawers when they are not in use.
- Do not place heavy objects on top of cabinets.
- Close the drawers slowly, using the handle to avoid pinched fingers.
- Keep the bottom drawer full. This will help stabilize the entire cabinet.

Office Equipment Safety:

Common office machines require special safety considerations. When using copiers, microwaves, adding machines, paper cutters, typewriters, computers, and other common office equipment, be sure you know how to operate the equipment before using it. If space heaters are used, make sure that they are located in an open area away from combustibles. Do not place space heaters under desks. Never attempt to repair defective office equipment, unless properly trained to do so. Identify the equipment as defective and notify your supervisor or management immediately.

Lifting and Ergonomic Hazards:

Poor lifting habits are a typical cause of strains and other muscular/skeletal injuries. So is over-extending your arms and back attempting to grab or pull something just out of reach. Following are safety tips to avoid unnecessary strains:

- Never attempt to lift or move an object that may be too heavy or awkward for you. Ask for help!
- Never twist your body while you are holding heavy objects.
- Never lift objects over your head.
- Use good sitting and standing posture.
- Exercise to help strengthen the stomach and back muscles.



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V.10 Safety Rules - *Continued*

A poorly designed workstation or work environment can cause health problems. It also impairs concentration and productivity. No matter how comfortable your workstation, sitting in essentially the same position for long periods of time can be tiring and stressful. So can prolonged periods of reading or viewing a computer screen. Eyestrain usually results in headaches and fatigue, as well as loss of concentration. Take stretch breaks, use eye-relaxation exercises, and make a point of diversifying work activities. As a general rule, variety of physical motion reduces the likelihood of stress or repetitive motion injury. If you have concerns regarding your work environment, let your supervisor or management know immediately. Additional educational materials on office ergonomics are available upon request.

Hazardous Substances:

Refer to the Hazard Communication Notice provided in all new hire packets. The company Hazard Communication Program is available for review upon request.



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ACKNOWLEDGEMENT AND RECEIPT FORM

I acknowledge that I have received a copy of the GHILOTTI CONSTRUCTION COMPANY, INC. EMPLOYEE HANDBOOK. I further acknowledge that it is my responsibility to read this information, to ask questions of my immediate supervisor if I do not understand any of the information in this handbook, and to abide by and observe all of the information and rules, policies and procedures explained therein, including future changes or additions to the Employee Handbook. I further understand that the company may change, rescind, or add to any policies, benefits, or practices described in the Handbook from time to time in its sole and absolute discretion, but that I will be notified in writing in advance of any such changes. I also understand that this handbook supercedes all previous handbooks and all other rules or policy statements on subjects contained herein.

I acknowledge that I have received, read, and understand the GCC E-mail & Internet Use Policy and agree to abide by established guidelines. I understand that GCC has the right to monitor any and all aspects of its computer system, including, but not limited to, monitoring employee activity while logged in from remote sites, monitoring sites employees visit on the Internet, reviewing material downloaded or uploaded by employees, and reviewing email sent and received by employees.

I acknowledge that I have received a copy of the GHILOTTI CONSTRUCTION COMPANY, INC. Drug and Alcohol Policy. I further understand that GHILOTTI CONSTRUCTION COMPANY, INC. maintains a drug free workplace under the meaning of the Federal Drug Free Workplace Act of 1988 and the California Drug Free Workplace Act. I agree to abide by and observe all of the information and rules, policies and procedures set forth herein. I also give the Company the right to inspect all Company areas as specified in the Drug and Alcohol Policy.

It is expressly understood that employment at the Company shall continue only so long as it is mutually agreeable to an employee and the Company. Either an employee or the Company may terminate employment for any reason whatsoever, with or without cause, and at any time. No section of this handbook is meant to be construed, nor should be construed as establishing anything other than an employment-at-will relationship, nor does it limit management's discretion to make personnel decisions. This employment-at-will relationship can only be changed in a writing signed by both the President of the Company and the employee in question.

Employee signature _____

Print Name _____

Date _____

(Sign and return to Payroll Administrator)