

University Mechanical Contractors, Inc.



EMPLOYEE HANDBOOK

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Section 1 – Introduction

1.1 Company Information

About University Mechanical Contractors, Inc.

University Mechanical Contractors, Inc. (UMC) originated in 1920 as a small family-owned plumbing shop. Our long experience in construction has been successful in large part due to our committed, talented and diverse workforce. We have a positive and proactive, family and client service-oriented view of our organization. We trust that you will share in our commitment to service and quality, and that with this handbook, you will feel more comfortable with what is expected of you as an employee.

If you are a new employee to UMC, we welcome you to our team. We hope your association with our company will be mutually beneficial and pleasant. If you have been an employee with us for some time, we hope you continue to find satisfaction in your work and take pride in our company.

1.2 About Our Policies

This employee handbook contains information regarding policies and procedures developed over time. We expect each employee to carefully read the handbook as it is a valuable reference for understanding your job at UMC. This handbook supersedes any and all previously issued employee handbooks and inconsistent verbal or written policy statements. Except for the policies of at-will employment, which can only be changed by UMC President Jerry Bush in writing, UMC reserves the right to revise, delete, and add to the provisions of the handbook. All such revisions, deletions, or additions must be in writing and must be signed by UMC's President. No oral statements or representations can change the provisions of this employee handbook.

THIS HANDBOOK IS A GUIDE FOR MANAGEMENT. THE PLANS, POLICIES, AND PROCEDURES DESCRIBED ARE NOT CONDITIONS OF EMPLOYMENT AND DO NOT CONSTITUTE A PROMISE OF SPECIFIC TREATMENT IN SPECIFIC SITUATIONS. WE HAVE THE RIGHT TO CHANGE ANY OR ALL PLANS, POLICIES, OR PROCEDURES, IN WHOLE OR IN PART, AT ANY TIME, WITH OR WITHOUT NOTICE.

Except as otherwise stated, this handbook applies to all employees, both management and non-management, and both current and new employees.

If you are employed by a temporary agency, we have given you this handbook because we use it as a guideline in our dealings with temporary agency workers. For instance, our Employment at Will and Equal Employment Opportunity policies apply to you. You are not eligible, however, for any of our compensation, benefits or leave policies, and we reserve the right, in our discretion, to determine which of our policies apply to you. This holds true for all workers who provide services to us but who are not classified by UMC as its employees for payroll tax purposes – regardless of how those persons might be classified in the future by a court, government agency, settlement, or otherwise.

If you are covered by a collective bargaining (union) agreement, the collective bargaining agreement will control where it is inconsistent with this handbook, in most cases.

UMC fully intends to comply with all applicable laws in the various locations where it operates and has attempted to consider those laws in preparing these policies. Even so, if a policy is inconsistent with any applicable law, UMC will follow the law. If you have questions about a particular situation, please contact Dave Babington in Human Resources at 206-368-6207.

Not all Company policies are included in this handbook. We have summarized only some of the more important ones. If you have any questions or concerns about this handbook or any other policy or procedure, your job, or any job-related issue, please contact your manager or Dave Babington in Human Resources at 206-368-6207.

1.3 Corporate Code of Conduct

UMC is committed to conducting business with honesty, integrity and in compliance with the law. All employees are responsible for upholding UMC's commitment by acting in accordance with the highest level of professional, ethical and legal standards.

Each employee is individually responsible for his or her actions. Your conduct should be governed by good judgment, common sense, consideration of others, including UMC customers and vendors, and respect for the interests and reputation of UMC. Conduct that is unprofessional, discriminatory, threatening, insubordinate, abusive, obscene, or any other conduct that adversely affects UMC's business interests, is prohibited and will not be tolerated.

Obedying the law, both in letter and in spirit, is the foundation on which UMC's ethical standards are built. All employees must comply with the laws applicable to the operation of our business. Because the laws and regulations can be ambiguous and difficult to interpret, you should consult with Jerry Bush, UMC President, whenever a question arises or when there is any uncertainty concerning the applicability of the law to any particular situation.

It is UMC's policy to support government officials, participate in political events and to contribute to political campaigns only when the law permits such support, participation and contribution. UMC will make no political contribution using UMC funds in violation of state or federal law. Any use of UMC funds to support government officials, participate in political events, contribute to political campaigns or otherwise must be approved in advance by Jerry Bush, UMC President.

The accuracy and integrity of UMC's books and records is paramount for UMC's business success. Any action that would cause UMC's financial statements to be materially misleading, or that would otherwise cause UMC to be out of compliance with generally accepted accounting principles, is strictly prohibited.

Each employee is individually responsible to comply with UMC's policies, including without limitation UMC's policies on the following subjects:

- Equal Employment Opportunity
- Non-Harassment
- Preventing Workplace Violence
- Solicitation
- Confidential Company Information

Conflict of Interest and Moonlighting
Illegal Drugs and Alcohol

Violations of this Code of Conduct, or the law, may result in disciplinary action, up to and including immediate termination of employment and legal action. If you suspect or become aware of any conduct that violates this Code or the law you have a responsibility to bring the matter promptly to the attention of your supervisor or next level of management. You may also report suspected violations to David Babington, HR Manager. All communications from you on matters relating to this Code of Conduct or the law will be maintained confidential to the greatest extent possible consistent with UMC's obligations to respond to situations that present themselves. UMC will ensure that any employee who reports an actual or suspected violation in good faith will be protected from retaliation or discriminatory treatment.

Section 2 – Employment

2.1 Employment At-Will

We hope you will have a productive and rewarding employment relationship with us. Nonetheless, employment terminations can occur, and you should understand that your employment with us is at will. **This means that just as you are free to resign at any time, we reserve the right to discharge you at any time, with or without cause or advance notice, and without compensation except for time actually worked.** Nothing in this handbook or that is said or written any place else should be construed as a promise of permanent employment, of employment for any particular length of time, of discharge only for cause, or of a right to any particular corrective action or discharge procedures.

No one except UMC's President has authority to bind us to policies or agreements that conflict with our policy of employment at will. Any such policy or agreement must be in a written employment agreement or collective bargaining agreement signed by UMC's President.

2.2 Equal Employment Opportunity

University Mechanical Contractors, Inc. is an equal opportunity employer and is committed to an active Affirmative Action Program. It is the stated policy of UMC to provide equal employment opportunities for all qualified applicants and employees without regard to race, color, sex, creed, religion, age, marital status, national origin, citizenship, the presence of any sensory, mental or physical disability, military status, sexual orientation, ancestry, or any other status or characteristic protected by local, state, or federal law; and to promote appropriate utilization of qualified minority, female, disabled or Vietnam-era veterans, or handicapped applicants and employees through a positive and continuing program of affirmative action. This policy of non-discrimination applies to all aspects of recruiting and employment, including compensation, benefits, advancement, transfers, and reductions in force.

UMC has established an Affirmative Action Program with respect to equal employment opportunity. This program is designed to provide guidance to management with respect to UMC's commitment to full implementation of its EEO/Affirmative Action policy. An objective of employment decisions in the areas of recruitment, salary, promotions, transfers, discipline, lay-offs and all other terms and conditions of employment will be to further the principle of equal employment opportunity.

Jerry Bush, UMC's president recognizes the importance of Affirmative Action as a business goal as well as a personal commitment and legal obligation. To achieve the goals of our Affirmative Action Program, it is necessary that each member of UMC understand the importance of the program and his/her individual responsibility to contribute towards its maximum fulfillment. Specifically, managers' efforts towards the success of the program will be evaluated, as is their performance on other company goals.

Dave Babington is the Equal Employment Officer within our organization. Inquiries concerning the application of federal and state laws and regulations should be referred to Dave Babington. He is responsible for administering program progress and initiating corrective action when appropriate. Personnel actions are periodically reviewed to ensure the adherence to this policy.

2.3 Disability and Accommodation

UMC is committed to ensuring equal employment opportunity for qualified persons with disabilities in accordance with the Americans with Disabilities Act and other applicable federal, state, and local laws. As provided by those laws, UMC will make reasonable accommodations if you have a disability that substantially limits your ability to perform the essential functions of your job, unless doing so would create an undue hardship for UMC. What constitutes a reasonable accommodation is decided on a case-by-case basis. For example, we may be able to adjust your work schedule, transfer you to a vacant position for which you are qualified, modify your workspace or the equipment you use, or make other modifications or accommodations that allow you to properly perform the essential functions of your job and continue working.

If you have a disability that substantially limits your ability to perform your job duties and you need a reasonable accommodation, you should make that fact known to your manager. We will treat such information as confidential except to the extent other employees need to know to evaluate your request for an accommodation or to accommodate your disability. You are not required to disclose a disability unless you are seeking an accommodation.

In order to evaluate options for accommodation, UMC may request medical opinions to verify the nature of your disability, identify potential reasonable accommodations, or determine whether your continued work would pose a direct threat to the health or safety of others that cannot be eliminated by reasonable accommodation.

If you become unable to perform the essential functions of your job, even with a reasonable accommodation, please ask about assistance in identifying and applying for other jobs at UMC that may become available and for which you may be qualified.

2.4 Non-Harassment Policy

General Statement

University Mechanical Contractors, Inc. is committed to maintaining a work environment free from unlawful discrimination and harassment. In accordance with applicable law, UMC prohibits sexual harassment and harassment because of race, color, national origin, ancestry, religion, creed, physical or mental disability, age, sexual orientation, marital status or any other basis protected by federal, state, or local law. All such harassment is unlawful and will not be tolerated by UMC. Accordingly, UMC will not tolerate harassment of UMC employees by any person, including managers, management officials, co-workers, vendors, clients, or customers. Additionally, UMC will not tolerate harassment of any third party by UMC employees.

Prohibited Conduct

Examples of the conduct we prohibit include:

- Epithets, slurs, negative stereotyping or threatening, intimidating or hostile acts that relate to sex, sexual orientation, marital status, race, color, national origin, citizenship status, creed, religion, age or disability.
- Written or graphic material brought to, displayed or circulated in our workplace that denigrates or shows hostility or aversion toward an individual or group because of their sex, sexual orientation, gender identity and expression, military or marital status, race, color, national origin, citizenship status, veteran's status, creed, religion, age, disability or genetic information.

- Intimidating, hostile, derogatory, contemptuous or otherwise offensive conduct or remarks that are directed at a person because of that person's sex, sexual orientation, gender identity, military or marital status, race, color, national origin, citizenship status, creed, religion, age or disability.
- Using company resources (such as voicemail, e-mail or Internet access) to obtain, deliver, forward, circulate or store inappropriate or offensive materials.
- With respect to sexual harassment, examples of the conduct we prohibit include:
 - Vulgar or sexual comments, jokes, stories and innuendo.
 - Graphic or suggestive comments about someone's body or manner of dress.
 - Gossip or questions about someone's sexual conduct or orientation.
 - Vulgarity, leering, inappropriate touching and obscene or suggestive gestures.
 - Displaying, accessing or circulating in the work place (including via Internet or e-mail) sexually suggestive photographs, cartoons, graffiti, jokes and the like.
 - Unwelcome and repeated flirtations, requests for dates and the like.
 - Subtle pressure for sexual activity, including unwelcome but apparently sanction-free sexual advances by a manager to a subordinate.
 - Solicitation or coercion of sexual activity, dates or the like by the implied or express promise of rewards or preferential treatment.
 - Solicitation or coercion of sexual activity, dates or the like by the implied or express threat of punishment.
 - Sexual assault.
- Intimidating, hostile, derogatory, contemptuous or otherwise offensive conduct or remarks that are directed at a person because of that person's sex, regardless of whether the remarks themselves are sexual in nature.
- Retaliation against an employee for refusing sexual or social overtures, for complaining in good faith about sexual harassment, or for cooperating in good faith with the investigation of a complaint.

