

PARAGON

S E R V I C E S

E N G I N E E R I N G



“Welcome to the Family”

EMPLOYEE HANDBOOK

EMPLOYEE HANDBOOK

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INTRODUCTION

This handbook is intended to provide employees with a general understanding of the personnel policies, procedures and benefits available at Paragon Services Engineering. Employees are encouraged to familiarize themselves with the contents of this handbook for it will answer many common questions concerning their employment. However, it is impossible to anticipate every situation or question that may arise. Therefore, please feel free to contact the Human Resources Manager about any employment related questions you may have.

To retain the necessary flexibility in the administration of policies, procedures and benefits, Paragon Services Engineering specifically reserves the right to change, revise, or eliminate any of the policies, procedures or benefits described in this handbook whenever it deems necessary or useful to do so. These changes can be made at any time with written notice to employees; however, any changes to the at-will employment policy can only be made specifically, in writing, and signed by one of the principals.

EMPLOYMENT “AT-WILL” POLICY

Paragon Services Engineering conducts its business in a changing business environment. Employment at the Company may be terminated for any reason, with or without cause or notice, at any time by either the Employee or the Company. Nothing in this Employee Handbook or in any oral statement shall modify the rights of both the employer and the employee to terminate employment at will.

Unless your employment is covered by a written employment agreement, this policy of at-will employment is the sole and entire agreement between you and the Company as to the duration of employment and the circumstances under which employment may be terminated. If your employment is covered by a written employment agreement, nothing in this Employee Handbook or in any oral statement shall modify or amend the terms of that agreement.

With the exception of employment at-will, terms and conditions of employment with the Company may be modified at the sole discretion of the Company with or without cause at any time. The Company will provide written notice of any changes. No implied contract concerning any employment-related decision or term, or condition of employment can be established by any other statement, conduct, policy, or practice. Examples of the types of terms and conditions of employment that are within the sole discretion of the Company include, but are not limited to, the following: promotion; demotion; transfers; hiring decisions; compensation; benefits; qualifications; discipline; layoff or recall; rules; hours and schedules; work assignments; job duties and responsibilities; production standards; subcontracting; reduction, cessation, or expansion of operations; sale, relocation, merger, or consolidation of operations; determinations concerning the use of equipment, methods, or facilities; or any other

terms and conditions that the Company may determine to be necessary for the safe, efficient, and economic operation of its business. Like many companies, employment is “at will.”

IMMIGRATION COMPLIANCE

Paragon Services Engineering will comply with applicable immigration law, including the Immigration Reform and Control Act of 1986 and the Immigration Act of 1990. As a condition of employment, every individual must provide satisfactory evidence of his or her identity and legal authority to work in the United States. If you have any questions or need more information on immigration law issues, please contact the Human Resources Manager.

EQUAL EMPLOYMENT OPPORTUNITY STATEMENT

Paragon is committed to the full utilization of all human resources and to a policy of Equal Employment Opportunity to qualified applicants and employees. We are dedicated to ensuring that all decisions regarding terms, conditions and privileges of employment are in accordance with our principles of equal opportunity. We will not discriminate against employees or applicants on the basis of race, color, religious creed (including religious dress and/or grooming practices), national origin (including language restrictions), citizenship, ancestry, sex, (including pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity and/or gender, expression, age, medical condition (including cancer and genetic characteristics), sexual orientation or preference, marital status, domestic partner status, physical or mental disability (including HIV and AIDS), genetic information, military or veteran status, family care or medical leave status, political activity, natural hairstyle, or any other characteristic protected by federal, state or local laws, or on the basis of any perception that an applicant or employee has any of these characteristics or on the basis that an applicant or employee is associated with someone who has or is perceived to have these characteristics. This policy applies to all employment terms and conditions including compensation decisions, benefits, discipline, selection, hiring, promotions, transfers, terminations and training.

Paragon desires to have a diverse workplace in which all individuals, regardless of background, contribute to the goals expressed in the Mission and Values. Paragon values the cultural diversity of our employees and will strive to ensure that this diversity is respected and continues to flourish. We look forward to and appreciate your efforts in promoting the strengths of a diverse workforce.

Paragon’s policy of nondiscrimination applies to all personnel and employment practices, including but not limited to:

- Recruitment activities
- Hiring

- Promotions
- Transfer
- Layoff or Termination
- Compensation of any kind
- Selection for Training
- Educational programs
- Company sponsored recreational and social activities

Employees are required to report every instance of unlawful discrimination to their supervisor, the HR Manager, or a designated Company representative, regardless of whether you or someone else is the subject of the discrimination. Detailed reports – including names, descriptions, and actual events or statements made – will greatly enhance the Company’s ability to investigate. Any documents supporting the allegations should also be submitted. Based on your report, the Company will conduct an investigation. The Company prohibits any and all retaliation for submitting a report of unlawful discrimination and for cooperating in any investigation. Any manager, supervisor, or employee who retaliates against the accuser or those involved in the investigation will be disciplined, up to and including termination from employment.

If the investigation determines that prohibited discrimination or other conduct in violation of a Company policy has occurred, the Company will take disciplinary action, up to and including termination of employment, against those who engaged in the misconduct. The Company will also evaluate whether other employment practices should be added or modified in order to deter and prevent that conduct in the future. The employee will be informed of whatever action(s) the Company takes to resolve and remedy the situation.

DISABLED EMPLOYEES AND JOB APPLICANTS

It is the policy of Paragon Services Engineering to comply with all relevant and applicable provisions of the Americans with Disabilities Act ("ADA"), as well as applicable state and local laws relating to disability issues. In this regard, we will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability. We will also reasonably accommodate all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the duties inherent in the job and provided further that any such accommodations do not require an undue hardship on the Company.

The factors to be considered with respect to an undue hardship are: (1) the nature and cost of the accommodation; (2) the overall financial resources of the facility at which the reasonable accommodation is to be made; (3) the number of persons employed at that facility; (4) the effect on expenses and resources or other impact upon that facility; (5) the overall financial resources of the Company; (6) the overall number of employees and facilities; (7) the operations of the particular

facility as well as the entire Company; and (8) the relationship of the particular facility to the Company. These are not all of the factors but merely examples as set out by state and federal law.

Any qualified applicant or Employee with a disability who requires an accommodation in order to perform the essential functions of the job should contact the Human Resources Manager and request an accommodation. The Company will engage in a timely, good faith interactive process with the employee/applicant to determine effective, reasonable accommodations. When more than one accommodation is available, the Company will choose the accommodation that best meets the needs of the employee/applicant and that of the Company.

CONFIDENTIALITY POLICY

Information about Paragon Services Engineering, its employees, customers, suppliers and vendors is to be kept confidential and divulged only to individuals within Paragon Services Engineering with both a need to receive and authorization to receive the information. If in doubt as to whether information should be divulged, err in favor of not divulging information and discuss the situation with your supervisor.

All records and files maintained by Paragon Services Engineering are confidential and remain the property of the Company. Records and files are not to be disclosed to any outside party without the permission of the Human Resources Manager. Confidential information includes but is not limited to financial records; business, marketing, and strategic plans; personnel and payroll records regarding current and former employees; the identity of, contact information for, and any other account information on customers, vendors, and suppliers; inventions, programs, trade secrets, formulas, techniques, and processes; and any other documents or information regarding Paragon Services Engineering operations, procedures, or practices.

Confidential information obtained during or through employment with the Company may not be used by any employee for the purpose of furthering current or future employment or activities or for obtaining personal gain or profit. Paragon Services Engineering reserves the right to avail itself of all legal or equitable remedies to prevent impermissible use of confidential information or to recover damages incurred as a result of such use.

ZERO TOLERANCE HARASSMENT POLICY

Paragon is committed to maintaining a work environment free from all forms of harassment and insists that all employees are treated with dignity, respect, and courtesy. Paragon has zero tolerance for unlawful discrimination or harassment in the workplace. In connection with this policy, the Company expressly prohibits any form of unlawful discrimination and harassment based on race, color, age, national origin, religion, sexual orientation, sex (including pregnancy, childbirth, or related medical conditions), gender identity or gender expression, military or veteran status, physical

or mental disability, genetic information, natural hairstyle, or status in any group protected by state or local law as outlined in the Company EEO policy. Improper conduct, including the conduct of clients, guests, partners, customers and any interference with the ability of employees to perform their expected job duties will not be tolerated.

The objective of this policy is to create a positive working environment free from hostile, offensive, intimidating, or harassing conduct that unreasonably interferes with an associate's work on account of any of the types of harassment described below. Paragon will hold all employees, including managerial employees, accountable for conduct under this policy. Paragon is committed to a zero-tolerance policy with respect to discrimination, harassment, and retaliation.

Examples of Harassment

- Harassment or inappropriate or offensive workplace behavior may take many forms, including:
 - Verbal conduct, such as epithets, derogatory comments, slurs, or unwanted sexual advances, invitations, or comments.
 - Visual conduct, such as derogatory posters, cartoons, drawings, or gestures.
 - Physical conduct, such as assault, blocking normal movements, or interference with work directed at an employee because of the employee's sex or other protected characteristic.
 - Threats and demands to submit to sexual requests in order to keep one's job or avoid some other loss, and/or offers of job benefits in return for sexual favors.
 - Retaliation for having reported harassment, inappropriate behavior or offensive workplace behavior.
 - Communication via electronic media of any type that includes any conduct that is prohibited by state and/or federal law or by PARAGON SERVICES ENGINEERING policy.

Sexual Harassment Defined:

Applicable state and federal law define sexual harassment as unwanted sexual advances, requests for sexual favors, or visual, verbal, or physical conduct of a sexual nature when: submission to the conduct is made a term or condition of employment; or (2) submission to or rejection of the conduct is used as basis for employment decisions affecting the individual; or (3) the conduct has the purpose or effect of unreasonably interfering with the Employee's work performance or creating an intimidating, hostile, or offensive working environment. This definition includes many forms of offensive behavior. The following is a partial list:

- a. Unwanted sexual advances.
- b. Offering employment benefits in exchange for sexual favors.
- c. Making or threatening reprisals after a negative response to sexual advances.
- d. Visual conduct such as leering, making sexual gestures, or displaying sexually suggestive objects, pictures, cartoons, sexually explicit text or emails or posters.
- e. Verbal conduct such as making or using derogatory comments, epithets, slurs, sexually explicit jokes, or comments about any Employee's body or dress.
- f. Verbal sexual advances or propositions.
- g. Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, or suggestive or obscene letters, notes, or invitations.
- h. Physical conduct such as touching, assault, or impeding or blocking movements.
- i. Retaliation for reporting harassment or threatening to report harassment.

Sexual harassment on the job is unlawful whether it involves coworker harassment, harassment by a supervisor, or harassment by persons doing business with or for the Company.

Other Types of Harassment:

Prohibited harassment on the basis of race, gender (transsexual and transgender), pregnancy, color, national origin, ancestry, creed, religion, physical or mental disability, marital status, medical condition, sexual orientation, age, any protected class as outlined in the Company EEO policy or any other protected basis, includes behavior similar to sexual harassment, such as:

- a. Verbal conduct such as threats, epithets, derogatory comments, or slurs.
- b. Visual conduct such as derogatory posters, photographs, cartoons, drawings, or gestures.
- c. Physical conduct such as assault, unwanted touching, or blocking normal movement; and
- d. Retaliation for reporting harassment or threatening to report harassment.

Any employee who believes he or she has been unlawfully harassed by a co-worker or supervisor should promptly report the incident in writing to the Human Resources Manager, unless the Human Resources Manager is the alleged harasser, in which case, all duties of the Human Resources Manager described below will be assumed by the Vice President of Operations.

The Human Resources Manager will promptly and thoroughly investigate all complaints of unlawful harassment and based on that investigation, will recommend appropriate action. The investigation will be objective and complete; all those with pertinent information on the subject will be interviewed. Upon completion of the investigation, a determination will be made, and results will be communicated to the complainant, the alleged harasser, and, as appropriate, to all others directly concerned.

If necessary, prompt, and effective remedial action will be taken, including appropriate action taken against the harasser and prevention of any further harassment and other appropriate action. To the extent possible, all action will be communicated to the complainant.

No employee will suffer reprisals for reporting, in a truthful, good-faith manner, sexual harassment, or any other unlawful conduct, or for initiating or assisting in any action or proceeding regarding unlawful harassment or discrimination. Any incidents of further harassment or retaliation should be reported immediately to the Human Resources Manager.

REPORTING HARASSMENT AND DISCRIMINATION

It is the responsibility of the Company and each employee to create an atmosphere free of discrimination and harassment. In addition, it is the responsibility of each employee to respect the rights of his or her co-workers.

If an employee experiences or observes any hostile conduct or harassing behavior, or believes that he/she has been treated in an unlawful discriminatory manner, because of race, color, age, national origin, religion, sexual orientation, sex (including pregnancy, childbirth, or related medical conditions), gender identity or gender expression, military or veteran status, physical or mental disability, genetic information, or status in any group protected by applicable federal, state or local law, he/she must immediately report the matter (orally or in writing) to their supervisor, store manager, or any member of Paragon management with whom they feel comfortable.

If you think that you or one of your coworkers are victim of harassment by any Paragon employee or any other person, you should report it promptly to your supervisor or to any other member of management. Your complaint will be taken seriously no matter who it is reported to.

If you believe that the above procedure has not resolved your complaints or you do not wish to utilize the above procedure, you are not required to report a complaint directly to your immediate supervisor. You may direct your communication either orally or in writing to one or any of the following:

1. Direct communication, either orally or in writing, with a designated company representative, such as an HR manager or other supervisor.
2. Contact the Department of Fair Employment and Housing (DFEH) www.dfeh.ca.gov and the U.S. Equal Employment Opportunity Commission (EEOC) www.eeoc.gov to file a claim within one year of the harassment.

This internal complaint procedure does not replace the right of any employee to file a charge or complaint of discrimination, harassment, or retaliation under any available municipal, state, or federal law.

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

Investigation Procedure

At minimum, if you complain about harassment, Paragon will:

- Maintain the confidentiality of the complaint, complainant and investigation to the fullest extent possible and limit sharing information to a "need to know" basis.
- Take every reasonable step to promptly resolve complaints.
- Promptly commence a thorough investigation that shall be conducted in accordance with applicable policies.
- Interview all witnesses identified by the complainant who the Company determines are reasonable subjects for an interview and other witnesses identified through the investigation and review all relevant documents.
- Identify witnesses identified by the complainant who the Company chose not to interview and why.
- Provide an opportunity for the complainant to comment on tentative findings, except in those circumstances in which it is necessary to take immediate action.
- Communicate with the complainant in writing regarding the status of the complaint, investigation, results of the investigation and any remedial action taken, consistent with the privacy interests of other employees; and
- Track investigations and maintain written records of all investigatory steps, any findings or conclusions of the investigation and any remedial actions taken.

Confidentiality will be maintained concerning the allegations and the investigation to the extent possible, and particularly when it is determined by the Company that any of the following factors are present:

- Witnesses needing protection.
- Evidence is in danger of being destroyed.

- Testimony is in danger of being fabricated; or
- There is a need for confidentiality in order to prevent a cover up.

Employees who fail to cooperate with an investigation conducted pursuant to this policy, or who breach confidentiality resulting in a threat to the integrity of the investigation, may be subject to disciplinary action up to and including termination.

If the investigation establishes that an individual has engaged in harassing, discriminatory, or other wrongful or inappropriate conduct, disciplinary action, up to and including termination, will be taken against the offending employee.

For each complaint, Paragon shall confidentially follow-up periodically after final resolution of the complainant's complaint to inquire whether the complainant believes that he or she has been further harassed and/or retaliated against, and, if necessary, Paragon shall investigate any allegations of retaliation.

This complaint procedure does NOT require that any complainant: confront his or her harasser; file an internal complaint instead of an external complaint; or initiate the complaint process only by submitting a written complaint.

PARAGON SERVICES ENGINEERING will not retaliate against you for filing a truthful, good-faith complaint and will not tolerate or permit retaliation by the management, employees, or co-workers.

PAYROLL

Pay periods are on a semi-monthly basis on the 7th and 22nd of the month. If pay day falls on a holiday or weekend, you will receive your paycheck on the prior day of that holiday date.

- Direct Deposit is available, contact the Human Resources Manager
- W-4 forms are available through the Human Resources Manager to choose your deductions or to make changes to your withholding.

Formal annual performance reviews for all employees are conducted at the employees hire date. Informal reviews may be conducted throughout the year. PARAGON SERVICES ENGINEERING reserves the right to conduct reviews more or less often as deemed necessary. Performance reviews, whether formal or informal, do not guarantee an increase in wages or continued employment.

OVERTIME

When operating requirements or other needs cannot be met during regular working hours, you may be scheduled to work overtime. All overtime work must be authorized in advance by your supervisor. Working overtime without prior authorization may result in disciplinary action.

Nonexempt Employees will be paid time and one-half compensation and in accordance with applicable state laws. (CA ONLY**Standard overtime rates apply to any hours worked over 8 in one day or 40 in one week. Double time will be paid for hours worked in excess of 12 in one day or for all hours worked in excess of 8 hours on the seventh consecutive day of work in a workweek**CA ONLY). Exempt Employees are expected to work as much of each workday as is necessary to complete their job responsibilities. No overtime or additional compensation is provided to exempt Employees.

For the purposes of calculating overtime for nonexempt Employees, the workday begins at 12:00 a.m. and ends at 11:59 p.m. and the workweek begin at 12:00 a.m. Monday and ends at 11:59 p.m. Sunday. All non-exempt employees must record their actual time worked for payroll and benefit purposes. Non-exempt employees should record the time work begins and ends, as well as the beginning and ending time of each meal period. Non-exempt employees must also record any departure from work for any non-work-related reason. Altering, falsifying, and tampering with time records, or recording time on another Employee's timecard is prohibited and subject to disciplinary action, up to and including termination of employment.

It is your responsibility to sign your time record to certify the accuracy of all time recorded. Any errors in your timecard should be reported immediately to your Supervisor, who will attempt to correct legitimate errors.

In some instances, some employees may work a different schedule depending on the facility and workunit that they are working in.

Non-exempt employees who anticipate working overtime must receive written approval from their immediate supervisor. Once the overtime approval form is approved, one copy must be submitted to the supervisor and one copy must be submitted to the Human Resources Manager.

REPORTING TIME PAY

The specific requirements for reporting time pay are:

Each workday an employee is required to report to work but is not put to work or is furnished with less than half of his or her usual or scheduled day's work, the employee must be paid for half the usual or scheduled day's work, but in no event less than two hours nor more than four hours, at his or her regular rate of pay.

For example, if an employee is scheduled to report to work for an eight-hour shift and only works for one hour, the employer is nonetheless obligated to pay the employee four hours of pay at his or

her regular rate of pay (one for the hour worked, and three as reporting time pay). Only the one-hour actually worked, however, counts as actual hours worked.

If an employee is required to report to work a second time in any one workday and is furnished less than two hours of work on the second reporting, he or she will be paid for two hours at his or her regular rate of pay.

TIMEKEEPING PROCEDURES

Nonexempt Employees must record their actual time worked for payroll and benefit purposes. Nonexempt Employees should record the time work begins and ends, as well as the beginning and ending time of each meal period. Nonexempt Employees must also record any departure from work for any non-work-related reason. Employees are not allowed to work off-the-clock.

Altering, falsifying, and tampering with time records, or recording time on another Employee's time record is prohibited and subject to disciplinary action, up to and including termination of employment.

Exempt Employees may also be required to record their time worked and report full days of absence from work for reasons such as leaves of absence, sick leave, or personal business.

It is your responsibility to sign your time record to certify the accuracy of all time recorded. Any errors in your timecard should be reported immediately to your supervisor, who will attempt to correct legitimate errors. Time sheets must be filled out and signed by employee and their supervisor's approval and turned in on a weekly basis. Employee must also submit the Overtime Approval form (signed by supervisor) with the timesheet.

BUSINESS EXPENSE REIMBURSEMENT

Employees may be reimbursed for reasonable expenses incurred in the course of company-authorized business, when approved in advance. An employee is required to have business expenses authorized by his/her supervisor before incurring the expense. All expenses incurred should be submitted to the Company along with the receipts within 15 days from the period ending date or expense reimbursement may be delayed. Only business-related expenses will be reimbursed as determined by the Company. Business-related expenses may include, as example only, travel expenses, automobile/mileage, lodging and business meals.

Employees are expected to exercise restraint and good judgment when incurring expenses. Employees will utilize the most economical travel means available. Employees should contact their supervisor in advance if they have any question about whether an expense will be reimbursed.

Mileage Expenses

Employees may be reimbursed for approved mileage expenses. To be eligible for mileage reimbursement, current proof of automobile insurance and valid driver's license must be kept on file with PARAGON SERVICES ENGINEERING. Reimbursement for usage of a personal automobile is based on the Federal Mileage Rate. This represents reimbursement for all vehicle-related expenses, including but not limited to gasoline, wear and tear, and personal auto insurance. All mileage expenses should be submitted upon completion of each pay period.

PUNCTUALITY & ATTENDANCE

PARAGON SERVICES ENGINEERING expects you to report to work on a reliable and punctual basis. Absenteeism, early departures from work, and late arrivals burden your fellow Employees and the Company. If you cannot avoid being late to work or are unable to work as scheduled, you must call your supervisor as soon as possible. If your supervisor does not answer, you must leave a voice message or text to ensure you tried all approaches of contact.

Every time you are absent or late, or leave early, we ask that you provide your supervisor with an honest reason or explanation to the extent possible. You must also inform your supervisor of the expected duration of any absence, if known. The Company will comply with applicable laws relating to time off from work, but it is your responsibility to provide sufficient information to enable the Company to make a determination. The Company is willing to work with its employees to the extent possible, but we cannot do so without hearing from you. You must notify your supervisor of any change in your status as soon as possible.