Harassment, particularly sexual harassment, can be difficult to define. Misconceptions abound. For this reason, we strongly urge you to use our harassment reporting policy without worrying about whether the conduct involved would be considered harassment in a legal sense. If you consider the conduct to be harassment, report it. This policy is intended to assist UMC in addressing not only illegal harassment, but also any conduct that is offensive and inappropriate.

Because of the potential for miscommunication, misunderstandings and conflicts of interest, we do not permit managers to date those they directly or indirectly supervise. This policy applies to all employees who have the authority or practical power to supervise, appoint, remove, or discipline another employee or who are responsible for auditing the work of another employee.

UMC does not tolerate sexual harassment of its employees on the job, regardless of whether the unwelcome behavior is by co-workers, managers, managers, vendors, or clients. Conduct prohibited by this policy is unacceptable in the workplace and in any work-related setting outside the workplace, such as business trips, business meetings, and business-related social events.

Supervisory Oversight

We expect all managers to take affirmative steps to protect employees from unlawful harassment. This includes demonstrating and communicating appropriate standards of workplace conduct, monitoring such conduct, and promptly reporting any alleged incidents or concerns to a direct manager, the Human Resources Department, or Jerry Bush, President.

Reporting Harassment

Any employee who believes that he or she has experienced or witnessed harassment by any manager, management official, co-worker, vendor, client, customer or any other person in connection with employment at UMC, is required to report the incident(s) promptly to one of the following individuals who are designated to receive complaints directly depending on who you feel most comfortable contacting:

Jerry Bush, President	(206) 368-6247 or (206) 364-9900
Mark Faller, CFO	(206) 368-6231 or (425) 231-1503
Kirk Baisch, Safety Director	(206) 368-6214 or (206) 364-9900
Dave Babington, HR Mgr	(206) 368-6207 or (206) 364-9900
Pat Damitio, VP Operations	(206) 368-6237 or (206) 353-0389
Matt Mifflin, General Supt	(206) 368-6204 or (206) 399-0587

A complaint should be as detailed as possible, including the names of the individuals involved, the names of any witnesses, direct quotations when language is relevant, and any documentary evidence (notes, pictures, cartoons, etc.)

Investigation of Harassment

All reported incidents will be investigated under the following guidelines:

- All complaints will be kept confidential to the fullest extent possible. This means they will be disclosed only as we deem necessary to allow us to investigate and respond to the complaint, to management and as may be required by law.

- Anyone who we conclude has violated our anti-harassment or anti-discrimination policies is subject to corrective action up to and including immediate discharge. Corrective action will depend on the circumstances, including the gravity of the offense. We will take whatever action we deem necessary to prevent an offense from being repeated.
- We will not permit retaliation against anyone who makes a good-faith complaint or who cooperates in good faith in an investigation.

We strongly urge you to report all incidents of harassment, discrimination or other inappropriate behavior as soon as possible. We want to provide you with a pleasant and productive working environment, but we can't do that if these issues are not brought to our attention. Please join us in our efforts to make UMC an enjoyable place to work for all employees.

2.5 Preventing Violence in the Workplace

We are committed to providing employees with a safe work environment. Therefore, we strictly prohibit threatened or actual violence by our employees on our premises or on a work site.

Violence in the workplace may be described as verbal or physical threats, intimidation, and/or aggressive physical contact. Prohibited conduct includes, but is not limited to the following:

- Inflicting or threatening injury or damage to another person's life, health, well-being, family or property;
- Possessing a firearm, explosive or other dangerous weapon on company premises or using an object as a weapon (exceptions must be authorized by Jerry Bush);
- Abusing or damaging company or employee property;
- Using obscene and sexually suggestive or abusive language or gestures in a threatening manner; or,
- Raising voices in a threatening manner.

Because of the potential for misunderstanding, UMC also prohibits joking about any of the above conduct.

You are encouraged to be proactive in maintaining a safe working environment by reporting violent or potentially violent behavior. If you observe or experience these types of behavior, please report them immediately to your manager, any of the individuals listed as contacts on the previous page (p.5), or call emergency 911, when appropriate. In addition, employees working at a remote location or in a client's workplace who experience actual or threatened violent behavior should report it immediately to the appropriate authorities.

Orders for Victim Protection- Orders for Victim Protection include the following types of court orders: protection order, no contact order, restraining order and anti-harassment order. If you have obtained an Order for Victim Protection that includes UMC as your workplace, immediately provide a copy of the order to Human Resources or your supervisor.

Any employee who exhibits violence in the workplace may be disciplined, up to and including termination. UMC may also choose to bring formal charges against anyone who endangers its employees.

2.6 *New Employee Orientation*

It is our goal to provide each employee with an orientation conducted by a representative of the Human Resources Department. During this orientation, all employees will complete new hire paperwork, review the employee handbook, and review the employee benefits. Your manager will provide a tour of the facility, introduce other employees, and explain job responsibilities. Questions about your job should be directed to your manager. **We have an open door policy and encourage you to share your questions, problems, concerns, and suggestions.**

2.7 *Eligibility for Employment*

UMC will comply with applicable immigration laws, including the Immigration Reform and Control Act of 1986 and the Immigration Act of 1990. As a condition of employment, every individual must provide us with satisfactory evidence to establish identity and eligibility to work in the U.S. The most common forms of identification are a driver's license and social security card; however, other documents can be used. Employees must supply this documentation within three business days of their date of hire.

If you have any questions or need more information on immigration law issues, please contact the Human Resources Department.

Section 3 – Employment Basics

Employment records are maintained and stored by Dave Babington in the Human Resources office at the UMC Mukilteo office. These files contain documentation regarding various aspects of the employee's tenure with UMC, such as a resume, insurance enrollment, W-4 form, employment eligibility form, and employment evaluations. Other important events in each employee's history with UMC may also be recorded and kept in the employee's personnel file.

Any employee may review his or her personnel file annually by appointment at a mutually convenient time with Dave Babington. He, or another company representative, may be present when you review your file.

All personnel files and information are the property of UMC. UMC reserves the right to use and disclose this information as it decides is appropriate. In general, however, it is our policy to release personnel files and the information contained in them only to: Human resources staff; Company management, insurance carriers, accountants and attorneys having a legitimate business reason to know the information involved; federal and state authorities as required by law; pursuant to subpoena or other judicially enforceable request; pursuant to the employee's authorization; or pursuant to the policy below on Employment Verifications and References.

We comply with all applicable state and federal laws regarding the confidentiality of medical records.

To facilitate consistency and minimize misunderstandings, UMC generally will respond to requests for employment verifications and references on current or former employees by only verifying (not providing) job title, salary, and employment dates, unless the employee signs a specific written authorization and a release to provide additional information. We reserve the right to make exceptions to this policy, however, for example if we understand that an individual has stolen from us or otherwise engaged in criminal conduct

It is the responsibility of every employee to notify the payroll office of changes in address, telephone number, filing status, and number of dependents. Should your employment with UMC end, remember to notify the office prior to December 31st of address changes to ensure the W2 is mailed to the correct address.

3.2 *Work Week and Scheduling*

For payroll, accounting and overtime purposes, the business week runs from 12:01 a.m. Sunday through midnight Saturday. Our normal business hours are from 8:00 a.m. to 5:00 p.m. Monday through Friday. Some individuals and/or departments may work from 7:00 a.m. to 4:00 p.m. or any other schedule as management considers appropriate. Each employee should discuss their work schedule with his/her manager as UMC may establish other workdays or workweeks for individual employees for certain positions.

3.3 *Employee Classifications*

Employee Status

A **regular full-time employee** is one who is regularly scheduled to work 40 hours or more per week.

A **regular part-time employee** is one who is regularly scheduled to work fewer than 40 hours each week.

You will be informed of your status when you are hired. Status can be changed anytime at management's discretion.

Exempt/Non-exempt Definitions

Every position in our company is categorized as either exempt or non-exempt under the wage and hour laws. Non-exempt employees are eligible for overtime pay. Exempt employees are not eligible for overtime pay. Whether your position is exempt or non-exempt depends on various factors including your job duties. Any questions about whether you are exempt or non-exempt should be directed to Human Resources.

3.4 Non-exempt Employees

If you are a non-exempt employee you will be paid overtime as required by applicable statutes. This generally means you will be paid at the rate of one and one half times your regular hourly rate for all hours actually worked beyond 40 hours in any workweek. Sick leave, holidays, vacations and other time not actually worked, even if paid, are not counted as hours worked when we calculate your overtime pay. You may not work overtime without express advance authorization from your manager. You also may not take compensatory time off in lieu of overtime pay for working more than 40 hours in a workweek.

If you are a non-exempt employee you must record the number of regular and overtime hours that you work each workweek and certify you have accounted for all hours you worked during the week. Working overtime without recording your time (working "off the clock") is strictly prohibited and will result in corrective action, not reward. You must properly record all time that you work, even if it involves overtime work that has not been authorized.

Nonexempt employees are prohibited from performing any work-related tasks at home, or during the employee's commute, unless specifically requested or authorized by your supervisor. For example, work-related telephone calls or electronic mail while at home, or during the commute, are prohibited unless specifically requested or authorized. When a work-related task is performed at home or during the commute, the entire time from the beginning of the work until it is completed must be reported on the employee's time card, whether or not the work was authorized. If a nonexempt employee needs to receive instructions on the location of the first job site for the day, or otherwise needs to prepare for the day's work activities, the employee must perform this preparation at the end of the prior work day while he or she is still on the clock.

Non-exempt employees who travel on company business should record their travel time as time worked. However, the following travel time is not paid and should not be recorded as time worked: Travel time outside the employee's regular work hours on an overnight trip, except for time actually spent working or driving; commuting time (travel between your home and the airport or your home and the work site); and normal meal breaks taken while in transit.

If you believe that you have not been paid all overtime as required by law, you must promptly report this information to our VP/CFO (Doug Smith) or our HR Manager (Dave Babington). Reports of overtime violations will be promptly investigated. If it is determined that an overtime violation has occurred, you will be promptly reimbursed for any violations.

3.5 Rest and Meal Periods

Non-exempt employees receive a 10-minute paid rest period for each four hours of working time. Ideally, a break will occur near the midpoint of each four-hour work period, but breaks are scheduled by you and your manager. Non-exempt employees may not work more than three hours at a time without receiving a rest break .

Employees working more than five hours in a day will take a meal break. Our normal meal break is a 60-minute unpaid period. Each employee should discuss their meal break with their manager as UMC may establish other meal break schedules for individual employees for certain positions.