Excessive absenteeism may lead to disciplinary action, up to and including termination of employment. Four absences in a three-month period or four instances of tardiness in a one-month period constitute unacceptable attendance. Other continuing patterns of absences, early departures, or tardiness--regardless of the exact number of days--may also warrant disciplinary action.

If you fail to report for work without any notification to your supervisor, you may be considered to have abandoned your employment.

Individuals with disabilities may be granted reasonable accommodation in complying with these policies to the extent possible if undue hardship does not result to the Company's operations. However, regular attendance and promptness are considered part of each Employee's essential job functions.

RESPONSIBILITY FOR RESPONDING TO REFERENCE REQUESTS

Employees should not provide any information regarding current or former employees to any outside agency, organization, institution, or person who is not employed by the company. Any employee who receives a request for any information concerning a past or present employee or volunteer of the company should refer the person making the request to the Human Resources Manager without engaging in any on or “off the record” conversation about the individual.

It is PARAGON SERVICES ENGINEERING policy not to give references or letters of recommendation for any employee. Strict observance of this policy is required. Any violation of this policy may result in disciplinary action up to and including possible termination.

DISCIPLINE AND DISCHARGE

In order to assure orderly operations and provide the best possible work environment, PARAGON SERVICES ENGINEERING expects Employees to follow rules of conduct that will protect the interests and safety of personnel. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace, but the following are examples of infractions of rules of conduct that may result in disciplinary action, including suspension, demotion, or termination of employment.

1. Falsification of employment records, employment information, or other records.
2. Recording the work time of another Employee, allowing any other Employee to record your worktime, or allowing falsification of any timecard, whether your own or another Employee's.
3. Theft or damage of any Company property or the property of any Employee or customer.
4. Removing or borrowing Company property without prior authorization.
5. Unauthorized use of Company equipment, time, materials, or facilities
6. Working with alcohol or illegal substances in your system.
7. Possessing, distributing, selling, transferring, using, or having alcohol or illegal drugs in your system while in the workplace.
8. Provoking or participating in a fight or fighting during working hours or on premises owned or occupied by the Company.
9. Provoking or participating in horseplay or practical jokes on the Company's time or on premises owned or occupied by the Company.

10. Possession of firearms or any other dangerous weapons, at any time, on premises owned or occupied by the Company.
11. Engaging in illegal conduct, which is detrimental to the reputation of the Company, whether or not related to job performance.
12. Causing, creating, or participating in a disruption of any kind during working hours or on premises owned or occupied by the Company.
13. Insubordination, including, but not limited to, failure or refusal to obey the orders or instructions of any Supervisor or member of management, the use of abusive or threatening language toward any Supervisor or member of management, or refusal to fully disclose information in the course of Company investigations.
14. Being disrespectful or using profane or abusive language at any time during working hours or while on premises owned or occupied by the Company.
15. Failing to personally notify the appropriate Supervisor when unable to report to work.
16. Unreported or unexcused absence of three consecutive scheduled workdays.
17. Failing to obtain permission from your immediate supervisor to leave work for any reason during normal working hours.
18. Failing to observe working schedules, including rest and lunch periods.
19. Abusing sick or personal leave.
20. Failing to provide a physician's certificate when requested or required to do so.
21. Sleeping or malingering on the job.
22. Making or accepting for improper purposes personal telephone calls during working hours.
23. Working overtime without authorization or refusing to work assigned overtime.
24. Wearing unprofessional or inappropriate styles of dress or hair while working.
25. Violating any safety, health, or security policy, rule, or procedure of the Company.
26. Committing a fraudulent act, dishonest act, breach of trust, or violating the duty of loyalty to the Company in any circumstances.
27. Failing to maintain confidential or proprietary information or Company trade secrets or engaging in direct competition with the Company.

28. It is our expectation of every employee to represent PARAGON SERVICES ENGINEERING professionally, providing the best customer service, and to foster teamwork in the same manner both externally and internally.

The Company does not have a formal progressive discipline policy requiring a set number of warnings or counseling sessions. Instead, each case is considered based on its own facts. Any misconduct or violation of the Company's policies may result in discipline up to and including immediate termination.

This statement of prohibited conduct does not alter or limit the Company's policy of employment at will. Either you or the Company may terminate the employment relationship at any time for any reason, with or without cause or without notice. Disciplinary action will in each case depend on the circumstances and the seriousness of the offense and the company reserves the sole discretion to deal with each situation on a case-by-case basis.

POLICY AGAINST WORKPLACE VIOLENCE

The costs of workplace violence are great, both in human and financial terms. We believe that the safety and security of PARAGON SERVICES ENGINEERING employees is paramount. Therefore, the Company has adopted this policy regarding workplace violence. Acts or threats of physical violence, including intimidation, harassment, and/or coercion, that involve or affect the Company or that occur on Company property or in the conduct of Company business off Company property will not be tolerated.

This prohibition against threats and acts of violence applies to all persons involved in Company operations including, but not limited to, PARAGON SERVICES ENGINEERING personnel, contract workers, temporary employees, and anyone else on Company property or in the conduct of Company business off Company property.

Violations of this policy, by any individual, will lead to disciplinary and/or legal action as appropriate.

Definitions

Workplace violence is any intentional conduct that is sufficiently severe, offensive, or intimidating to cause an individual to reasonably fear for his or her personal safety or the safety of his or her family, friends, and/or property such that employment conditions are altered or a hostile, abusive, or intimidating work environment is created for one or several PARAGON SERVICES ENGINEERING employees.

Workplace violence may involve any threats or acts of violence occurring on Company premises, regardless of the relationship between the Company and the parties involved in the incident. It also includes threats or acts of violence that affect the business interests of the Company or that may lead to an incident of violence on Company premises.

Specific examples of conduct that may constitute threats or acts of violence under this policy include, but are not limited to, the following:

- a. Threats or acts of physical or aggressive contact directed toward another individual.
- b. Threats or acts of physical harm directed toward an individual or his/her family, friends, associates, or property.
- c. The intentional destruction or threat of destruction of Company property or another employee's property.
- d. Harassing or threatening phone calls.
- e. Surveillance.
- f. Stalking.
- g. Veiled threats of physical harm or similar intimidation.
- h. Any conduct resulting in the conviction under any criminal code provision relating to violence or threats of violence that adversely affects PARAGON SERVICES ENGINEERING legitimate business interests.

Enforcement

Any person who engages in a threat or violent action on Company property may be removed from the premises as quickly as safety permits and may be required, at the Company's discretion, to remain off the Company's premises pending the outcome of an investigation of the incident.

When threats are made or acts of violence are committed by Employee(s), a judgment will be made by PARAGON SERVICES ENGINEERING as to what actions are appropriate, including possible medical evaluation and/or possible disciplinary action.

Under this policy, decisions may be needed to prevent a threat from being carried out, a violent act from occurring, or a life-threatening situation from developing. No existing policy or procedure of PARAGON SERVICES ENGINEERING should be interpreted in a manner that prevents the making of these necessary decisions.

When reporting an act or threat of violence, you should be as specific and detailed as possible. All suspicious individuals or activities should also be reported as soon as possible to a supervisor. Do not place yourself in peril. If you see or hear a commotion or disturbance near your workstation, do not try to intercede or see what is happening. We will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the

individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of an investigation, the Company may suspend employees, either with or without pay, pending investigation.

Important Note: PARAGON SERVICES ENGINEERING will make the sole determination of whether, and to what extent, threats or acts of violence will be acted upon by the Company. In making this determination, the Company may undertake a case-by-case analysis in order to ascertain whether there is a reasonable basis to believe workplace violence has occurred. No provision of this policy shall alter the “at-will” nature of employment at PARAGON SERVICES ENGINEERING.

EMPLOYEE CLASSIFICATIONS

New Hires: Newly hired employees will be subject to a 90-day orientation period. During this time, new employees and PARAGON SERVICES ENGINEERING will have the opportunity to evaluate whether further employment is appropriate. The company reserves the right to extend the orientation period, if necessary. Completion of this orientation period does not guarantee continued employment. Employees will be notified verbally or in writing once the orientation period is completed. Nothing in this policy should be interpreted to conflict with PARAGON SERVICES ENGINEERING at-will employment policy.

Regular Full-Time Employees: Those employees who work forty (40) or more hours per work week on a regular basis and have successfully completed their orientation period. These employees are entitled to all company-sponsored benefits, provided they otherwise meet the eligibility requirements of each benefit.

Regular Part-Time Employees: Those employees who work less than forty (40) hours per work week and have successfully completed their orientation period. These employees are entitled to all legally required benefits. (Insurance and Vacation benefits are NOT legally required.) Employees who work thirty (30) or more hours per week are entitled to medical and dental benefits. Employees who work thirty (30) to forty (40) hours will accrue vacation and sick as outlined in this handbook. Employees who work less than thirty (30) hours per week are not entitled to any company benefits, which are not mandated by law.

Temporary Employees: Those employees who are employed for jobs of a limited duration, arising out of a special job, additional workloads or an emergency. This category also includes people that

PARAGON SERVICES ENGINEERING has hired through a Temporary Service who may or may not become regular full-time employees of PARAGON SERVICES ENGINEERING. Employee is to be notified, in writing, of a change from temporary status to another status. These employees are not entitled to any standard company benefits unless otherwise mandated by federal or state law.

All employees are classified as either exempt or nonexempt according to the following definitions:

Exempt: Exempt Employees are those whose job assignments meet the federal and state requirements for overtime exemption. Exempt Employees are compensated on a salary basis and are not eligible for overtime pay. Generally, executive, administrative, professional, and certain outside sales employees are overtime exempt. Your supervisor will inform you if your status is exempt.

Non-Exempt: All non-exempt employees are subject to wage and hour laws of the state or federal governments. Non-exempt employees are covered by the Fair Labor Standards Act are paid for all hours worked and are entitled to overtime. Overtime is paid for more than 8 hours worked in a day and/or 40 hours in a workweek.

PERFORMANCE EVALUATIONS

Performance evaluations are conducted from time to time to provide both you and your supervisor with the opportunity to discuss your job tasks, identify and correct weaknesses, encourage, and recognize strengths, and discuss methods for improving your performance. However, please understand that a positive performance evaluation does not guarantee an increase in salary, a promotion, or even continued employment. Compensation increases and the terms and conditions of employment, including job assignments, transfers, promotions, and demotions, are determined by and at the discretion of the Company. In addition to these more formal performance evaluations, the Company encourages you and your supervisor to discuss your job performance on an ongoing basis.

COMPENSATION REVIEWS

The Company periodically evaluates the salary and wage rates paid to employees. Although wage rate reviews are typically done at the time of an employee's annual review, wage adjustments may occur at other times, at the discretion of the Company. In most cases, compensation adjustments involve increases in wage rates, bonuses, or incentives. However, downward adjustments are also possible. A positive performance evaluation in and of itself does not guarantee an increase in salary or wages. Wage increases are based on various factors including job performance and Company profitability.

SUBSTANCE (DRUG & ALCOHOL) ABUSE POLICY

PARAGON SERVICES ENGINEERING is committed to providing a safe, productive work environment for all employees. To ensure that we meet this commitment to our employees and customers, and in accordance with Government Code Section 8355 (a), the Company promotes an alcohol and drug-free workplace.

Employees of PARAGON SERVICES ENGINEERING is required to report to work in an appropriate mental and physical condition to perform their jobs in a safe and satisfactory manner.

While on Company business, no employee may use, possess, distribute, sell, or be under the influence of alcohol and drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair the employee's ability to perform the essential functions of the job in a safe manner. Medical marijuana, even if prescribed, is prohibited.

Any employee suspected of possessing alcohol, an illegal drug, intoxicants, or a controlled substance is subject to inspection and search, with or without notice. Employees' personal belongings, including any bags, purses, briefcases, and clothing, and all PARAGON SERVICES ENGINEERING property, are also subject to inspection and search, with or without notice. Employees who violate the policy will be removed from the premises immediately. PARAGON SERVICES ENGINEERING may also bring the matter to the attention of appropriate law enforcement authorities. Any conviction for criminal conduct involving illegal drugs, intoxicants, or controlled substances, whether on or off duty, or any violation of the Company's drug and alcohol abuse policy, including having a positive drug-test result, may lead to disciplinary action, up to and including termination.

The use of prescription drugs and/or over-the-counter drugs may also affect employees' job performance, worksite safety, and seriously impair Employees' value to PARAGON SERVICES

ENGINEERING. Any Employee who is using prescription or over-the-counter drugs that may impair his or her ability to safely perform the job or may affect the safety or well-being of others must submit a physician's statement that the prescription drug use will not affect job safety. The Employee is not required to identify the medication or the underlying illness.

Various federal, state, and local laws protect the rights of individuals with disabilities and others with regard to the confidentiality of medical information, medical treatment, and the use of prescription drugs and substances taken under medical supervision. Nothing contained in this policy is intended to interfere with individual rights under, or to violate, these laws.

Tests may be required under the following circumstances:

- During pre-employment examinations.
- When an employee's supervisor has reason to believe that an employee on Company property (or assigned job location) is using or under the influence of prohibited drugs, alcohol, and substances, or that there has been a violation of this policy.
- When an employee, or other person, is found in possession of suspected illegal or prohibited drugs and substances, or when any of these drugs and substances are found in an area controlled or used exclusively by said employee or another person.

- Following a work-related injury or illness resulting from a serious or potentially serious accident/incident, including near misses, in which safety precautions were violated, unsafe instructions or orders were given, a vehicle/equipment/property was damaged, or unusually careless acts were performed or where the Company has a reasonable suspicion that an employee involved in the accident/incident was under the influence of drugs and/or alcohol. In such a case, all employees involved and within the immediate vicinity of the accident/incident will be tested. Employees will not be subjected to discrimination, harassment, intimidation, threats, coercion or retaliation for reporting a serious or potentially serious accident/incident involving safety.

All persons shall have the opportunity, prior to testing, to list all prescription and non-prescription drugs they have used in the last thirty (30) days and to explain the circumstances surrounding the use of such drugs. All records containing medical information will be maintained in accordance with applicable law.

PARAGON SERVICES ENGINEERING will attempt to reasonably accommodate Employees with chemical dependencies (alcohol or drugs), if they voluntarily wish to seek treatment and/or rehabilitation. Claiming a dependency or seeking rehabilitation only after a violation or reprimand will not protect the Employee from such adverse action, if appropriate. The Company encourages Employees to seek help before it becomes an issue at work. Employees desiring that assistance should request an unpaid treatment or rehabilitation leave of absence. The Company's support for treatment and rehabilitation does not obligate PARAGON SERVICES ENGINEERING to employ any person who violates the Company's drug and alcohol abuse policy or whose job performance is impaired because of substance abuse.

PARAGON SERVICES ENGINEERING is also not obligated to reemploy any person who has participated in treatment or rehabilitation if that person's job performance remains impaired as a result of dependency. Employees who are given the opportunity to seek treatment and/or rehabilitation and are involved in any further violations of this policy will not be given a second opportunity to seek treatment or rehabilitation.

Violations of this policy may lead to disciplinary action, which can include referral for participation in a substance abuse rehabilitation or treatment program, and/or termination of employment. Such violations may also have legal consequences.

SMOKING/VAPING POLICY

The Company is committed to providing a healthy and safe workplace. In keeping with this commitment, the Company prohibits smoking in the workplace except in designated smoking areas. For purposes of this policy, smoking includes the use of tobacco products such as cigars and chewing tobacco and well as non-tobacco products such as electronic cigarettes. Employees who smoke do not receive extra break time.

INJURY AND ILLNESS PREVENTION PROGRAM POLICY

It is the policy of PARAGON SERVICES ENGINEERING to provide our employees with safe equipment, quality materials, established work procedures and rules to create a safe place of employment. Every employee is expected to use our equipment and materials in a safe and acceptable manner, follow established procedures, and use common sense rules of safety.

Our objective is to complete all work without injury and losses to personnel or equipment, to eliminate or minimize all job hazards. Employees, supervisors and management are expected to cooperate to achieve these objectives. Any violation of these rules or procedures or unsafe activity will initiate appropriate disciplinary action.

An employee should report any unsafe conditions noted so that they can be corrected as soon as possible. An employee will not be discriminated against for bringing to our attention any unsafe conditions or participating in our safety activities.

SAFE DRIVING RULES CARS/VANS

1. Maintain a safe vehicle.
 - a. Check tire inflation pressure/tread wear weekly.
 - b. Check lights, turn signals and hazard warning flasher weekly.
 - c. Check windshield wipers weekly.
 - d. Clean windshield daily.
2. Always wear seat belts.
3. Maintain a “cushion of safety” while driving. The cushion of safety refers to the areas in front, back and on either side of your vehicle. Try to position yourself so there is always an escape in an emergency. See #4 and #5.
4. The critical element is the distance to the vehicle in front. It is difficult to judge the braking distance required when following another vehicle. When the rear bumper of the vehicle in front you pass a fixed point (e.g., shadow of the overpass, street sign etc.), begin counting, “one thousand one, one thousand two”, if your front bumper crosses the fixed point before you finish counting, you are following too close and need to drop back. This method works at any driving speed.
5. Establish a scanning pattern while driving. This is done to know where other vehicles are in relation to your vehicle. The pattern requires using the rear-view mirror and the two side view mirrors. Glance at the left side mirror, rear view mirror and the right-side mirror on a frequent basis to observe positions of other vehicles so you can maintain a cushion of safety. In an emergency, you can make an avoidance maneuver as traffic allows. The pattern should be repeated frequently at freeway speeds. However, if you are following the 2-second rule, you should not get in trouble in the first place.
6. Read the traffic environment. Know what other drivers are doing. Watch for people changing lanes without signaling; match your speed to conditions, etc.

7. Adjust your driving to special conditions such as sunrise or sunset when the sun is close to the horizon and usually directly in your eyes. Slowdown in the fog and rain, etc.
8. Follow posted speed limits.
9. Preplan your route. Know where you are going and if you miss your exit, or it is closed, have an alternative planned. Don't check your map or GPS while driving. Pull over and stop in a safe place to do that.
10. Do not drive under the influence of drugs or alcohol.

PARAGON SERVICES ENGINEERING is committed to promoting highway safety by encouraging the safe use of cell phones by its employees while they are driving for Company business. While the Company recognizes that there often is a business need to use the cell phone, safety and following the law must be the priority.

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

Proper cell phone use is one part of safe driving. Employees also should remember that while traveling on business, they are expected to follow posted speed limits, practice defensive driving, wear seat belts, and take a sufficient number of breaks so they remain alert. PARAGON SERVICES ENGINEERING also expects its employees to be properly licensed and reserves their right to request that employees present a current license for inspection.

DRESS STANDARDS

In the interests of presenting a professional image to our clients, we ask that all employees observe good habits of grooming and personal hygiene. Please dress professionally and in an appropriate manner for the work environment. Paragon Services Engineering prides itself on the professional atmosphere it maintains and the positive image that employees present as representatives of the company. This image is affected by the manner of dress we use within our offices, in the offices of our clients, and in public when we are representing the company. We need to continue to present a professional image toward clients and the public. Listed below is an overview of acceptable daily wear, as well as a list of some of the more common items that are not appropriate for our work environment.

Engineers / Maintenance Attendants / Warehouse Workers

Must always wear company and/or client specific issued uniforms. The uniform must be worn

during work hours at any site, regardless of type of shift, i.e., whether the employee was normally scheduled to work, it is considered overtime emergency, or On-call work. Any exceptions to this policy must be jointly approved by the Vice President of Operations and the client in writing and in advance.

Reasonable accommodation will also be considered for religious dress or grooming practices. Further requirements include but are not limited to:

Slacks/pants: Only authorized pants acceptable is pants issued by Paragon Services Engineering and/or client specific.

Shirts: Either short or long-sleeved shirts with the appropriate company logo.

Shorts/Dresses/skirts: No bare legs, including shorts, dresses, or skirts, are authorized during work hours.

Footwear: Safety Boots are the only authorized footwear.

Hair: Maintained with a professional workplace appearance. Hair should not be altered with a loud or flashy color such as any color that is not a natural human color. Beards should be kept with a groomed appearance.

Accessories: Jewelry should not interfere and/or create hazardous or dangerous conditions while working. Belts must be worn with the company issued uniform.

Personal Protection Equipment (PPE): The appropriate PPE will be determined by the given task. For example, if there is a possibility of an eye injury, eye protection must be worn. If there is a possibility of a hand or head injury, workman's gloves and a hard hat must be worn.

If you have questions regarding these standards or about what is appropriate for the workplace, you are encouraged to consult your supervisor or Human Resources for further guidance.

USE OF TELEPHONES

While you are at work, you are expected to perform your job duties and responsibilities. Personal calls, both incoming and outgoing, must be kept to a minimum and must not interfere with your duties and responsibilities or the Company policies. Employees should limit their use of Company telephones for personal long-distance calls. In the event it is necessary to make a personal long-distance call, you will be asked to reimburse the Company for the cost. Abuse of the long-distance telephone call policy may result in discipline, up to and including termination.

CELL PHONE POLICY

PARAGON SERVICES ENGINEERING asks that employees devote their full time, energy and attention at work to their job responsibilities and duties. The use of personal cell phones while at work represents an obvious distraction that can affect an employee's productivity and efficiency as well as workplace safety.

Employees are discouraged from bringing and using their personal cell phones on Company time. Under no circumstances should a personal cell phone be used where it would result in discourtesy to others, inappropriate statements that can be overheard by others, or an employee's failure to be fully attentive to the employee's job. Cell phones should never be used while operating a vehicle or any potentially dangerous equipment.