3.6 Prohibition of Improper Payroll Deductions For Salaried Exempt Employees; Complaint Procedure

Purpose: Certain types of payroll deductions from the compensation of salaried, overtime-exempt employees are unlawful under federal and state laws. Although it is UMC's policy to fully comply with all overtime laws, including the "salary basis" requirements applicable to salaried exempt employees, mistakes can occur. Complaints regarding possible improper payroll deductions will be investigated thoroughly. If it is determined a payroll deduction failed to comply with federal or state law, UMC will respond promptly and rectify the error.

Policy: We will not make any deductions from the salaries or leave benefits of exempt salaried employees that are not permitted by applicable law, and we prohibit all company managers from directing or authorizing such improper deductions.

Deductions from the pay or leave benefits of salaried exempt employees are permitted: when an employee is absent from work for one or more full days for personal reasons other than sickness or disability; for absences of one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness; or to offset amounts employees receive as jury or witness fees, or for military pay. Also, an employer is not required to pay the full salary in the initial or terminal week of employment; for disciplinary suspensions imposed in good faith for infractions of safety rules of major significance; or for weeks in which an employee takes unpaid leave under the Family and Medical Leave Act. In addition, for exempt salaried employees, deductions from leave benefits for absences of less than a full day will be made only on the express or implied request of the employee for time off from work, and will not be made for an absence of less than one hour. Exempt salaried employees who are summoned for jury duty or to testify in court, or who take temporary military leave, will not have their salaries reduced for these absences during any workweek in which they perform work for us. Exempt salaried employees must receive manager permission before doing any work for us while out on leave for these purposes.

Complaint Procedure:

Promptly notify Human Resources (HR) and describe the problem in writing. HR will investigate your complaint and respond promptly, generally within five (5) business days.

If an error has occurred, full reimbursement will be made promptly.

Section 4 - Compensation

4.1 Salary Information

Your pay rate is based on an assessment of the position, your experience, and the market pay rate for similar jobs. Adjustments in your wage will depend on your job performance, marketplace conditions, and the financial prosperity of UMC. Treat information regarding your compensation with discretion.

Our weekly pay periods end on Saturday and you are paid on the following Friday. If there is an error in your check, please report it immediately to your manager. No one other than the employee to whom the paycheck is written will be allowed to pick up a paycheck unless written authorization has been given for another person to do so.

4.2 Time Reporting

The regular work week for non-exempt employees is 40 working hours, but occasionally some overtime may be required. Working assigned overtime (in excess of 40 hours in any work week) may be at times an important part of an employee's job responsibilities. Your manager must authorize overtime in advance. Overtime pay is paid to all non-exempt employees as determined under the Washington Minimum Wage Act, the Federal Fair Labor Standards Act and Union Labor Agreements.

Each employee is responsible for the accuracy and completeness of the information on his or her time sheets. Altering or falsifying your time or attendance records, or completing another employee's time and attendance record, is prohibited and may result in disciplinary action, up to and including termination. In order to process timely payroll checks, each employee is responsible for turning in a completed time sheet at quitting time each Friday or at the very latest by Monday morning at 8:00 a.m. if time worked over the weekend prevents the employee from turning it on Friday. Failure to submit completed timecard on time may result in disciplinary action and payment delay. All time sheets will be reviewed and authorized, or corrected as needed, by the manager.

It may become necessary for employees to work overtime during holiday weeks. If a non-exempt employee is working approved overtime to accommodate a client's needs, then that employee is eligible to receive holiday pay as well as overtime. All other time worked on an actual holiday shall fall under the guidelines of the "Floating Holiday" section of this handbook.

Time reporting records are company property.

4.3 Vacation

All regular full-time employees (consistently scheduled to work 40 hours or more per week) are eligible for paid vacation based upon years of continuous service. If you are a regular full-time employee, you will accrue vacation as follows:

Anniversary Vacation Awarded

Hire Date – end of 5th year	80 hours (1.54 hrs/week worked)
6th year – end of 10th year	120 hours (2.31 hrs/week worked)

11 th year- end of 20 th year	160 hours (3.08 hrs/week worked)
21 th year- end of 30 th year	200 hours (3.85 hrs/week worked)
31 st year-forward	240 hours (4.62 hrs/week worked)

You are expected to use all your available vacation each year as it is awarded. As an employee, you can bank up to two times your annual accrual of unused vacation pay (i.e. if you accrue 80 hours of unused vacation in one year, you may accrue a maximum of 160 hours before you stop accruing).

Part-time employees (consistently scheduled to work less than 40 hours per week) will accrue vacation consistent with the above schedule on a prorated basis. For example, if you are scheduled to work 3 days per week, you accrue vacation hours 3/5 of the full time amount. During the first year of UMC employment this would be equivalent to 3/5 times two weeks per year worked or .93 hours per week.

Scheduling Vacation

UMC will attempt to grant all employees vacation when they want to take it. Employees are to use the Vacation Request Form found on the intranet, and after approval, enter their vacation in Outlook: *Public Folders/All Public Folders/Vacations*. Employees are asked to schedule vacation with their manager as far in advance as possible, but no later than 30 days in advance. Employees taking vacation should notify all clients that will be directly affected by their absence, as well as the receptionist at the main office and the Human Resources Department.

If a paid holiday occurs during your scheduled vacation, the holiday shall be paid and will not count as vacation time or be subtracted from your vacation balance.

4.4 Jury Duty and Subpoena as a Witness

UMC encourages our employees to fulfill the civic obligation to perform jury duty. Employees performing jury duty will be paid their wages for time spent on jury duty for a maximum of two weeks. Employees are expected to work their regular schedule on any day or part of a day they are not required to be present in court. In addition, exempt salaried employees on jury duty will have their salaries continued during any workweek in which they perform work for us. (Salaried employees must receive manager permission before doing work for us while on jury duty leave.) All other periods of jury duty are unpaid. Employees may keep the payment provided by the court for jury duty service. You must provide your manager with a copy of the jury duty summons as soon as possible after receiving it. Upon completion of jury duty, you are required to provide your manager with proof of jury service.

All employees summoned to testify in court are allowed time off for the period they serve as witnesses. In general, witness duty leave is unpaid unless you are a witness in a case involving UMC. For exempt salaried employees, however, salary payment will continue except for full-day absences caused because the employee is a party in a lawsuit.

4.5 Sick Leave

If you need to miss work because of an illness or other valid reason listed below, you may take accrued but unused sick leave to cover paid time for lost work hours. For leave that is foreseeable, a written request should be provided at least 10 days ahead of time (or as early as possible). For unforeseeable leave, you must provide notice as soon as is practicable and call your supervisor as soon as possible. An absence of more than three consecutive days due to

illness may require documentation, such as a statement signed by a health care provider stating that sick leave is necessary. Unless your manager has agreed to some other schedule, you must call in at the beginning of each scheduled workday if you will be absent. Accrued sick leave may be used only for the following:

- Personal illness or injury
- Doctor or dentist appointments
- To care for your spouse or registered domestic partner, parent, parent-in-law, grandchild or grandparent who has an illness
- Birth of a child to you or your spouse
- Your mental or physical illness, injury or health condition; your need for medical diagnosis care or treatment of a mental or physical illness, injury or health condition; or your need for preventive medical care
- Your care for a family member with an illness, injury or medical appointment, etc.
- Your place of business has been closed by order of a public official to limit exposure to an infectious agent, biological toxin or hazardous material
- You need to care for a child whose school or place of care has been closed by order of a public health official to limit exposure to an infectious agent, biological toxin or hazardous material
- For reasons related to domestic violence, sexual assault or stalking that affect you or your family member

For further information on use of sick leave to care for a family member, see Section 10.3 (Family Care Leave).

You begin to accrue sick leave at the time of employment. Full-time employees accrue sick leave benefits at the rate of four hours for each calendar month, or six days each year during continuous employment. Part-time employees accrue sick leave benefits on a pro-rated basis according to hours worked. You may accrue up to a maximum of 160 hours of sick leave. If while caring for yourself or family you exceed your accrued sick hours you are allowed to use your vacation accrual.

Sick pay may only be used while employed by UMC. Sick pay will not be paid upon retirement or termination of an employee from UMC.

Bereavement (Funeral) Leave

If you are a regular full-time employee, you may take up to three (3) days with pay within any 12-month period to attend services and to take care of personal matters related to the death of a member of your immediate family. For the purposes of this policy, your immediate family is your spouse, parent, sibling, child, grandparent, aunt, uncle, and any “in-law” or “step” relationship to the same degree.

Up to three (3) days of bereavement leave is in addition to other leave benefits outlined in this handbook. Bereavement leave must be taken at the time of the death and/or services, and may not be postponed or taken retroactively.

4.6 Holidays

If you are a regular full-time or regular part-time employee, and you would have normally been scheduled to work, you will receive a paid day off for the following holidays:

1. January 1 (New Year's Day)
2. Last Monday in May (Memorial Day)
3. July 4 (Independence Day)
4. First Monday in September (Labor Day)
5. Fourth Thursday in November (Thanksgiving Day)
6. Friday following Thanksgiving Day
7. December 25 (Christmas Day)

Note: At management's discretion, an optional holiday may also be observed. Employees will receive notice if an optional day is designated for a particular year.

You must work the regular workdays immediately before and after a holiday or be on an excused leave, to receive pay for the holiday.

Part-time employees: If you are a regular part-time employee, you will receive holiday pay on a pro rata basis. Because of the limited amount of hours part-time employees are available to contribute, and to avoid a potential reduction or disruption of productivity to their department, part-time employees should coordinate with their manager regarding working a different schedule during weeks in which a holiday falls on one of their regularly scheduled work days.

"Official" vs. "Unofficial" Holidays

On occasion UMC management may decide to allow employees to leave early during various holiday times. Only employees working at the time are eligible for the benefit. If you are on sick leave or vacation at the time, you will continue to be charged sick leave or vacation time.

At other times UMC management may allow employees to leave early without any advance warning. This is considered an "unofficial" holiday. Do not indicate this time as holiday pay on your timecard. Charge the time that you leave early to your proper overhead account. Charge to vacation if you are on vacation at the time or to sick leave if you were on sick leave at the time.

Floating Holidays

Due to client or other UMC requirements, not all employees may be able to take the above holidays off from work. UMC also understands that employees may observe holidays other than the above and will make every effort to respect individual beliefs and accommodate reciprocal days off. When employees are required to work the above holidays or choose to work to accommodate optional holidays, UMC will make every effort to schedule a mutually agreeable date off in lieu of the holiday. This will be considered a floating holiday. Generally, floating holidays must be scheduled at least 30 days in advance with your manager. Floating holidays must be used before the end of the calendar year they are accrued, and within 30 days of the original scheduled holiday, or they will be forfeited. If the floating holiday occurs at the end of the year, a provision will be made that the employee can use the Floating Holiday within the first month of the following year.

4.7 *Performance Management through Coaching*

Coaching provides you and your manager with an opportunity to pursue the following outcomes:

1) experience positive behavioral change, 2) be motivated to work hard, 3) feel good about choosing UMC as your long-term employer and 4) effectively pursue promotions.