ACCESS TO VOICE MAIL

PARAGON SERVICES ENGINEERING's telephone system permits employees to receive, send and transfer voice mail messages. The telephone system is an important asset of PARAGON SERVICES ENGINEERING and has been installed at substantial expense to facilitate business communications. Although employees are able to use codes to restrict access to phone messages that are left on the system, it must be remembered that the phone system is intended solely for business use. In keeping with this intention, PARAGON SERVICES ENGINEERING maintains the ability to monitor any phone calls made on its telephone system. It also maintains the ability to access any messages left on or transmitted over the phone system. Because PARAGON SERVICES ENGINEERING reserves the right to obtain access to all voice mail messages left on or recorded on the system, employees should not assume that such messages are confidential or that access by the employer or its designated representative would not occur.

TECHNOLOGY IN THE WORKPLACE

Internet access is provided by PARAGON SERVICES ENGINEERING to assist employees in obtaining work-related data and technology. The guidelines in this policy have been established to help ensure responsible and productive Internet usage.

All Internet data that is composed, transmitted, or received via our computer communications systems is considered Company property and, as such, is subject to disclosure to law enforcement agencies or other appropriate third parties. Consequently, employees must always ensure that the information contained in Internet e-mail messages and other transmissions is accurate, appropriate, ethical, and lawful.

The equipment, services, and technology provided to access the Internet remain at all times the property of the Company. As such, PARAGON SERVICES ENGINEERING reserves the right to monitor Internet usage, retrieve and read any data composed, sent, or received through our online connections and stored in our computer systems.

Data that is composed, transmitted, accessed, or received via the Internet may not contain content that may be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Employees using PARAGON SERVICES ENGINEERING equipment are forbidden to access any restricted services or websites. These include, but are not limited to, those that promote or relate to pornography, gambling, illegal activity, racism, promotion of violence, or gender degradation. Violation of these terms may result in disciplinary action, up to and including termination of employment.

Abuse of the Internet access provided by PARAGON SERVICES ENGINEERING in violation of law or PARAGON SERVICES ENGINEERING policies will result in disciplinary action, up to and including termination of employment. Employees may also be held personally liable for any violations of this policy. The following behaviors are examples of previously stated or additional actions and activities that are prohibited and can result in disciplinary action:

- * Sending or posting discriminatory, harassing, or threatening messages or images
- * Using the Company's time and resources for personal gain
- * Stealing, using, or disclosing someone else's code or password without authorization
- * Copying, pirating, or downloading software and electronic files without permission
- * Sending or posting confidential material, trade secrets, or proprietary information outside of the Company.
- * Violating copyright law
- * Failing to observe licensing agreements.
- * Engaging in unauthorized transactions that may incur a cost to the Company or initiate unwanted internet services and transmissions.
- * Sending or posting messages or material that could damage the Company's image or reputation.
- * Participating in the viewing or exchange of pornography or obscene materials
- * Sending or posting messages that defame or slander other individuals.
- * Attempting to break into the computer system of another Company or person.
- * Refusing to cooperate with a security investigation.
- * Using the Internet for political causes or activities, religious activities, or any sort of gambling
- * Jeopardizing the security of the Company's electronic communications systems
- * Sending or posting messages that disparage another Company's products or services.
- * Passing off personal views as representing those of the Company
- * Sending anonymous e-mail messages
- * Engaging in any other illegal activities

No Expectation of Privacy

Employees have no right of privacy as to any information or file maintained in or on the Company's property or transmitted and/or stored through PARAGON SERVICES ENGINEERING computer, voice mail, e-mail, or telephone systems.

PARAGON SERVICES ENGINEERING asks you to keep in mind that when you are using Company computers you are creating Company documents using a Company asset. PARAGON SERVICES ENGINEERING respects the individual privacy of its employees. However, that privacy does not extend to an employee's work-related conduct or to the use of Company provided technical resources or supplies. Electronic information created and/or communicated by an employee using company tools, such as software, Internet access, voice mail, telephones, e-mail, electronic bulletin boards will generally not be monitored by the Company. However, please remember that your electronic communications and files are neither private nor confidential. They may be read by others within the Company and outside it without first obtaining your permission. If there is information that you do not want to be available to others, you should send that information in other ways.

Copyrighted Materials

You should not copy and distribute copyrighted material (e.g. software, database files, documentation, articles, graphics files, and downloaded information) through the e-mail system or by any other means unless you have confirmed in advance from appropriate sources that the Company has the right to copy or distribute the material. Failure to observe a copyright may result in disciplinary action by the Company as well as legal action by the copyright owner.

Security Information

Although you may have passwords to access your computer, voice mail, and e-mail systems, these technical resources belong to PARAGON SERVICES ENGINEERING, are to be accessible at all times by Paragon Services Engineering and are subject to inspections by Paragon Services Engineering with or without notice. The Company may override any applicable passwords or codes to inspect, investigate, or search an employees' files and messages. All passwords must be made available to the MIS Department upon request. You should not provide a password to other employees or to anyone outside the Company and should never access any resources using another employee's password.

Internet Postings and Social Media

Paragon Services Engineering recognizes the widespread use and availability of internet-based forums for expression of personal views and beliefs. Due to the wide accessibility of the internet, PARAGON SERVICES ENGINEERING desires to ensure that the content posted by its employees does not harm the PARAGON SERVICES ENGINEERING' reputation or subject it to potential civil liability. Employees recognize that the content posted on the internet or other forums, although personal to the employee, may be construed by others as representing PARAGON SERVICES ENGINEERING' views, values, and principles. PARAGON SERVICES ENGINEERING therefore reserves the right to monitor all such communications, regardless of whether the content is posted via Company or personal property, in order to protect its reputation and interests, and those of our clients and customers. The employee recognizes that anything posted on the internet, whether on a personal blog, a social media webpage or any other forum even that which the employee believes is protected

by passwords or web-based privacy and security settings may potentially be viewed, reposted, transferred, transmitted, or shared by anyone. Therefore, employees do not maintain any expectation of privacy in content posted on the internet, whether posted in a private or public forum. Employees who choose to post content on the internet or other public or private internet-based forums must abide by the following conditions:

1. Employees are prohibited from using PARAGON SERVICES ENGINEERING property to post blogs or other internet or social media content unless it is a requirement of your job.
2. Employees are prohibited from blogging or posting any other internet or social media content during work hours unless it is a requirement of your job.
3. Employees may not post proprietary or confidential information regarding PARAGON SERVICES ENGINEERING, its employees, or its clients to the internet or in any public or private internet-based forum.
4. Employees may not post content which may be construed as disparaging, harassing, or discriminatory in nature against any employee or client of PARAGON SERVICES ENGINEERING.
5. Employees are required to state that any comment or view expressed in a blog or other internet-based communication is the employee's own personal view and not that of PARAGON SERVICES ENGINEERING.

The meaning of posted content may often be subjective. However, PARAGON SERVICES ENGINEERING, in its sole discretion, has the authority to determine whether or not the posted content violates this section. Nothing in this section prohibits, restricts, or discourages an employee from reporting or discussing any content protected by California's Fair Employment and Housing Act, Title VII of the U.S. Civil Rights Act of 1964, the National Labor Relations Act, or any other applicable law.

CONDUCT OUTSIDE WORK

In general, the Company does not seek to interfere with Employees' off-duty activities. However, the Company cannot tolerate off-duty conduct that impacts negatively on the Company, either in terms of an Employee's individual work performance or the business interests of the Company, including its reputation. Violation of this policy may result in disciplinary action up to and including termination. Nothing in this section prohibits, restricts, or discourages an employee from reporting or discussing any content protected by California's Fair Employment and Housing Act, Title VII of the U.S. Civil Rights Act of 1964, the National Labor Relations Act, or any other applicable law.

EMPLOYEE PROPERTY

Employees should not bring valuables to work. If necessary, to do so, all valuables should be kept in a secure location. The Company assumes no responsibility for the loss, theft, or damage of Employees' personal property.

INVESTIGATIONS OF CURRENT EMPLOYEES

The Company may occasionally find it necessary to investigate current Employees, where behavior or other relevant circumstances raise questions concerning work performance, reliability, honesty, trustworthiness, or potential threat to the safety of coworkers or others. Employee investigations may, where appropriate, include credit reports and investigations of criminal records, including appropriate inquiries about any arrest for which the Employee is out on bail.

In the event that a consumer report is obtained, the Company will comply with the federal Fair Credit Reporting Act and applicable state laws, including providing the Employee with any required notices and forms. Employees subject to an investigation are required to cooperate with the Company's lawful efforts to obtain relevant information and may be disciplined up to and including termination for failure to do so.

VISITORS

Friends and relatives should be asked not to visit Employees during working hours. Unattended children are not allowed in the facility or on the premises at any time. For safety and insurance reasons, friends, relatives and customers are not permitted in areas restricted to Employees only, unless authorized by management.

SOLICITATION & DISTRIBUTION OF LITERATURE

The Company has established rules, applicable to all Employees, to govern solicitation and distribution of written material during working time and entry onto the premises and work areas. All Employees are expected to comply strictly with these rules.

working time or during the working time of the Employee or Employees at whom the activity is directed.

1. No Employee shall distribute or circulate any written or printed material in work areas at any time, during his or her working time, or during the working time of the Employee or Employees at whom the activity is directed; and
2. Under no circumstances will non-Employees be permitted to solicit or to distribute written material for any purpose on Company property.
3. No employee should solicit or promote support for any cause or company during his or her working time or during the working time of the Employee or Employees at whom the activity is directed.

As used in this policy, "working time" includes all time for which an Employee is paid and/or is scheduled to be performing services for the Company; it does not include break periods, meal periods, or periods in which an Employee is not, and is not scheduled to be, performing services or work for the Company.

BULLETIN BOARDS

Bulletin boards are reserved for the exclusive use of the Company for posting work-related notices or notices that must be posted pursuant to local, state, and federal law. From time to time, special notices and information for Employees will be posted by the Company on the bulletin boards. Please check the boards regularly for these notices. Employee postings are not permitted.

EMPLOYEE BENEFITS

Unless otherwise stated, the following employee benefits are available to regular full-time employees.

VACATION POLICY

PARAGON SERVICES ENGINEERING vacation policy is intended to provide employees with time away from work for relaxation and renewal. employees begin to accrue vacation immediately upon hire and eligibility is based on 90 days of continuous service with the Company. However, the company can, at its discretion, grant vacation days prior to completion of the trial period. These situations will be handled on a case-by-case basis.

Vacation is to be scheduled in advance and arranged to suit the Company and its operational needs. Therefore, the Company reserves the right to deny requested vacation time. Please do not make air/hotel arrangements that cannot be changed until the vacation request is approved.

Full time employees and part time employees are eligible for vacation. Employees who work less than 40 hours per week will accrue vacation on a pro-rated basis, based on hours worked. Temporary employees are not eligible for vacation benefits.

An Employee must submit a Paragon Services Engineering's Time off Request form, to be approved through the Property Management representative and Paragon's Operations Department. Upon submittal of vacation request employees will be asked to sign a non-accrued Vacation Authorization Form. This authorizes us to deduct used non-accrued vacation time from final paycheck if termination should occur prior to vacation time actually being accrued. Furthermore, when vacation time is taken, it is permanent and may not be deleted from one's

record by making- up the time on an alternate day this document must be submitted at least two weeks of advanced notice.

Vacation benefits are earned in accordance with the below schedule. In the event that available vacation is not used by the end of the benefit year, accrued but unused vacation may be carried over into the next year. Accrued but unused vacation can be carried over into successive years up to a cap of 160.00 hours or thirty (20) days at which time further accrual will cease until your vacation time falls below the cap.

Length of Service as a Regular Full Time Employee	Vacation
0-3 years	10 days/year (3.33 hrs/pay period)
4-6 years	12 days/year (4 hrs/pay period)
7 – 10 years	15 days/year (5 hrs/pay period)
11 years and over	20 days/year (6.66 hrs/pay period)

Vacation is accrued on a per pay period basis. Any pay period that an employee works (and is eligible for benefits) they will accrue their full vacation allotment for that pay period.

When calculating years of service, Paragon Services Engineering will use the most recent hiredate, unless otherwise stated in offer letter or by property management.

SICK LEAVE

All employees are entitled to up to five (5) days of paid sick time during each calendar year. Employees are not entitled to use their sick time until they have satisfied their 90-day orientation period. Employees may use their yearly sick leave accrual for the purpose of attending to an ill family member which includes the employee's spouse, child, registered domestic partner, grandparent, grandchild, or sibling. In addition, employees may use paid sick leave if they are a victim of domestic assault, sexual violence, and/or stalking.

Employees who are unable to report to work due to illness or injury must contact their supervisor and the HR Manager as soon as possible, and no later than their normal starting time when possible. When an employee is eligible for the sick time benefit, compensation is the employee's straight time hourly rate of pay or salary prorated for hour used. Any unused sick leave benefits at the end of the calendar year are forfeited. Employees may not receive any pay in lieu of the sick day benefit.

Once one's sick time has been expended, vacation time is utilized until depletion, and then time off is without pay.

When an employee uses sick leave, the time may not be erased, or forfeited by work done on another day.

EDUCATION EXPENSE REIMBURSEMENT

The purpose of PARAGON SERVICES ENGINEERING Education Reimbursement program is to assist employees in attaining the certifications and designations necessary to perform their jobs in an exemplary fashion.

PARAGON SERVICES ENGINEERING, in its sole and absolute discretion, will partially reimburse employees for training and courses that will enhance their personal skills and result in enhanced job performance.

- A. The maximum benefit will be a 70/30 % split. PARAGON SERVICES ENGINEERING will pay 30% the costs associated with educational courses up to \$500 per year per employee. Employee to pay costs up-front and the company will reimburse upon completion of class with passing grade or certification.
- B. Employees who terminate or are discharged within two years of receiving educational reimbursement may be required to repay PARAGON SERVICES ENGINEERING in full.
- C. Employees **who do not receive a passing grade of C or better** are not eligible to receive the reimbursement.

Upon attaining the designation, license, certification or grade, a copy must be given to Personnel.

ELIGIBILITY REQUIREMENTS

- A. Full time employees must have completed one (1) year of continuous service.
- B. Part time employees are not eligible for education reimbursement.
- C. Must be job related/required.
- D. Employees must not be on disciplinary probation.
- E. Employees must obtain approval of supervisor.

PAYMENT/REIMBURSEMENT

PARAGON SERVICES ENGINEERING will reimburse employee after a passing grade of C or better and request forms are submitted to Human Resources Manager.

PERSONAL LEAVE OF ABSENCE

A leave of absence for personal reasons (leaves other than those mandated by law, pregnancy disability leave, and workman's compensation) is a privilege not a right. A leave without pay may be granted on a case-by-case basis, depending on the staffing requirements and project commitments at the time. An employee may use accrued vacation during the term of the leave. If personal leave is granted, employee may be eligible to continue group medical and dental coverage for up to (3) three months of leave. It is between PARAGON SERVICES ENGINEERING and the employee to determine what and when payments will be made. Ultimately, a leave of absence and the terms of the leave will be decided on a case-by-case basis. In no event shall a personal leave of absence, other than those mandated by law, extend beyond a period of ninety (90) days.

BEREAVEMENT LEAVE

In the case of the death of an immediate family member (parent, sibling, spouse, domestic partner, grandparent, child, or in-law), a regular full-time employee who has completed the orientation period will be eligible for three days off with pay to attend the funeral. If an employee requests more than three days off, it will be up to the discretion of the Human Resources Manager and owners of the company. Other part-time or temporary employees may take up to three days off without pay to attend the funeral of an immediate family member. Time off in excess of three days is available with approval of the employee's supervisor.

MEAL AND REST PERIODS

Rest periods and meal periods are authorized and required for every non-exempt employee and are intended to provide employees with an opportunity for rest and relaxation.

Paragon Services Engineering requires that employees take a 30- or 60-minute meal period for every work period (day) of more than six hours and a 10-minute rest period for every 4 hours worked. For work periods (days) of more than six hours, your 30- or 60-minute rest period should begin no later than the end of your fifth hour of work. For example, an employee who starts working at 8:00 AM must begin the first meal period *no later than* 12:59 PM.

An employee who works over 10 hours in a day is entitled to a second meal break of at least 30 minutes that must start *before* the end of the tenth hour of work. The second meal period may be waived by advanced mutual consent of the employee and employer, in writing, provided the employee did not work more than 12 hours and did not waive the first meal break. If the employees' meal period is "on duty", it will be paid.

When practicable, the rest periods should be taken in the middle of each period worked. In order to ensure that the employee's position and duties will be covered during periods of rest, the employee should, to the extent possible, inform their supervisor when they are going on a break. These rest periods may not be combined, nor added to an employee's meal period. Rest and mealtime should be enjoyed away from employee work areas and working employees so that employees can adequately rest and rejuvenate and are not inadvertently asked to perform any duties during such periods. Employees are entirely relieved of all duty and responsibilities during meal and rest periods.

It is the responsibility of the employee to ensure they are taking their meal and rest periods at the appropriate time. Non-exempt employees must maintain accurate records of actual hours worked, including clocking in and out for each day's meal period. Failure to comply with these policies may subject the employee to discipline, including but not limited to termination.

Non-exempt employees must immediately notify their supervisor if they are unable to take their meal or rest periods.

LACTATION POLICY

PARAGON SERVICES ENGINEERING provides a reasonable amount of break time to accommodate an employee's need to express breast milk for the employee's infant child. The Company will provide the employee with the use of a room or other location in close proximity to the employee's work area for the employee to express milk in private. Such space will meet the requirements of the California Labor Code including a surface to place a breast pump and personal items, a place to sit, access to electricity, a sink with running water, and a refrigerator for storing breast milk.

Procedures

An employee may request an accommodation for lactation breaks by submitting a lactation accommodation request form to her department supervisor.

The requested break time should, if possible, be taken concurrently with other scheduled break periods. Nonexempt employees must clock out for any lactation breaks that do not run concurrently with normally scheduled rest periods. Any such breaks will be unpaid.

The company reserves the right to deny, in writing, an employee's request for a lactation break if the additional break time will seriously disrupt operations.

Employees have the right to file a complaint with the labor commissioner for any violation of rights provided under Chapter 3.8 of the California Labor Code regarding lactation accommodations.

An employee who wishes this accommodation is to contact her immediate supervisor to make necessary arrangements. The lactation time is to be taken, if possible, concurrently with other provided break periods.

FAMILY AND MEDICAL LEAVE ACT (FMLA Leave) and California Family Rights Act (CFRA)

The Company will grant family and medical leave in accordance with the requirements of applicable state (California Family Rights Act) and federal (Family Medical Leave Act) law in effect at the time the leave is granted. No greater or lesser leave benefits will be granted than those set forth in the relevant state or federal laws. Employees will be eligible for the most generous benefits available under either law. Please contact Human Resources as soon as you become aware of the need for a family and medical leave. The following is a summary of the relevant provisions.

Employee Eligibility - FMLA

To be eligible for family and medical leave benefits under federal law, employees must: (1) have worked for the Company for a total of at least 12 months; (2) have worked at least 1,250 hours over the previous 12 months; and (3) work at a location where at least 50 employees are employed by the Practice within 75 miles.

Employee Eligibility – CFRA

To be eligible for family and medical leave benefits under state law, employees must: (1) have worked for the Company for a total of at least 12 months; and (2) have worked at least 1,250 hours over the previous 12 months.

Federal Law (FMLA)

Leave may be used for one or more of the following reasons: (1) for the birth or placement of a child for adoption or foster care; (2) to care for an immediate family member (spouse, registered domestic partner, child, or parent) with a serious health condition; (3) to take medical leave when the employee is unable to work because of a serious health condition; or (4) for any qualifying exigency because the employee's spouse, son, daughter, or parent is a covered military member on active duty or has been notified of an impending call or order to active duty.

State Law (CFRA)

Leave may be used for one or more of the following reasons: (1) to bond with a new born baby or placement of a child for adoption or foster care; (2) to care for an immediate family member (spouse, registered domestic partner, child, child of registered domestic partner, parent, siblings, grandparents, or grandchildren) with a serious health condition; (3) to take medical leave when the employee is unable to work because of a serious health condition; (4) for a qualifying exigency related to the covered active duty or call to covered active duty of an employee's spouse, domestic partner, child, or parent in the Armed Forces.

Employees may also be eligible to receive up to a total of 26 workweeks in a single 12-month period to care for an injured covered service member who includes veterans who were discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA. This leave applies to a spouse, child, parent, or next of kin to the injured service member. A 12-month period begins on the date of the employee's first use of family and medical leave to care for a covered service member and ends 12 months after that date. Successive 12-month periods commence on the date of an employee's first use of family and medical leave after the preceding 12-month period has ended. FMLA definitions of a "serious injury or illness" for current service members and veterans are distinct from the FMLA definition of "serious health condition."

Under some circumstances, Employees may take family and medical leave intermittently-- which means taking leave in blocks of time, or by reducing their normal weekly or daily workschedule. If you are pregnant, you may have the right to take a pregnancy disability leave in addition to a family and medical leave. Please review the pregnancy disability leave policy below and notify your supervisor or the Human Resources Manager if you need leave due to your pregnancy. Certain restrictions on these benefits may apply.

a. Notice & Certification.

If you need family and medical leave, you may be required to provide:

1. 30-day advance notice when the need for the leave is foreseeable.
Medical certification from a health care provider (both prior to the leave and prior to reinstatement).
2. Periodic recertification; and
3. Periodic reports during the leave.

When leave is needed to care for an immediate family member or your own serious health condition, and is for planned medical treatment, you must try to schedule treatment so as not to unduly disrupt the Company's operation.

b. Compensation during Leave

Family and medical leave is unpaid. The Company may require you to use accrued paid leave (such as vacation leave) to cover some or all of the family and medical leave. The use of paid timeoff will not extend the length of a family and medical leave.

c. Benefits During Leave

The Company will maintain, for up to a maximum of 12 workweeks of family and medical leave, any group health insurance coverage that you were provided before the leave on the same terms as if you had continued to work. In some instances, the Company may recover premiums it paid to maintain health coverage if you do not return to work following family or medical leave.