Coaching requires less time and paperwork than the traditional performance review. Coaching is an ongoing process throughout the year, but all employees should meet annually with their supervisors during the months of September – November as part of the ongoing coaching process. Coaching is not tied to wage increases.

Section 5 – Benefits

UMC reserves the right to amend or discontinue all or some of these benefit programs at any time, subject to government laws and regulations.

Summary descriptions of our employee benefit plans are available from the Human Resources Department. The exact terms and conditions of our benefit plans are governed by the plan documents themselves. Eligibility for our benefits plans depends on your status with UMC. Workers who provide services to us but who we do not treat as employees for payroll tax purposes are generally not eligible for these benefits. Check with the Human Resources Manager if you have any questions about your eligibility.

5.1 Insurance Benefits

Beginning the first day of the month following your date of hire, full-time employees (minimum 24 hours worked per week) are eligible to participate in our medical and dental insurance program. The cost of premiums for employees is paid by UMC to the insurance carrier and a portion is paid by each employee through payroll deduction. Current rates and benefit booklets are provided when you are hired and during subsequent open enrollment periods.

Additional information can be obtained by referring to the Summary Plan Description provided by the insurance carrier or calling the insurance carriers directly using the toll free numbers provided in the benefit booklets. **If there is any conflict with other oral or written descriptions of these benefits, the descriptions in the plan documents and insurance contracts control.**

If you have any additions, deletions, address changes, or other changes to your insurance coverage, notify Dave Babington at (206) 368-6207 immediately. The insurance carrier restricts the addition of dependents to the plan and, depending on the circumstances, may limit such additions to the annual open enrollment period.

5.2 Medical Care Reimbursement Program

To assist regular full-time and regular part-time employees who will have qualifying out-of-pocket health or dental care, UMC has established a Section 125 flexible spending account plan. Under this plan, employees can put aside pretax dollars to pay for their portion of medical/dental premiums and/or expenses. New employees are eligible to participate in the program on the first of the month following date of hire. You should plan carefully when determining how much money to set aside under this plan because the law requires that you forfeit any amounts that you have not used by the end of each calendar year. Also, if your employment is terminated before the end of the Plan Year, you will be required to reimburse UMC the remaining balance (on a monthly basis) with after-tax dollars. An employee who chooses to participate in this program must sign up through payroll by December 31st each year or when a mid-year qualifying event occurs. For more information about qualifying events and these plans, please contact Dave Babington at (206) 368-6207 and/or refer to the information provided by the plan provider. **The descriptions in the plan document and contract control if there is any conflict with other oral or written descriptions of this benefit.**

5.3 401(k) Plan

UMC provides a 401(k) salary deferral plan with a profit sharing option to eligible employees who are age 18 or over. Eligible employees may begin participating immediately. The plan allows eligible employees to elect to defer a portion of their pay before federal income taxes into the 401(k) plan. The minimum deferral is 1% of gross wages per pay period. The current maximum deferral is 75% of gross wages per pay period.

UMC currently matches \$1.00 for every \$1.00 an employee contributes to the plan up to 4% of an employee's pay. UMC retains the right to change or discontinue this matching program without notice. Employee deferrals are 100% vested at all times and are not subject to federal income tax withholding until distributed or withdrawn. However, deferrals are subject to Social Security Tax, up to the maximum covered amount, at the time of deferral.

UMC deposits the employee deferrals in a tax-deferred Trust. Each employee selects which fund(s) his or her account is invested in and thereby manages the risk of investment performance. Investment earnings are allocated to individual accounts and are currently not subject to federal income tax until distributed or withdrawn.

Generally, account balances will be paid out when an employee becomes disabled, dies, retires, or is terminated from employment. Funds may be available in other limited circumstances with significant interest and penalties for early withdrawal.

Participation in the 401(k) plan is voluntary. For more information, please see the Plan document for eligibility and prospectuses provided by our investment advisors prior to investing. **The descriptions in the plan document control if there is any conflict with other oral or written information.**

5.4 Educational Assistance

If you wish to take job-related courses of instruction at an accredited local college, university, vocational or technical institute, community college, or other appropriate continuing educational program, you may qualify for tuition reimbursement. Approval is on a case-by-case basis. Considerations include, but are not limited to, the value of the education to the individual, the potential relationship of the education to the employee's advancement at UMC, and funds available for educational assistance. Approval is at the sole discretion of Jerry Bush, President. UMC also provides various continuing education programs. Please discuss your plans with your manager or Dave Babington at (206) 368-6207.

5.5 Employee Assistance and Counseling

UMC maintains an employee assistance program ("Fully Effective Employees"), which is an independent, confidential, no-cost resource for all regular, part-time and full-time employees, their dependents, and household members to get help in addressing a variety of personal problems. The EAP counselors can help with many issues, such as marital and relationship problems, stress, parenting concerns, and alcohol and drug abuse. The providers keep all EAP information confidential, unless the employee authorizes disclosure. This is a very valuable and underused resource. Contact Fully Effective Employees at 1-800-648-5834 or 206-628-0770.

5.6 Social Security

The Federal government provides Social Security (FICA) and Medicare benefits when you reach retirement age. These programs may also provide disability income for various categories of employed and dependent persons. This program is funded by deductions made from your paycheck and a matching amount that is paid by UMC on your behalf. It is important to check with the Social Security Administration annually to make certain that wages are credited properly. Forms are available from payroll. If you have questions regarding Social Security, contact the Social Security Administration.

5.7 Unemployment Compensation

In addition, UMC also pays a tax based on employee wages to the state's Unemployment Compensation Benefit Fund with resulting coverage of qualified unemployment benefits for employees.

5.8 Workers' Compensation Insurance

All employees are covered while on the job by Workers' Compensation Insurance. This insurance may provide coverage for you if you suffer an occupational illness or injury at work. State law determines an employee's eligibility and the level of payments for medical expenses, lost time, and other benefits. If you are injured while working, or if you believe you have an occupational illness or disease, report the situation immediately to your manager. UMC has a return-to-work program for employees with work-related injuries (see Section 9.3 for details).

5.9 Group Life Insurance

UMC provides life insurance for eligible employees in the amount of your annual base earnings, up to a maximum of \$100,000. You may be eligible to purchase additional coverage for yourself or dependents. Please see the benefit booklet for further information. **The descriptions in the Plan documents and insurance contracts control if there is any conflict with other oral or written descriptions of these benefits.**

5.10 Group Long Term Disability

UMC provides coverage to eligible employees. The benefit booklet explains the details of coverage. Please consult the benefit booklet for details and direct questions to the insurance carrier. **The descriptions in the Plan documents and insurance contracts control if there is any conflict with other oral or written descriptions of these benefits.**

5.11 Employee Accounts

It is sometimes to the advantage of UMC employees to purchase materials and equipment through UMC's suppliers. At UMC's discretion, employees may charge material or equipment to UMC's account and reimburse UMC for all charges within 30 days of the purchase. Doug Smith, VP/CFO, must approve purchases in advance. Employees who utilize this benefit agree to reimburse UMC within 30 days of the invoice date (see Employee's Statement of Understanding for additional repayment details).

5.12 Other Benefits

UMC Reading Resources (on Leadership, Organization Skills, Negotiating, etc.)
Voluntary Supplemental Life Insurance
Fitness Reimbursement

Bus Pass Reimbursement

For more information on these benefits, please contact Dave Babington at (206) 368-6207.

Section 6 - Employee Responsibilities

6.1 Performance

All employees are expected to perform to the very best of their abilities to ensure the continued success of UMC

UMC's expectations for every employee include:

- Perform the highest quality work to the best of your ability to ensure the satisfaction of our customers and the smooth operation and continued success of UMC.
- Work as directed and as scheduled by your manager. Regular and timely attendance is required and is essential to the smooth operation of UMC. Employees may be required to work at a jobsite.
- Use your time efficiently and effectively.
- Treat customers, co-workers and the public courteously and professionally.
- Perform all administrative requirements accurately and timely, such as: time cards, expense reports, vacation requests, etc.
- Comply with UMC anti-discrimination, anti-harassment, drug and alcohol, safety, and other policies. Copies of the anti-discrimination and anti-harassment policies are provided within this handbook and posted in common areas at all job site locations. Copies of the UMC Driver Safety Program, Disaster/Crisis Plan or Fire Safety Plan are available from the Safety Committee or Kirk Baisch, Safety Director.

6.2 Disciplinary Action

If your performance or behavior is not meeting our expectations, UMC may use the following steps to address the issues.

In most cases, when a problem comes to the attention of your manager he or she will discuss the issue with you to decide how to improve the situation. In some cases, your manager may simply direct you in a course of action. In either case, you will be expected to follow through on the course of action that emerges from that discussion.

If the problem continues without satisfactory progress towards solution, the next step may be a written notice and another problem-solving discussion. A second written notice or unpaid suspension may follow if the problem continues. (For exempt employees, an unpaid suspension may only be given in increments of one or more entire workweeks, unless we determined a shorter unpaid suspension is permitted in the particular circumstance by applicable federal and state overtime exemptions). Non-exempt employees may receive an unpaid suspension of less than one week.)

If you still have not corrected the problem, you may be subject to dismissal or other appropriate measures.

There are no guarantees that the steps in our disciplinary system will identify and correct the problem or that all steps can or will be followed in every case. This system is simply intended to be a useful guideline to follow in resolving many work-related problems and is not intended to create a contract of any kind, or promise of specific treatment in specific circumstances, between UMC and any of its employees. **In all cases, and at all times, the level of disciplinary action, including immediate termination is at UMC's discretion.**

6.3 Attendance and Tardiness

You are expected to report to work on time and when scheduled. If you will be delayed more than a few minutes or are unable to report to work, you should promptly call your manager to explain the circumstances. Unless your manager has agreed to some other schedule, you must call in at the beginning of each scheduled workday if you will be absent. **Tardiness or poor attendance may lead to disciplinary action, up to and including termination of employment.**

No show/no call situations may result in disciplinary action, including termination of employment. Absences from work for three or more consecutive days without proper notification may be treated as a voluntary resignation. In situations of excessive absenteeism resulting from medical issues, UMC will consider whether a reasonable accommodation is called for, and as part of that process UMC may require medical certification.

Regular attendance and promptness are considered part of each employee's essential job functions.

6.4 Personal Appearance

Your clothing and grooming should be appropriate to the workplace. Health and safety standards may require special clothing, shoes, or hairstyles. In those cases, you are expected to comply with UMC's requirements. If you have questions about what is or is not appropriate, ask your manager.

6.5 Voting

UMC encourages each employee to exercise the right to vote. In most situations, employees should be able to vote before or after work or by absentee ballot. If this is not possible due to your work schedule, discuss the alternatives with your manager.

6.6 No Smoking Policy

Smoking (including electronic cigarettes) by employees is permitted only during rest or meal periods and only outside the UMC office building, at least 25 feet from doors and windows. Smoking should not disrupt your work schedule or disrupt other employees. When working at jobsites, comply with the smoking policy at that jobsite.

6.7 Employee Use of Vehicles

See UMC Driving Policy, Section 12.