If you are on family and medical leave but you are not entitled to continue paid coverage, you may continue your group health insurance coverage through the Company in conjunction with federal COBRA guidelines by making monthly payments to the Company for the amount of the relevant premium. Please contact your supervisor for further information.

d. Job Reinstatement

Under most circumstances, upon return from family and medical leave, you will be reinstated to your previous position, or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, upon return from a family and medical leave, you have no greater right to reinstatement than if you had been continuously employed rather than on leave. For example, if you would have been laid off had you not gone on family and medical leave, or if your position has been eliminated during the leave, then you will not be entitled to reinstatement. If an employee fails to return to work immediately after the period of the approved leave expires, or if an employee obtains a leave based on false representations, the employee will be considered to have voluntarily resigned.

If you are returning from family and medical leave taken for your own serious health condition, but you are unable to perform the essential functions of your job because of a physical or mental disability, the Company will attempt to accommodate you. Your use of family and medical leave will not result in the loss of any employment benefit that you earned or were entitled to before using family and medical leave.

e. Leave Interaction

When applicable, FMLA and CFRA will run concurrently for a maximum of 12 weeks of leave. This includes but may not be limited to leave for an employee's own illness or injury and to care for qualifying family members. For the purpose of calculating the twelve (12) week maximum, any other qualifying disability leave, occupational disability leave or family leave taken during the twelve (12) month period will be included. Prior pregnancy disability leave will not be included in computing the twelve (12) week maximum under CFRA. The "twelve (12) month period" will be tracked forward from the first day of a certified leave of absence.

PAID FAMILY CARE LEAVE BENEFITS (CALIFORNIA ONLY)

Employees are eligible for California's established Paid Family Care Leave (PFL) insurance program. Employees may apply for insurance benefits under this program. Claims must be filed with the state Employment Development Department ("EDD"). PFL benefits consist of partial replacement of wages for up to eight (8) weeks when an employee is unable to perform his/her regular duties because of:

- (1) To care for an employee's seriously ill child, parent, spouse, domestic partner, grandparent, grandchild, sibling, or parent-in-law; or
- (2) For bonding with a child after the birth, adoption, or foster care placement of a child with the employee, their spouse, or their domestic partner.

The EDD may require a medical certification when a PFL claim is filed. Employees must file a claim for PFL benefits no later than 41 days after the first day the employee is eligible for benefits.

PFL is a wage supplement program and not a job-protected leave of absence. Employees may be entitled to a leave of absence under the California Pregnancy Disability Leave (PDL), federal Family Medical Leave Act (FMLA), California Family Rights Act (CFRA).

There is no waiting period before benefits are paid. Employees cannot be required to use their accrued vacation balance prior to receiving benefits. Employees are not eligible for PFL if the employee is already receiving State Disability, Unemployment or Workers' Compensation benefits.

Periods of disability for pregnancy and periods of family care leave for bonding associated with the birth of the child are considered one disability benefit period. However, PFL does not create an additional leave entitlement. If an employee is not eligible or has exhausted their entitlement to leave under the FMLA, CFRA or PDL, there is no additional right to leave under the PFL program. Additionally, vacation and sick leave benefits will not accrue during a PFL absence.

Employees may contact the EDD directly or Human Resources to obtain necessary forms to file with the EDD. Employees are also encouraged to review the new postings provided by the EDD regarding the procedures to obtain PFL benefits. Once a claim is approved by the EDD, employees should advise Human Resources so that it may coordinate administrative matters.

PREGNANCY DISABILITY LEAVE

a. Employee Eligibility

The Company will grant an unpaid pregnancy disability leave if you are disabled because of time off needed for prenatal care, severe morning sickness, doctor ordered bed rest, childbirth and recovery from childbirth or loss or end of pregnancy.

b. Leave Available

If you are disabled due to pregnancy, childbirth, or a related medical condition, you may take up to a maximum of four months (17 1/3 weeks) leave. As an alternative, the Company may transfer you to a less strenuous or hazardous position if you so

request, with the advice of your physician, and if the transfer can be reasonably accommodated.

- c. Leave taken under the pregnancy disability policy runs concurrently with family and medical leave

under federal law, but not with family and medical leave under California law.

- d. Notice & Certification Requirements

You must provide the Company with reasonable advance notice of your need for a pregnancy disability leave. In addition, you must provide the Company with a health care provider's statement certifying the last day you can work and the expected duration of your leave.

- e. Compensation During Leave

Pregnancy disability leaves are without pay. However, you may utilize accrued vacation time and any other accrued paid time off during the leave. All of those payments will be integrated with any state disability or other wage reimbursement benefits that you may receive. At no time will you receive a greater total payment than your regular compensation.

- f. Benefits During Leave

The Company will maintain, for up to a maximum of four (4) months in a 12-month period, any group health insurance coverage that you were provided before the leave on the same terms as if you had continued to work. In some instances, the Company may recover premiums it paid to maintain health coverage if you do not return to work following pregnancy disability leave.

- g. Reinstatement

Upon the submission of a medical certification from a health care provider that you are able to return to work, you will, in most circumstances, be offered the same position held at the time of the leave or an equivalent position. However, you will not be entitled to any greater right to reinstatement than if you had been employed continuously rather than on leave. For example, if you would have been laid off if you had not gone on leave, and then you will not be entitled to reinstatement. Similarly, if your position has been filled in order to avoid undermining the Company's ability to operate safely and efficiently while you were on leave, and there is no equivalent position available, then reinstatement will be denied.

If upon return from a pregnancy disability leave you are unable to perform the essential functions of the job because of a physical or mental disability, the Company will attempt to accommodate you.

WORKERS' COMPENSATION

a. Employee Eligibility

The Company will grant you a workers' compensation disability leave in accordance with the CFRA/FMLA if you incur an occupational illness or injury. As an alternative, the Company may offer you modified work if available. If eligible, leave taken under the workers' compensation disability policy will run concurrently with family and medical leave under both federal and state law.

b. Notice & Certification Requirements

You must immediately report all accidents, injuries, and illnesses, no matter how minor, to your immediate Supervisor. You must also provide the Company with a health care provider's statement certifying your work-related illness or injury, your inability to work, and the expected duration of your leave.

c. Compensation during Leave

Leave under FMLA/CFRA, even for workers compensation, is without pay. However, you may utilize accrued vacation time and any other accrued paid time off during the leave. All of those payments will be coordinated with any state disability, workers' compensation, or other wage reimbursement benefits for which you may be eligible. At no time will you receive a greater total payment than your regular compensation. You should be aware that in the event of an overpayment, EDD or the workers compensation carrier may offset your benefits to recover any overpayment.

d. Reinstatement

Upon the submission of a medical certification that you are able to return to work, you will be reinstated in accordance with applicable law. If you are disabled due to an industrial injury, the Company will attempt to accommodate you. If you are returning from a workers' compensation disability leave that runs concurrently with a family and medical leave, then the provisions of the family and medical leave policy will also apply.

WORKERS COMPENSATION INSURANCE

Workers Compensation insurance benefits are available to employees who suffer work-related injuries or illnesses. All such injuries and illnesses should be reported immediately or before the end of your shift, no matter how minor, to the Human Resources Manager at Phone Number (858)654-0102 ext. 105. If any employee requires further information on these benefits, please address it with the Human Resources Manager.

Worker's Comp Information shall be posted in a common area.

All injuries must be reported to the Human Resources Manager Immediately or before the end of your shift, and all employees will be subject to post accident drug screening.

When an injury occurs the first thing to do is to seek medical aid. Employees may also pre-designate a personal physician or chiropractor for work related injuries and see that pre-designated physician or chiropractor when an injury occurs.

If an employee is temporarily disabled due to a work injury, he/she is entitled to receive a benefit check within 2 weeks after the date of injury and twice a month thereafter. Temporary disability benefits are not paid for the first three days of missed work, unless the employee is hospitalized "in-patient" for medical treatment or if the employee's disability continues for more than 14 days as a result of the injury.

WITNESS / JURY DUTY LEAVE

It is PARAGON SERVICES ENGINEERING policy to enable its employees to fulfill their civic obligations. If an employee is called to serve on witness / jury duty, the employee is requested to notify his or her supervisor immediately. Nonexempt Employees will be granted a paid leave of absence up to two days per year for the purpose of fulfilling jury or witness duty, any additional time will be unpaid. Exempt employees will suffer no loss in pay for any week in which they serve on a jury or as a witness and also perform work for PARAGON SERVICES ENGINEERING. Verification from the Court Clerk of having been served may be required, and you will be expected to report or return to work for the remainder of your work schedule on any day you are dismissed from jury or witness duty.

VOTING TIME LEAVE

If you cannot vote in a statewide public election before or after working hours, then you will be allowed sufficient time off to go to the polls. The Company will pay you for up to the first two hours of absence from regularly scheduled work that is necessary to vote in a statewide public election. Any additional time off will be without pay. You must give reasonable notice to the

Director of Human Resources of the need to have time off to vote and must give at least two (2) days' notice when three days' notice is possible.

MILITARY DUTY LEAVE

PARAGON SERVICES ENGINEERING will not refuse military leave to any employee in the "Uniformed Services". Uniform defined to include Army, Navy, Air Force, Marine Corps, Coast Guard, Army National Guard, and Air National Guard. Service is defined as duty on a voluntary or involuntary basis, including Active Duty, Active Duty in Training, Initial Active-Duty Training, Inactive Duty Training, Full-time National Guard Duty and absences for examinations to determine fitness for duty.

Employees are required to provide advance written or verbal notice of the need for military leave, unless prevented from doing so by military necessity or if providing notice would be impossible or unreasonable.

Employees must provide notice to his/her employer of his/her intent to return to work after serving in the military. The time frame within which the notice is required depends upon the length of time of military service, as follows:

- ***Less than 31 days of service or fitness for duty exam:*** Must report no later than the beginning of the first full regularly scheduled work period on the first calendar day following completion of service, plus time for safe transportation back to the employee's residence, plus eight hours.
- ***More than 30 days but less than 181 days of service:*** Must submit an application for re-employment with PARAGON SERVICES ENGINEERING no later than 14 days after the completion of service.
- ***More than 180 days of service:*** Must submit an application for re-employment with PARAGON SERVICES ENGINEERING no later than 90 days after the completion of service.

Employees returning from military service are entitled to all the rights and benefits as if they had remained continuously employed.

TIME OFF TO ATTEND SCHOOL ACTIVITIES

If you are a parent, guardian, or grandparent with custody of a child in kindergarten, grades 1-12, inclusive, or a licensed day care center and you wish to take time off to visit your child's school for a school activity, you may take off up to eight hours (unpaid) each calendar month (up to a maximum of 40 hours each calendar year), per child, provided you give reasonable notice to the Human Resources Manager of your planned absence. Employees wishing to take leave for a child's school activities may utilize their existing vacation time or other accrued paid time off. The Company requires documentation from the school noting the date and time of your visit.