6.8 Solicitation

Solicitation of co-workers, employees and customers is subject to the following limitations:

1. Persons not employed by UMC may not solicit, survey, petition, or distribute literature on our premises at any time.
2. UMC employees may not solicit for any purpose during work time. Employees who solicit during non-work time may not solicit other employees who are on work time. UMC supports various non-profit organizations, as do many of our employees. To support these activities, an exception to the non-solicitation rule will be made for written materials related to non-profit fund raising opportunities that UMC employees discretely place in the lunchroom and copy rooms. UMC reserves the right to limit or eliminate this limited non-profit solicitation.

UMC employees should obtain consent from Jerry Bush, President, before soliciting UMC customers, suppliers, subcontractors or their employees for any reason.

6.9 Conflict of Interest and Moonlighting

We expect employees to avoid situations that might cause their personal interests to conflict with the interests of our organization or that compromise our reputation for integrity. A conflict of interest, or the appearance of one, occurs when an employee or family member uses his/her position at UMC for personal benefit through an investment, association, or business relationship that interferes with his or her ability to exercise independent judgment on our behalf. An example would be having a financial interest in, or moonlighting for, any organization that is a customer, supplier, or competitor of UMC.

Full-time employees are discouraged from accepting second jobs, whether self-employment or otherwise. All employees holding or considering second jobs must obtain permission from their manager in order to ensure that the job will not create a conflict of interest or interfere with the proper performance of their duties.

Employees of UMC are not to provide gifts to salespeople, vendors, suppliers, or any other business associates without prior approval from Jerry Bush, UMC President. Meals and entertainment provided to business associates (typically of a value of less than \$100 and consistent with usual and customary practice) are permissible. Questions should be addressed to Jerry Bush, President.

Employees of UMC are not to accept gifts from salespeople, vendors, suppliers, or any other solicitors with a value greater than \$100. Jerry Bush, President, must approve exceptions to this rule prior to acceptance.

6.10 Personal Property

UMC will not assume any responsibility for loss, theft, or damage to personal property, including vehicles, brought to work or used for work.

UMC retains the right to inspect all documents, envelopes, packages, etc. brought into or taken off the premises. The inspection or search may include any packages or items that the individual may be carrying, including briefcases, handbags, knapsacks, shopping bags, etc.

6.11 Company Property

Your desk, office, equipment, workstation, files, computer files, locker, and other tools of the trade are company property and we reserve the right to inspect, with or without advance notice, all such company property.

You may not put your own lock on company property.

6.12 *Inventions and Creative Output*

All inventions and creative output developed using company time, company equipment, supplies, facilities, or trade secrets, or that relate directly to our business or anticipated business are company property.

Inventions and creative output developed outside of company time while not using any company equipment, supplies, facilities, or trade secrets and which are not related to our business or anticipated business, are not company property.

6.13 *Confidential Company Information*

In the course of performing your job, you may be exposed to confidential company information. Confidential information includes, but is not limited to, information about UMC's customers, pricing, forms, marketing and business strategies, finances, personnel, and any other information that is not readily accessible to the public. Confidential information must not be used, discussed, or disclosed to anyone outside UMC and should be disclosed within UMC only when necessary. If you work in sensitive areas, additional restrictions may be imposed.

6.14 *Complaint Resolution*

UMC recognizes the importance of, and is committed to, having an open door for answering questions and resolving employee complaints. Any employee with a concern or complaint should initiate a private discussion with his or her direct manager. If the employee has a question or concern involving unlawful workplace harassment or retaliation, the employee should refer to the harassment policy contained in this handbook. UMC will make every reasonable effort to resolve the employee issue in a timely manner. We strongly encourage each employee to discuss any concerns with his or her manager. On occasion, a manager will need to consult with senior management before resolving the problem. We appreciate your patience during this time. UMC is proud to have an open door policy and appreciate that our employees have traditionally used it appropriately. If your manager presents an obstacle to resolution of a concern or complaint, you may also request a meeting with the appropriate senior manager:

- Jerry Bush, President (206) 368-6247 or (206) 364-9900
- Doug Smith, VP/CFO (206) 368-6212 or (206) 364-9900
- Kirk Baisch, Safety Director (206) 368-6221 or (206) 364-9900
- Dave Babington, HR (206) 368-6207 or (253) 370-3984

If an employee feels more comfortable discussing a workplace issue with someone other than management or Company personnel, the employee should ask Dave Babington for other alternatives.

Section 7 – Computers, Voice Mail & Cell Phones

7.1 Computer Hardware Security

Employees are often assigned personal computers with proprietary software pre-loaded to facilitate the performance of your job. It is the employee's responsibility to properly protect and maintain the hardware, as well as the software.

7.2 Software Security

UMC is the license holder of the software purchased with new systems, as well as many other software packages. The software is licensed to UMC and is not to be copied onto home machines, or to more machines than UMC has licenses for. No other software should be downloaded from the internet or loaded on your UMC computer without prior authorization from Doug Smith, VP/CFO. Downloading business-related documents and software from the internet (i.e. Builders Exchange) will typically occur on jobsites; downloading from social and media sites (i.e. Facebook, iTunes, etc.) is not acceptable.

7.3 Internet Access

Except during personal break periods, utilizing the Internet access for any purpose other than UMC business during your regular work time is prohibited. In addition, accessing Internet sites that contain material that may be considered offensive under UC's harassment policies, including sexual harassment, are strictly prohibited. Be aware that Internet usage can be easily traced to individual PCs: bandwidth and internet usage is monitored and, at the discretion of management, additional tracking may be installed on individual computers with or without notice. Make sure you log off when you are away from your PC or mobile device (iPad) and change your password regularly to guard against improper usage of your Internet access, e-mail, other programs, and to protect information on our network.

7.4 Voice Mail

Voice mail is available for employee business use only. UMC understands that in our busy lives families and friends will leave messages for us but expects employees to make certain the personal use is minimal. Again, all policies against harassment of any kind apply as well to communications on voice mail. **DO NOT ASSUME THAT THE VOICE MAIL YOU HAVE LEFT FOR SOMEONE IS CONFIDENTIAL** (i.e. **DO NOT LEAVE CONFIDENTIAL MESSAGES ON VOICE MAIL**). All electronic media has the potential for being heard by an unintended party. Electronic records are stored in and are routinely included in discovery for legal matters. Be prudent, professional, respectful, and courteous in your use of voice mail within UMC as well as with our customers, clients, and other associates.

7.5 Electronic Mail

Electronic mail is also available for employee business use. Again, as with voice mail, UMC understands that families and friends may leave a limited number of brief messages to keep in touch (approximately two a day). It is the employee's responsibility that personal use is kept to a minimum and that communications comply with all UMC policies including UMC policies against harassment of any kind. **DO NOT ASSUME THAT INTERNAL OR EXTERNAL E-MAIL IS CONFIDENTIAL** (e.g. do not send confidential messages on e-mail!) E-mail can be read by unintended parties or be forwarded to literally millions of unintended parties at the speed of light. Again, be prudent, professional, respectful, and courteous in your use of e-mail within

UMC, to our customers, clients, and other associates. All emails are logged, are made available for HR / Senior Management review as UMC determines is appropriate, and are subject to subpoena by private parties and government agencies.

7.6 *Computer Viruses*

Computer viruses are an unfortunate reality. The first guard against viruses and malware is to know who you trade files or e-mails with and that they have an up-to-date virus protection program on their PC. Another precaution is to have a firewall and current virus checking software on your PC at home and in the office. Third, if you experience unusual PC activity, contact someone in the IT department or Doug Smith, VP/CFO.

7.7 *Company Access to Information Systems*

UMC's computer, voicemail, or telephone systems, and the data stored on them are and remain at all times the property of UMC. As a result, computer data, voicemail messages, and other data are readily available to numerous persons for official business purposes to perform the essential functions of your job. If, during the course of your employment, you perform or transmit work on UMC's computer system and other technical resources, your work may be subject to the investigation, search, and review of others in accordance with this policy. This includes, but is not limited to UMC- provided electronic media (i.e. thumb drive, pin drive).

All information that is created, sent, or retrieved over UMC's technical resources is the property of UMC, and should not be considered private or confidential. Employees have no right to privacy as to any information or file transmitted or stored through UMC's computer, voicemail, or telephone systems. Any electronically stored information that you create, send to, or receive from others may be retrieved and reviewed. Employees should also be aware that, even when a file or message is erased, it is still possible to recreate the message. UMC reserves the right to monitor your use of its technical resources at any time. All information including text and images may be disclosed to law enforcement or to other third parties without prior consent of the sender or the receiver. It is your responsibility to make management aware of network use that is not in accordance with UMC policy.

7.8 *Cell Phones*

The use of cell phones is not a work requirement for most employees. Unless UMC provides you with a cell phone, you will not be reimbursed for the cost of using your cell phone for any calls. Minimize the use of cell phones for personal calls during business hours. Cameras on devices are for business use only. Unless it is an emergency, family members should be encouraged to use UMC's main number (206-364-9900). Refer to section 12.3 for additional information regarding cell phone use.

For non-exempt employees, work-related telephone calls while at home, or during the commute, are prohibited unless specifically requested or authorized by your supervisor. When a work-related telephone call is handled at home or during the commute, the entire time from the beginning of the work until it is completed must be reported on the employee's time card, whether or not the work was authorized.

If you have any questions on the proper use of voicemail, cell phones, e-mail, or the internet, or if you observe improper usage, please contact your manager or Doug Smith, VP/CFO.

Section 8 - Employee Change of Status

8.1 Transfers and Promotions

We encourage the promotion of our current employees. As a UMC employee, you should notify your manager of your interest within two or three days of a position becoming available or, anytime you are interested in pursuing a different position within UMC regardless of current availability. UMC may initiate transfers that allow us to broaden the range of skills within the organization and enhance our ability to respond to changing circumstances and needs.

8.2 Separation/Terminations

UMC recognizes that not all employees will have a long-term relationship with UMC, and that either party may wish to terminate the relationship at some time. In order to maintain the staffing flexibility essential to the successful management of our organization, as well as to protect the options of each employee, your employment relationship is “at-will”. Both UMC and the employees intend to preserve their mutual right to terminate employment at any time, with or without cause, for any reason, or for no reason. An agreement to the contrary must be in writing and signed by Jerry Bush, President, to be enforceable.

If you voluntarily terminate your employment, please try to give at least two weeks’ notice to your manager, stating the reason for the resignation. This will give us the opportunity to make the necessary adjustments in our operation. Please return all property owned by UMC prior to your departure.

Your final paycheck will be issued on the next regular payday following your last day of work.

8.3 Exit Interviews

UMC is interested in understanding why people choose to leave our company. Exiting employees may be interviewed prior to their departure to update benefit and address information, receive notification about their COBRA benefits (if eligible), and identify ways to improve our organization. This also provides a method for reviewing the employee’s reasons for departing and whether the employee’s reasons have personal or other implications UMC should address in the future. The Human Resources Department will be responsible for meeting with all in-house employees and completing the exit interview.

8.4 References

All reference requests should be directed to Human Resources.

Section 9 - Safety and Security

9.1 Safety

It is our earnest desire at UMC to provide a safe work place for the well-being of our employees. Employee safety in all of our operations is of the utmost importance. UMC will endeavor to comply with all safety laws and ordinances so that every employee shall enjoy a safe and healthful place in which to work. To achieve this goal every reasonable effort will be made in the interest of accident prevention, fire protection and health preservation.

It is the responsibility of all project managers, superintendents, foreman and all employees to:

1. Review and understand the elements included in the UMC safety program, particularly those associated with their working environment,
2. Maintain a neat, clean, safe and healthful work place,
3. Comply with all federal, state, and local legislation pertaining to fire hazards, accident prevention and all working conditions.

Employee safety depends on the safety consciousness of everyone. Always observe the special safety rules applicable to each work area. You should report any unsafe conditions or potential hazards to your manager *immediately*; even if you believe you have corrected the problem. If you suspect a concealed danger is present on UMC's premises, or in a product, facility, piece of equipment, process, or business practice for which UMC is responsible, bring it to the attention of your manager *immediately*. Managers should arrange for the correction of any unsafe condition or concealed danger immediately and, if appropriate, should contact the President of UMC regarding the problem. If you perform an unsafe act you may be subject to discipline, up to and including termination.

General safety guidelines

1. Safety glasses (with side shields), hard hats, and appropriate clothing and footwear are required for all employees in all job site work areas (including the UMC Fab Shop).
2. Keep your individual work area clean and orderly at all times.
3. Do not smoke or permit others to smoke in any area other than a designated smoking area.
4. Do not allow unauthorized persons to operate equipment or to have access to restricted areas.
5. If you are assigned a job or task requiring protective clothing or equipment, use it. Do not dress in a way that might increase the risk of job-related injury.
6. Store all materials and equipment in their proper places.
7. Do not run or engage in horseplay.
8. Drive safely and courteously when operating a vehicle on company premises and at all other times.
9. If your job duties include lifting heavy objects, do so with the appropriate lifting technique, equipment and/or assistance e.g. hand truck.

UMC maintains a comprehensive awards program for employees who remain accident free. Please see Kirk Baisch, UMC's Safety Director to review our safety programs.

9.2 Injuries and Accident Reports

If you are injured or suspect that you have been injured on the job, you must notify your manager immediately. The manager will help you evaluate the situation and assist in obtaining appropriate medical assistance. The manager will notify the Safety and Health Director, as soon after the accident as practicable.

As soon as practical, but in no case later than 24 hours following the injury, you must complete an accident report form describing the circumstances surrounding the incident. The form may be obtained from Kirk Baisch, Safety Director.

In addition, if you are involved in an accident, you will be required to take a drug screen.

9.3 UMC Return-to-Work Program

UMC is committed to returning injured workers to their jobs as soon as possible. As part of our return to work efforts, we will work with employees who are otherwise expected to be on time loss compensation for a significant period of time to identify whether an earlier return to work in a light duty position would be appropriate. UMC will not offer a light duty assignment unless management determines that (i) a light duty job is available, and (ii) the employee can safely perform the light duty job. UMC maintains the discretion to determine whether it will offer a light duty job in any particular circumstance.

The purpose of a light duty assignment is to help the employee's return to his or her former regular work assignment. As such, a light duty job is never permanent. An employee's recuperative progress and performance in a light duty assignment should be evaluated at least once every thirty days, and in most cases it is contemplated that light duty assignments will last no longer than six months. If a light duty assignment ends before the employee is able to return to his or her regular job duties, UMC will consider whether a reasonable accommodation, such as a return to medical leave, should be provided.

If you are injured on the job, discuss possibilities with your manager or directly with Kirk Baisch, Safety Director.

9.4 Background Checks

In some cases, employees may be required to submit to background checks. Background checks are intended to help reduce losses from theft and reduce potential liability by contributing toward a safer and more secure work environment for everyone. Employees can dispute the accuracy or completeness of any information in a background check report by contacting the agency that processes the background checks. This process is outlined in the forms and information distributed when a background check is required. UMC policies and procedures are in full compliance with the Fair Credit Reporting Act (FCRA) and the Washington Fair Credit Reporting Act.

9.5 Emergencies

Fire

Fire can be a major disaster or an efficiently handled emergency. Always be on the alert for fire or smoke. Know the location of fire-fighting equipment in the department or building and the correct way to operate it. By prompt action, small blazes can be extinguished with a minimum of property loss or harm to persons. Above all, remember to **KEEP CALM**.

A copy of UMC fire and disaster evacuation plan is posted in our copy rooms. Periodically, all employees should familiarize themselves with this plan. Remember, in the event of an emergency or natural disaster; if you see that new employees or guests are in the building, please show them to a safe exit when you are able to do so without risking harm to yourself.

Section 10 - Leaves Of Absence

There are several types of leaves of absence available to Company employees. A description of the various types of leave is set forth below. Employees should take care to comply with the procedural requirements established for the type of leave they are seeking.

10.1 Maternity Disability Leave

In accordance with Washington law, if you are sick or temporarily disabled because of pregnancy or childbirth, you will be given an unpaid leave of absence for the period of time during which you are actually disabled. UMC may require that a licensed health care provider certify the actual period of disability.

If you are also eligible for leave under the Family and Medical Leave Act described below, you will receive that leave in addition to the pregnancy disability leave described above. For example, if you are actually disabled due to pregnancy or childbirth, you will receive time off as pregnancy disability leave. In addition, you may receive up to 12 weeks of family leave after your pregnancy disability leave ends.

If you qualify for both maternity leave AND FMLA leave, UMC will continue your group medical insurance while you are on a maternity disability leave of absence and leave that is also covered by the federal Family and Medical Leave Act until the first of the month following your exhaustion of the first 12-weeks of leave entitlement. After that time, you may continue your health insurance through COBRA continuation program at your own expense. You will receive more information regarding COBRA when it is applicable to you. Contact the Human Resources Department for more information about COBRA.

10.2 Family and Medical Leave Act – “FMLA” Leave

If you work at a location where 50 or more company employees work within a 75 mile radius, have been employed by UMC for at least one year, and have worked at least 1250 hours during the 12 months prior to the commencement of your leave, you may take up to 12 workweeks (up to 26 weeks when Military Care Giver Leave is involved) of unpaid leave during a 12-month period (as defined later in this policy) for one or more of the following reasons:

1. Because of the birth of your son or daughter, and to care for the newborn child;
2. Because of the placement with you of a son or daughter for adoption or foster care;
3. In order to care for your spouse, son, daughter, or parent if that spouse, son, daughter, or parent has a serious health condition; or,
4. Because of your own serious health condition that makes you unable to perform the functions of your job.
5. a “qualifying exigency” for military operations arising out of a spouse’s, child’s, or parent’s active duty or call to active duty as a member of the military reserves or National Guard in support of a “contingency operation” declared by the U.S. Secretary of Defense, President or Congress, as required by law (“Military Emergency Leave”).
6. to care for a spouse, child, parent or next of kin who is an Armed Forces member (including the military reserves and National Guard) undergoing medical treatment, recuperation, or therapy, is otherwise in an outpatient status, or is otherwise on the temporary disability retired list—with a serious injury or illness incurred in the line of duty while on active duty

that may render the individual medically unfit to perform his or her military duties ("Military Caregiver Leave").

For the purposes of this FMLA policy, the following definitions apply:

- A "son" or "daughter" means a biological, adopted, or foster child, a stepchild, a legal ward, or any other child for whom you have day-to-day responsibilities to care for and financially support and who is under the age of 18, or children 18 or older if the older child is incapable of self-care because of a mental or physical disability.
- A "parent" means your biological parent, or someone who stood in the place of a parent to you when you were a child (as defined by the FMLA). "Parent" does not, however, include parents in-law.
- A "serious health condition" is any illness, injury, impairment, or physical or mental condition that involves inpatient care at a medical facility or any period of incapacity of more than three days that also involves continuing treatment by a health care provider.

If UMC employs both you and your spouse, you are together entitled to a total of 12 workweeks in 12 months for any leave taken for the birth, adoption, or placement of a child, or to care for a parent with a serious health condition.

The maximum amount of FMLA Leave for an employee wishing to take Military Caregiver Leave will be a combined leave total of twenty-six (26) workweeks in a 12-month period. If both spouses work for UMC and are eligible for leave under this policy, the spouses will be limited to a total of 26 workweeks off between the two when the leave is for Military Caregiver Leave only or is for a combination of Military Caregiver Leave, Military Emergency Leave, Bonding Leave and/or Family Care Leave.

FMLA leave for birth, adoption, or foster care placement must be completed within 12 months of the date of the birth or placement. FMLA leave to care for a newborn is in addition to any leave for pregnancy disability.

Generally, you are required to use any available paid vacation or sick leave as part of the 12-week leave. However, you are not required, but may choose, to use paid sick leave to care for a child because of birth or adoption (#1 and #2 above).

The 12-month period, for purposes of this policy, is a rolling 12-month period measured backwards from the date you use any FMLA leave.

If the leave is foreseeable, you must advise your manager, in writing, at least 30 days in advance of the anticipated start date of the leave, and the leave must be approved by Human Resources before the leave begins. If the event necessitating the leave becomes known to the employee less than thirty days before the requested leave date, the employee shall provide a written request or notice as soon as possible. Whenever possible, employees are expected to schedule leave or required medical treatments in a manner that does not unduly disrupt operations.

Employees seeking to use Military Emergency Leave must provide UMC with as much notice of the need for leave as is reasonable and practicable under the circumstances. In addition, the employee must provide UMC with a copy of the covered military member's active duty orders when the employee requests leave. Employees may also be required to provide:

1. a description, signed by the employee, describing facts supporting the leave request and attaching any available documentation to show the need for the time away from work;
2. the approximate date the qualifying exigency commenced or will commence;
3. the beginning and ending dates for the absence, if the leave request is for a single period of time;
4. an estimate of the frequency and duration of the qualifying exigency, if the leave request is on an intermittent or reduced schedule basis; and
5. contact information for the third party or entity and a brief description of the purpose of the meeting, if the exigency involves a meeting with a third party or entity.

Absent unusual circumstances, certification of the need for leave must be provided to the Company within 15 calendar days of the Company's request for certification.

Employees seeking to use Military Caregiver Leave may be required to provide:

1. 30 day advance notice when the need for the leave is foreseeable;
2. advance notice within one or two business days after learning of the need for leave when the leave is not foreseeable;
3. a completed Certification of Health-Care Provider form from the service member's authorized health care provider within 15 calendar days (these forms are available from [insert title of appropriate Company representative]) or an invitational travel order or authorization;
4. confirmation of the family relationship with the service member; and
5. periodic reports during the leave.

Absent unusual circumstances, certification of the need for leave must be provided to the Company within 15 calendar days of the Company's request for certification.

If you are requesting leave for medical reasons, you must provide certification of a serious health condition from a physician or licensed health care provider. This form shall be completed in its entirety and returned within fifteen days of the request for certification. In its discretion, UMC may require a second medical opinion regarding the necessity of the leave and periodic recertifications at its own expense when leave is for the employee's own serious health condition. If the first and second opinions differ, UMC may require at its own expense, another binding opinion from a third health care provider approved jointly by UMC and the employee.

Employees returning from FMLA leave will be reinstated to the same position held when the leave commenced or to a position with equivalent benefits, pay, and other terms and conditions of employment, unless otherwise permitted by law.

Although benefits will not accrue during a FMLA leave, you will not lose any benefits that accrued before the start of your leave. During the leave, UMC will maintain coverage under the group health plan at the same level and under the same conditions as if you had continued in employment. You are responsible for continuing to pay the employee share of the premium. If

you do not return to work after the conclusion of the leave, you will be responsible for reimbursing UMC for any premiums paid during the leave period.

To keep your benefit coverage current, you must make any required premium payments no later than the first of the month for coverage for that month. If UMC does not receive payment within 30 days, your coverage may be canceled. If UMC decides to pay the premium on your behalf, your share of the premium paid by UMC will be deducted from your paycheck(s) when you return from leave.

Family leave to care for your spouse, child, parent, or for your own health condition may be intermittent if medically necessary. If your need for intermittent leave is foreseeable based on a planned medical treatment, UMC may require you to transfer temporarily to an alternative position that better accommodates recurring periods of leave.

10.3 Family Care Leave

Employees may use their choice of earned sick leave or other earned paid time off (other than short-term or long-term disability plans) to care for (a) a child of the employee with a health condition that requires treatment or supervision, or (b) a spouse, parent, parent-in-law, or grandparent of the employee who has a serious health condition or an emergency condition. When using paid time off for these purposes, the employee must comply with the terms of the applicable leave policy

For purposes of this policy, the following definitions apply.

Child means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing *in loco parentis* who is (a) under eighteen years of age, or (b) eighteen years of age or older and incapable of self-care because of a mental or physical disability.

Parent means a biological parent of an employee or an individual who stood *in loco parentis* to an employee when the employee was a child.

A health condition that requires treatment or supervision (for which an employee may use paid leave to care for his or her child) includes any medical condition requiring treatment or medication that the child cannot self administer, any medical or mental health condition that would endanger the child's safety or recovery without the presence of a parent or guardian, and any condition warranting treatment or preventive healthcare when a parent must be present to authorize and when sick leave may otherwise be used for the employee's preventive healthcare.

A serious health condition (for which an employee may use paid leave to care for a non-child family member) means an illness, injury, impairment, or physical or mental condition that involves any period of incapacity or treatment connected with inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility, and any period of incapacity or subsequent treatment or recovery in connection with such inpatient care; or that involves continuing treatment by or under the supervision of a health care provider or a provider of health care services and which includes any period of incapacity (i.e., inability to work, attend school or perform other regular daily activities).

An **emergency condition** (for which an employee may use paid leave to care for a non-child family member) means a health condition that is a sudden, generally unexpected occurrence or set

of circumstances related to one's health demanding immediate action, and is typically very short term in nature.

10.4 Medical Leave

In situations where paid sick leave is not available, we may choose to provide an unpaid medical leave of absence. Available vacation may be used to continue compensation during what would otherwise be an unpaid medical leave. The granting of medical leave is in our discretion unless otherwise required by law.

We generally limit total medical leave (including paid sick leave) to twelve weeks in any twelve-month period. In the case of disabilities that qualify for protection under federal, state or local disability discrimination laws, however, we will provide greater periods of leave if we conclude that doing so is legally required as a reasonable accommodation.

10.5 Military Leave

Military leaves are available to employees in accordance with applicable federal and state laws. Exempt salaried employees on leave for temporary military service will have their salaries continued during any workweek in which they perform work for us. (Salaried employees must receive manager permission before doing work for us while on leave for temporary military service.) All other periods of military leave are unpaid. Please contact your manager or the Human Resources Department at (206) 368-6207 to inquire about or arrange for any eligible military leaves.

10.6 Military Family Leave

We provide military family leave as required by Washington law. The law provides that if your spouse is a member of the armed forces of the United States, national guard, or reserves, and you are employed for an average of twenty or more hours per week, you may take military family leave if, during a period of military conflict, your spouse is notified of an impending call or order to active duty, or has been deployed. Fifteen days of leave is available per deployment. To qualify, you must give us notice of your intent to take leave within five business days of receiving official notice of the impending call or order to active duty, or of your spouse's leave from deployment. You may use any of your accrued paid leave to which you are entitled, or you may take the leave as unpaid time off.

10.7 Leave for Victims of Domestic Violence

We provide leave to victims of domestic violence and their family members as required by Washington law. The law provides that if you or a family member (child, spouse, parent, parent-in-law, grandparent, or person with whom you have a dating relationship) are the victim of domestic violence, you may take reasonable leave from work to: (1) seek legal or law enforcement assistance or remedies to ensure the health and safety of you or your family members, (2) seek treatment by a health care provider for physical or mental injuries caused by domestic violence, sexual assault, or stalking, or to attend to health care treatment for a victim who is your family member; (3) obtain, or assist a family member in obtaining, services from a domestic violence shelter, rape crisis center, or other social services program for relief from

domestic violence, sexual assault, or stalking; (4) obtain, or assist a family member in obtaining, mental health counseling related to an incident of domestic violence, sexual assault, or stalking, in which you or your family member was a victim of domestic violence, sexual assault, or stalking; or (5) participate in safety planning, temporarily or permanently relocate, or take other actions to increase your safety or the safety of your family members from future domestic violence, sexual assault, or stalking. When possible, you must give the Company notice of your intention to take leave for these purposes at least 15 days in advance. When advance notice cannot be given because of an emergency or unforeseen circumstances due to domestic violence, sexual assault, or stalking, you or someone on your behalf must give notice to the Company no later than the end of the first day that you take leave. The Company reserves the right to require verification that you or your family member is a victim of domestic violence, sexual assault, or stalking, and that the leave taken was for one of the purposes described above. Verification may be provided by your written statement confirming these facts, or by other appropriate documentation. You will not be required to provide additional information beyond this required verification, or that would compromise your or your family member's safety. Except as otherwise required or permitted by law, the Company will maintain the confidentiality of all information you provide regarding this leave, including the fact that you or your family member is a victim or that you have requested leave for these purposes. If you are absent for one of these purposes you may elect to use your sick leave or other paid time off. Otherwise, this time off will be unpaid. Please note that if you were hired for temporary work or are employed by a temporary staffing company this leave may not apply to you, as provided by Washington law.

Section 11 - Alcohol and Drug Abuse Policy

UMC is committed to providing a safe, efficient and healthy work environment for all employees. This commitment requires that UMC strive to maintain a work environment that is free from effects of illegal drugs and alcohol. Accordingly, UMC prohibits the use of illegal drugs and alcohol as provided in this policy.

To help achieve our goal of a safe and healthy work environment, UMC has implemented a policy to screen for alcohol and illegal drug use in the workplace. A pre-employment drug-screening test will be administered to all prospective new employees. All existing employees will be tested periodically. Additionally, a drug and alcohol test may be administered if an employee's on the job behavior indicates he or she may be under the influence of drugs or alcohol. A drug test may also be administered after an on the job accident.

Any employee suspected of possessing alcohol, an illegal drug, intoxicants or controlled substance is subject to inspection and search, with or without notice. Employees' personal belongings, including any bags, purses, briefcases, and clothing, and all Company property, are also subject to inspection and search, with or without notice. Employees who violate UMC's drug and alcohol abuse policy will be removed from the workplace immediately. UMC may also bring the matter to the attention of appropriate law enforcement authorities.

Additional provisions of UMC's drug and alcohol free workplace program are set forth below. If you have any questions, please feel free to ask your manager or Kirk Baisch, Safety Director.

Note: Employees or prospective employees who are union members are covered by a separate drug and alcohol policy contained in their collective bargaining agreement.

11.1 *Illegal Drugs*

The unlawful use, possession, distribution, sale, purchase, trade, gift or manufacture of any controlled substance in the workplace is prohibited. A listing of these substances is available from Kirk Baisch, Safety Director. Because of the serious safety implications of marijuana use in our work environment, UMC will not accommodate marijuana use by employees. For this reason no employee may work or report to the workplace while under the influence of a controlled substance. Marijuana (including medicinal marijuana) remains illegal under federal law and its use by employees is in violation of UMC's federal contracts. The workplace includes, but is not limited to: all company premises, facilities, work sites, company vehicles, private vehicles on company premises, or used for company business or on work sites and other locations where employees are on duty.

11.2 *Alcohol*

The use of alcoholic beverages in the workplace (except in moderation at a company authorized social function) is prohibited. No employee may work or report to the workplace under the influence of alcohol.

11.3 *Criminal Conviction*

The Drug-Free Workplace Act requires you to notify UMC if you are convicted of a criminal drug statute violation occurring in the workplace no later than five days after such conviction.

Within 30 days of such notice, or from the date UMC receives actual notice of the conviction, UMC will take appropriate disciplinary action.

11.4 Prescription Drugs and Over-the-counter Medications

Prescription drugs may be brought to the workplace and used only by the person for whom they are prescribed and only used in the manner, combination and quantity prescribed. An employee using over the counter medications may only use the medications in the manner, combination and quantity recommended by the manufacturer. An employee using prescription or over the counter (non-prescription) drugs which may impair his/her physical or mental ability to perform must bring a doctor's note indicating that the use of the prescription does not present a direct safety threat, and report the use of the prescription to his/her manager for a determination whether a change or adjustment in the employee's job assignment may be necessary during the period of use.

11.5 Prospective Employees

As a precondition to being hired, all prospective employees and temporary contract labor with an expected assignment of two weeks or more, will undergo laboratory testing for illegal drugs. Applicants refusing to be tested will not be hired.

11.6 Current Employees

A. Periodic Testing:

All current employees will undergo lab testing for drugs and alcohol on a periodic basis. Testing will occur on a random basis. Refusal to undergo testing will be considered insubordination and will subject the employee to discipline, which may include discharge.

B. Upon Reasonable suspicion:

A manager who has reasonable suspicion that an employee on the job may be impaired by alcohol or drugs may require that the employee undergo drug testing. Refusal to undergo testing will be considered insubordination and will subject the employee to discipline, which may include discharge. Reasonable suspicion may be based on the manager's own observation or on evidence reported by others, and without limitation, on any of the following:

1. An on the job accident or "near-miss" occurrence where there is evidence to indicate the accident or occurrence was in whole or in part the result of or related to the employee's actions or inactions, or the employee exhibited behavior or in other ways demonstrated that he/she may have been using drugs or been under the influence of drugs or alcohol.
2. Observations concerning the appearance, behavior, speech, breath or odor of the employee that indicates the employee may be using or impaired or that he/she may be unable to perform his/her job or pose a threat to safety or health.
3. Reasonably evaluated information that the employee may be under the influence of alcohol or drugs or that the employee exhibits behavior that may render him/her unable to perform his/her job or pose a threat to safety or health.
4. If the employee is found to be in possession of drugs, alcohol or paraphernalia possibly connected with the use of a controlled substance.

11.7 Test Results

An employee testing positive for drugs or alcohol, is subject to immediate discipline, including discharge, or may, in the sole discretion of company management, be offered the opportunity to participate in treatment, pursuant to a last chance agreement, as a condition of further employment. An employee may request, at employee's expense, a retest of the same sample if the request is made within 72 hours of giving the sample. The second sample determined to be dilute is considered positive. Any sample adulteration or irregularity (i.e. not within normal temperature range) are considered positive tests and may not be retested.

11.8 Eligibility for Rehire

All new hires testing positive will be ineligible to work at UMC and may not reapply for a position with UMC for six months.

11.9 Employee Assistance Program

Employees who voluntarily seek assistance in dealing with problems related to alcohol or drug use will be referred to UMC's employee assistance program. However, if the employee is experiencing performance issues that may result in discipline, UMC will continue discipline on the performance issues. Disciplinary action may be deferred pending the employee's successful completion of a treatment program, in the sole discretion of company management.

11.10 Violations of Drug and Alcohol Abuse Policy

Violation of UMC's Drug and Alcohol Policy or failure to cooperate with any request to test may result in disciplinary action up to and including termination.

Section 12 - UMC Driving Policy

12.1 Purpose

To establish fleet safety management practices UMC vehicles and operations.

12.2 Authorized Vehicle Use

Only authorized UMC employees may drive a UMC vehicle or conduct an errand using a UMC vehicle, or drive a personal vehicle for UMC business purposes. It is the employee and manager's responsibility to ensure the employee is on the Approved Driver's List prior to operation of a UMC vehicle or personal vehicle for UMC business. Authorized UMC employees are allowed to drive and use a UMC vehicle for personal use while commuting from home to the first work location of the day, and from the last work location of the day to home, in accordance with the Policies for Commuting in UMC Vehicles provided in Section 12.3 below. Except as provided and permitted in Section 12.3, other personal use of UMC vehicles is prohibited. Family members and friends are not authorized to drive a UMC vehicle.

Individuals driving UMC vehicles shall comply with the legal speed limit and traffic laws.

12.3 Policies for Commuting in UMC Vehicles

The following policies apply to authorized UMC employees who take UMC vehicles home and/or use UMC vehicles to commute between home and work. These policies replace and supersede any conflicting UMC policies or practices.

Taking a UMC Vehicle Home is Voluntary. UMC never requires any of its employees to take a company vehicle home. Employees always have the option, if they prefer, of parking UMC vehicles at the company office and commuting between home and the office using the employee's own vehicle or public transportation.

Commuting Time in a UMC Vehicle is Off-Duty Personal Time. The time an employee spends driving a UMC vehicle between home and the first work site at the beginning of the day, and between the last work site and home at the end of the day, is an employee's own personal time. During this time the employee is just like any other ordinary commuter and is completely off duty from work. The company does not restrict an employee's personal activities, or control the employee's time, during the commute. Because employees are not on duty during their personal commuting time, they are prohibited from performing any work-related activities (such as business-related cell phone calls) during that time. Authorized UMC employees are free to use a UMC vehicle for all normal personal activities during their commute, including running incidental errands, picking up and dropping off family members or friends along the way, or stopping at the grocery store. This time is the employee's time, and during the commute the UMC vehicle is just like any other normal commuter vehicle and is not a work place or part of the company's premises.

The Workday Does Not Start Until Employees Reach the First Work Site. For employees who use UMC vehicles to commute to work in the morning, the workday does not begin until after the employees complete the morning commute and arrive at the first worksite of the day. Employees are prohibited from performing any work-related tasks at home before starting the

morning commute. If employees need to receive instructions on the location of the first job site for the day, or otherwise need to prepare for the day's work activities, they must perform this preparation at the end of the prior work day while they are still on the clock. Employees should never perform any work activities while they are off the clock.

The Workday Ends Before Employees Start the Commute Home from the Last Work Site.

At the end of the work day, employees are required to complete all work-related tasks and paperwork while they are still on the clock and before they enter a UMC vehicle to start the commute home. Once employees get in a UMC vehicle to drive home, they are off duty and on their own personal time.

Driving Records and Reports. Employee driving records affect whether employees are authorized to use UMC vehicles and whether the company may continue to offer employees the privilege of driving UMC vehicles. As a consequence, employees must report all traffic violations or citations to the company, whether they relate to driving a UMC vehicle or a personal vehicle. Also, due to insurance and liability concerns, employees are required to report all accidents involving UMC vehicles to the company.

Lawful Conduct. The company reserves the right to take disciplinary action against any employee who engages in unlawful conduct, whether that unlawful conduct occurs on or off duty. In this regard, the company expects employees to comply with all applicable driving laws and safety requirements at all times. This includes the legal requirement to wear a seat belt, and the legal requirement that employees not drive while under the influence of alcohol or drugs. Apart from this general expectation of lawful conduct, the company does not impose any specific requirements on employee conduct while driving during the commute.

12.4 Maintenance Requirements

All company vehicles shall be maintained to UMC and manufacturer's standards.

Reminders shall be sent to each vehicle operator when their maintenance is due. It is the duty of each operator to obtain the appropriate maintenance and forward this information, including date and odometer reading at the time of maintenance, to Shane Jacob, Fleet, Equipment and Tool Manager.

UMC vehicles shall be maintained according to the following schedule, unless otherwise directed:

- * Complete check every 15,000 miles by an outside facility;
- * Oil change every 5,000 miles
- * Noted repairs will be made in a timely manner based on the repair notes log.

All maintenance costs are paid by UMC. Fueling and maintenance should occur on company time during normal work hours.

12.5 Gas Card

Each vehicle shall have a company gas card permanently located in the glove box. This gas card is only for the use of the particular vehicle it is assigned to. When using the card, follow the instructions to enter the vehicle odometer reading and employee number.

12.6 Vehicle Responsibility

Employees are responsible for the care, custody and control of their assigned UMC vehicle. This includes proper storage, maintenance, and safe operation. No modifications (e.g., but not limited to CD players, trailer hitches) will be made to company vehicles.

Employees shall maintain UMC vehicles in a clean manner and report any internal and/or external damage that is in need of repair or inhibits safe driving.

Any time spent by a non-exempt employee relating to cleaning or maintenance of a UMC vehicle is time worked and must be reported on the employee's timecard. UMC employees are not required to incur any out-of-pocket or direct costs for driving, parking or otherwise maintaining the UMC vehicle.

12.7 Driver Selection Requirements

Personnel who drive any vehicle on UMC business shall have in their possession a current driver's license and will authorize UMC to obtain a motor vehicle record (MVR) check and approve it prior to operating any motor vehicle on UMC's behalf. This applies to company owned, leased or rented vehicles, and to privately owned vehicles used on UMC's behalf.

UMC maintains the right to deny employment to any driving applicants based on MVR review and other safety related factors.

Vehicle registration and proof of insurance shall be kept in the vehicle glove compartment at all times while driving a company vehicle or privately owned vehicles used for company business.

12.8 Discipline Regarding Use of Alcohol and/or Drugs

Operation of a motor vehicle while under the influence of drugs or alcohol is strictly prohibited. Such activity may result in drug testing and/or substance abuse counseling and/or the temporary or permanent suspension of driving privileges. Failure to submit to this program will result in termination.

Likewise, there will be no drugs, alcohol, firearms or ammunition carried in company vehicles used for UMC business.

12.9 Seatbelts

As required by state law, seatbelt use is mandatory by all occupants when the UMC vehicle or personal vehicle is being used for UMC business.

12.10 Reporting Accidents to Traffic Violations

All traffic violations shall be reported to the employee's manager immediately and any fines are to be paid by the driver. It is the driver's responsibility to notify his/her manager anytime changes have been made from the last MVR review.

The manager and the UMC Safety Director shall investigate vehicle accidents. A report shall be submitted to the Safety Committee.

12.11 Training Requirements

All UMC employees who operate UMC vehicles, or personal vehicles for company business, shall attend a Driver Safety refresher course when scheduled. Any UMC employee may be required by the Safety Committee to attend more than one Driver Safety course within a year based on his or her driving record.

12.12 Use Of Cell Phone While Driving

UMC is committed to promoting driving safety and encourages the safe use of cellular telephones by its employees while on company business. Employees are required to follow safety guidelines and Washington state law when driving. Employees may engage in brief conversations while driving *only* if they have a hands-free phone device. However, if a call is going to be lengthy or if traffic or weather conditions are poor; employees must either end the call and return it later when conditions are better or park the vehicle to continue the conversation. Reading, typing or sending text messages while driving is prohibited at all times.

Safe cellular phone use is only one part of safe driving. You should also remember that while traveling on business, you are expected to conduct yourself in a safe and legal manner, giving your undivided attention to your driving.

Section 13 - Miscellaneous

13.1 Inclement Weather and Natural Disasters

Company officers or directors have the authority to close company facilities. If there is a question about whether the facility will remain open, you should call the office in advance of your starting time. If the office is closed, a recorded message will be left on the telephone informing you of the closure and any other necessary information.

If you are reluctant to drive in threatening weather or during a natural disaster, you are encouraged to car pool with others whose vehicles might be better equipped to handle the conditions, or to use public transportation. You are encouraged to make every effort to arrive at work, on time, whenever the facility is open.

If the office is open but you are unable to come to work, you must leave early due to inclement weather or a natural disaster, or the office closes due to inclement weather or a natural disaster, you may either use vacation or take the time off as unpaid. The salaries of exempt employees will not be reduced because of time off caused by a management decision to close the office.

13.2 Conclusion

We hope this handbook has answered your questions. We are glad you are with us and we welcome your contributions.

UMC Contact Information

Name	Title	Work Phone	Cell Phone
Jerry Bush	President	206-368-6247	206-465-0868
Mark Faller	CFO	206-368-6231	425-231-1503
Kirk Baisch	Safety Director	206-368-6214	206-604-2221
Dave Babington	HR Mgr.	206-368-6207	253-370-3984
Pat Damitio	VP Operations	206-368-6251	206-510-0291
Matt Mifflin	Gen. Supt.	206-368-6204	206-399-0587

EMPLOYEE'S STATEMENT OF UNDERSTANDING

I acknowledge that on the date indicated below, I received a copy of University Mechanical Contractors, Inc.'s (UMC) Employee Handbook. I acknowledge that I am expected to read and understand the information in the Handbook. I also understand I should ask my manager or Human Resources if I have any questions about anything covered by the handbook.

I also acknowledge that the provisions in this handbook are not intended to form or imply an employment contract between UMC and me or any of its other employees. I understand my employment may be terminated "at will" by me or by UMC at any time for any reason. I also understand this employment "at will" policy can only be revised by Jerry Bush, UMC President, and only in writing.

I understand that UMC has the right, subject to limitations or provisions of applicable laws and regulations, to change, interpret, withdraw, add to, or make exceptions to any of its published policies, benefits, or handbook provisions in its sole discretion and without prior notice or consideration to any employee. UMC's policies, benefits, or terms and conditions of employment do not require approval by any employee or employee group.

UMC may deduct from my paycheck any amounts I owe to UMC, including but not limited to, any mistaken overpayments UMC may make to me and any paid time off (vacation or sick leave) that I may use in excess of the accrued amounts available to me.

I acknowledge that UMC reserves the right to have access to all information created or stored using company equipment, including e-mail and documents stored on any company computer. I also acknowledge that UMC reserves the right to have access to all physical areas on its premises, including areas that may be assigned to me, such as desks, files or lockers.

I agree to submit to alcohol and drug tests as directed by UMC as a condition of continued employment.

Employee Signature _____

Date _____

Employee Name _____

(Please Print)