If both parents of a child work for the Company, only one parent--the first to provide notice--may take the time off, unless the Company approves both parents taking time off simultaneously.

You may also be granted time off to attend a school conference involving the possible suspension of your child. Please contact your Supervisor if time off may be needed for this reason.

LEAVE FOR VICTIMS OF DOMESTIC VIOLENCE

PARAGON SERVICES ENGINEERING understands that, if an Employee is the unfortunate victim of domestic violence or sexual assault, Employee may need to take time from work to appearing court in an effort to obtain relief from such violence. It also understands that you may need to take time off to obtain medical attention, to obtain services from a domestic violence shelter, program, or rape crisis center, to obtain psychological counseling, or to participate in safety planning as a result of domestic violence. If you need time off to obtain relief from domestic violence, you must give your supervisor reasonable notice that you need time off for this purpose. If you need time off

immediately or for an emergency, advance notice is not required, but you may be required to provide documentation or certification of the purpose of your absence within a reasonable time after your time off.

Nonexempt Employees will receive full pay while taking up to three days of leave due to domestic violence. Exempt Employees will receive pay for one entire week of absence due to domestic violence leave. Exempt Employees will not incur any reduction in pay for a partial week of absence due to domestic violence. Any additional time off will be without pay. On the days you take off from work to obtain relief from domestic violence, you will be expected to return to work for the remainder of your work schedule if time permits.

HOLIDAY SCHEDULE

The following is the holiday schedule for PARAGON SERVICES ENGINEERING. Religious practices of the employees will be accommodated unless it poses a hardship to the employer. (If time is taken for religious practices, it is not considered a holiday. The employee is required to request vacation time or days of unpaid leave.) The following holidays are observed by PARAGON SERVICES ENGINEERING:

- New Year's Eve Day (1/2 day)
- New Year's Day (1/2)
- President's Day
- Memorial Day
- Independence Day

Labor Day
Thanksgiving Day
Thanksgiving Friday
Christmas Eve (1/2 Day)
Christmas Day

- One (1) paid personal day, per calendar year, is available to all full-time permanent employees after their 90-day probationary period. This day may only be used to celebrate your birthday. You must use this day on your birthday, or six days before or after, with advance request, or the paid holiday will be forfeited.

Employees are eligible for Holiday pay after completing 90-days of employment.

If a holiday falls on a weekend day, it is usually observed on the preceding Friday or the following Monday. Holiday observance will be announced in advance.

Holidays will not be accrued for accounting purposes. Holiday pay is not counted for the purpose of calculating an employee's overtime hours of work or overtime premiums.

If you are required to work on a designated holiday, you will be compensated for all hours worked plus holiday pay.

If a holiday occurs during your vacation period, that day will be treated as a holiday and not counted against your approved vacation time.

Each year a holiday schedule will be issued prior to the commencement of a new year. The holiday schedule will ultimately be reflected upon site specific building schedules and may vary from the schedule listed.

INSURANCE COVERAGE

PARAGON SERVICES ENGINEERING retains the sole discretion to modify insurance coverage at any time. Eligibility for PARAGON SERVICES ENGINEERING standard company benefits is limited to those who are considered regular full-time employees and those employees who regularly work 30 or more hours per week.

Each full-time employee is entitled to both Full Major Medical/Life and Dental Benefits.

Termination: Your insurance terminates at the end of the month in which your employment ends. You have the right to convert to individual medical expense insurance under COBRA.

MEDICAL INSURANCE

Paragon Services Engineering has a major medical plan where the company pays the full HMO monthly premium for the employee. Employees may elect to cover dependents for an additional cost to be deducted from their pay.

DENTAL INSURANCE

Paragon Services Engineering provides a dental PPO insurance plan. The company pays the full monthly premium for the employee and the employee may elect to cover dependents at an additional cost to be deducted from their pay.

LIFE/AD&D INSURANCES

Paragon Services Engineering provides \$50,000 term coverage. The employee selects the beneficiary. Accidental Death and Dismemberment Insurance paid at 100% or 50% for dismemberment.

FLEXIBLE SPENDING ACCOUNT

Paragon Services Engineering provides a Health Care and Dependent Care Account. These accounts can be used to deduct pre-tax dollars from employee's pay for qualified expenses under each account.

The Health Care account is for qualified medical, dental and vision purchases and can be reimbursed through check or paid by account debit card.

The Dependent Care Account is for qualified adult or childcare expenses. Childcare, after school care, summer school and adult care facilities are all qualified. Tuition for private school is not qualified.

LONG-TERM DISABILITY INSURANCE

Long Term Disability insurance covers an eligible employee for 60% of their salary not to exceed a monthly amount of \$10,000 after a 90-day waiting period.

401K RETIREMENT PLAN

Paragon Services Engineering provides a 401(k)-retirement plan for eligible employees. Employees are eligible to participate on the 1st of the month following 90-days of employment and are over the age of 18.

Employee may contribute 1% to 100% of income to IRS maximum. Company match is after 1 year of employment. Company matches up to 25% of participant's contribution to a maximum of 6% of your wages.

After age 59 ½, withdrawals are allowed for any reason. Prior to this, you may be subject to penalty fees. You may access your funds by loan or hardship withdrawal.

A loan can be for any reason and must be a minimum of \$1,000 and can be taken for up to 50% of your vested balance. There are no taxes or penalties for taking a 401(k) loan.

A hardship withdrawal is a withdrawal of money from the 401(k) plan for qualified reasons. Qualified reasons include for college education, prevention of foreclosure on home, medical bills. The administrator of the plan requires proof for the qualified reason to process the hardship withdrawal. There are taxes and penalties if the funds are taken before the age of 59 ½.

CONTINUATION OF GROUP HEALTH INSURANCE (COBRA)

PARAGON SERVICES ENGINEERING will comply with federal regulations relating to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) which is designed to provide employees and eligible dependents with the opportunity to continue health insurance coverage at group rates in certain instances in which coverage would otherwise cease, as provided by the Company health insurance carrier. The premium for this coverage is the sole responsibility of the employee or dependent.

TERMINATION AND RESIGNATION

Voluntary Terminations (Resignation)

If you decide to leave your employment with the Company, we ask that you give us at least two weeks written notice. This will give us the opportunity to make the necessary adjustments in our operation. Please return all property owned by the Company (e.g., vehicles, computers, keys, uniforms, identification badges, credit cards) prior to your departure. The Company retains the right to accept your resignation immediately and pay you the amount of straight time compensation you would have earned in place of any further performance.

Involuntary Terminations

While the decision to commence employment is consensual, the same is not always true when the time comes to terminate the employment relationship. As an at-will employer, the Company reserves the right to end the employment relationship at any time, with or without cause or notice. In the event your employment is terminated, please return all property owned by the Company to the Human Resources Manager prior to your departure.

Reduction in Force

While the Company hopes to continue growing and providing employment opportunities, business conditions, customer demand, and other factors are unpredictable. Changes or downturns in any of these or other areas could create a need to restructure or reduce the number of people employed. In light of these uncertainties, please be advised that it may become necessary to conduct layoffs at some point in the future.

In the event that the Company determines to lay off any Employee or a number of Employees, the Company retains full discretion to select which Employee(s) will be laid off. While PARAGON SERVICES ENGINEERING retains full discretion, some of the relevant factors might include the Company's operational requirements and the skill, productivity, ability, and past performance of those involved.

Exit Interviews

Before leaving, you will be asked to participate in an exit interview. This will provide closure to your employment with PARAGON SERVICES ENGINEERING and will allow the Company to ensure that it has resolved various administrative matters, answered any questions about continuation of benefits, and listened to any of your comments or ideas about improving the Company's operations. All employees with clearances must be debriefed and a termination check-off list must be signed by all employees who leave the Company upon return of research notebooks, documents, identification badges, company keys, and any other property belonging to PARAGON SERVICES ENGINEERING.

**EMPLOYEE ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE
HANDBOOK**

This is to acknowledge that I have received a copy of the PARAGON SERVICES ENGINEERING ("the Company") Employee Handbook and understand that it sets forth the terms and conditions of my employment as well as the duties, responsibilities, and obligations of employment with PARAGON SERVICES ENGINEERING. I understand and agree that it is my responsibility to read the Employee Handbook and to abide by the rules, policies, and standards set forth in the Employee Handbook.

I also acknowledge that my employment with PARAGON SERVICES ENGINEERING is not for a specified period of time and can be terminated at any time for any reason, with or without cause or notice, by me or by the Company. I acknowledge that nothing in this Employee Handbook and no oral statements or representations regarding my employment can alter the foregoing. I also acknowledge that this policy of at-will employment may be revised, deleted or superseded only by a written employment agreement signed by the Chief Executive Officer that expressly revises, modifies, deletes, or supersedes the policy of at-will employment.

I also acknowledge that, except for the policy of at-will employment and the separate PARAGON SERVICES ENGINEERING Alternative Dispute Resolution Program, the Company reserves the right to revise, delete, and add to the provisions of this Employee Handbook. All such revisions, deletions, or additions must be in writing and must be signed by the Chief Executive Officer of the Company. No oral statements or representations can change the provisions of this Employee Handbook. No implied contract concerning any employment-related decision or term and condition of employment can be established by any other statement, conduct, policy, or practice.

I understand that, unless my employment is covered by a written employment agreement providing otherwise, the foregoing agreement concerning my at-will employment status and the Company's right to determine and modify the terms and conditions of employment is the sole and entire agreement between me and PARAGON SERVICES ENGINEERING concerning the duration of my employment, the circumstances under which my employment may be terminated, and the circumstances under which the terms and conditions of my employment may change.

I acknowledge that I have received a copy of PARAGON SERVICES ENGINEERING's written Anti-Harassment Policy and understand that the Company will not tolerate unlawful harassment or discrimination by any employee; it is a zero-tolerance policy. I recognize that the only way an employer can achieve its goal of providing a discrimination-free and harassment-free work environment is with the assistance of its employees. The Company and its employees must therefore be partners in the commitment to provide a work environment that is free of unlawful discrimination and harassment.

I agree to comply with all aspects of the policy against unlawful harassment and promise that I will not violate the law or PARAGON SERVICES ENGINEERING's policy. I also promise to fulfill all my responsibilities under the policy, including the responsibility to report any unlawful harassment immediately to my supervisor, the HR Manager or a designated Company representative in accordance with the procedures of the policy. In this way, I will do all that I can to assist the Company to provide and maintain a workplace that is free of unlawful discrimination and harassment.

Finally, I agree that PARAGON SERVICES ENGINEERING retains the right to establish compensation, benefits and working conditions for all of its employees. PARAGON SERVICES ENGINEERING retains the sole discretion to modify employee's compensation and benefits, position, duties and other terms and conditions of employment, including the right to impose discipline of whatever type and for whatever reasons employer, at its sole discretion, determines to be appropriate. All such changes will be communicated through official written notices and signed by one of the principals.

Dated: _____

Employee Signature

Employee's Name (Typed or Printed)

TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE