

# TABLE OF CONTENTS

WELCOME .....	Page 1
MISSION STATEMENT .....	Page 2
DISCLAIMER NOTICE.....	Page 2
POLICY ON FAIR EMPLOYMENT PRACTICES.....	Page 2
WORKING HOURS AND SCHEDULE .....	Page 3
TARDINESS .....	Page 3
PAYDAY .....	Page 4
EMPLOYEE RIGHTS .....	Page 4
RESPONSIBILITIES COMMON TO ALL EMPLOYEES .....	Page 5
STANDARD OF CONDUCT APPLICABLE TO ALL EMPLOYEES .....	Page 6
INDIVIDUAL POLICY STATEMENTS .....	Page 7
Absence, Employee .....	Page 7
Absence, Illness in Family.....	Page 7
Absence (Bereavement Leave).....	Page 7
Accidents .....	Page 7
Attendance .....	Page 8
Audio Equipment .....	Page 8
Bulletins/Notices .....	Page 8
Career Advancement and Promotions .....	Page 8
Change of Address .....	Page 8
Company Owned Equipment, Supplies or Material .....	Page 9
Confidential Information.....	Page 9
Conflict of Interest .....	Page 9
Daily Time Sheets .....	Page 10
Discipline and Discharge.....	Page 10
Dress Code .....	Page 10
Drivers License and Record .....	Page 10
Electronic Communication .....	Page 11
Employment .....	Page 11
Employee Status .....	Page 11
Falsification of Records.....	Page 11
Firearms/Weapons .....	Page 11
Garnishments Against Wages .....	Page 11
Grievances.....	Page 11
Grievances (By-Pass Procedure) .....	Page 12
Grievances Retaliation .....	Page 12
Holiday Parties .....	Page 12
Holidays.....	Page 12
Housekeeping.....	Page 12
Immigration Reform .....	Page 12
Incentive Pay Plans .....	Page 12
Intoxication and/or Illegal Substances.....	Page 13
IRA or 401(k).....	Page 13
Work Orders.....	Page 13
Purchase Orders.....	Page 13
Jury Duty .....	Page 14
Keys .....	Page 14
Leaves of Absence.....	Page 14
Loans, to Employee .....	Page 14
Lunch and Breaks .....	Page 14
Meetings .....	Page 14
Military Leave .....	Page 14
Outside Employment.....	Page 15
Overtime Pay .....	Page 15
Parking (Employee).....	Page 15
Payroll Advances.....	Page 15
Payroll Withholding.....	Page 15
Personal Leave.....	Page 15

<b>Personnel Records</b> .....	<b>Page 16</b>
<b>Performance Evaluations</b> .....	<b>Page 16</b>
<b>Personal Mail</b> .....	<b>Page 16</b>
<b>Personal Tools</b> .....	<b>Page 16</b>
<b>Personal Use of Company Vehicles/Equipment</b> .....	<b>Page 16</b>
<b>Pranks and/or Jokes</b> .....	<b>Page 17</b>
<b>Probationary Period</b> .....	<b>Page 17</b>
<b>Resignation</b> .....	<b>Page 17</b>
<b>Safety</b> .....	<b>Page 17</b>
<b>Sexual Harassment</b> .....	<b>Page 17</b>
<b>Side Work</b> .....	<b>Page 17</b>
<b>Smoking</b> .....	<b>Page 17</b>
<b>Solicitation</b> .....	<b>Page 18</b>
<b>Suggestions</b> .....	<b>Page 18</b>
<b>Telephone Usage</b> .....	<b>Page 18</b>
<b>Termination</b> .....	<b>Page 18</b>
<b>Theft and/or Pilferage</b> .....	<b>Page 18</b>
<b>Travel</b> .....	<b>Page 18</b>
<b>Unemployment Compensation</b> .....	<b>Page 18</b>
<b>Paid Time Off (Inclusive of Vacations &amp; Sick Leave)</b> .....	<b>Page 19</b>
<b>Witness Leave</b> .....	<b>Page 19</b>
<b>Work Area (Cleanliness)</b> .....	<b>Page 19</b>

## **WELCOME to City Air Mechanical, Inc.**

We are delighted to have you on board, recognizing that you are a person of talent, integrity and value who will assist the Company in attaining the goals and objectives that we have established.

City Air Mechanical, Inc. (hereby referred to as the “Company”) are progressive and aggressive relative to our work effort, and we expect a keen teamwork effort from you, as we do of all our employed associates.

Our Company was established in 1999 and is known for taking great pride in the countless projects we have completed over the years, regardless of how substantial. The Company has achieved continued success as a result of our employee associate efforts, and we appreciate those efforts tremendously. This teamwork effort must continue for the benefit of all concerned.

As an employee of City Air Mechanical, you are our most valued resource. In order to protect our employees, the company has set in place and enforces a safe work policy that includes a written safety program, training requirements, new employee orientations, education and other resources to protect you and your fellow workers.

The policies of our Company are clearly stated within the content of this handbook. Should you have a question on any particular subject, feel free to discuss your question with your immediate supervisor or me personally.

City Air Mechanical, Inc. abide with the Inside Construction Agreement with UA Local Union 300 Plumbing and Pipe Fitters and UA Local Union 10 Sheet Metal Workers. Therefore, if you are a journeyman or apprentice plumber or sheet metal worker, the current agreement with these bodies will govern any applicable policy so stated in the following handbook. Where applicable, certain contents of the current agreement may be paraphrased within the following policies but, more often than not, will be merely referenced to current agreement.

Again...WELCOME to our Company, and we wish you the best of success.

Heather A. Jones  
President/CEO  
City Air Mechanical, Inc.

## MISSION STATEMENT

*City Air Mechanical is committed to providing our customers with exceptional service and craftsmanship by utilizing the latest industry technology and training available. Our reputation consists of a strong dedication to empower customers with information, options and recommendations to ensure the customers receives more than what is expected. Our success is measured solely by our customer's complete satisfaction.*

### Values/Priorities:

1. *Responsiveness to Customer Needs*
2. *Providing Long Term, Best Fit, Quality Solutions to Customers Problems*
3. *Continued Training, Education, Personal & Professional Growth of our Valued Employees*

## DISCLAIMER NOTICE

This handbook has within it details of the many personnel policies of City Air Mechanical, Inc. It is in **NO** way intended to be all-inclusive. It should **NOT** be regarded as a contract for employment, as policies herein are subject to change and are provided only as representative guidelines for employment with City Air Mechanical, Inc. As changes are made to the handbook or to individual policy, the employee will be notified. Any questions regarding the material contained herein, or related points, should be referred to the employee's immediate supervisor for clarification. If the supervisor cannot provide an acceptable answer, he/she will discuss the situation with appropriate levels of management with the intent to obtain an acceptable answer.

In the case of all journeymen and/or apprentice plumbers or sheet metal workers, any dispute or implied difference between the Company policy as stated and the current Inside Construction Agreement with the UA Local Union 300 Plumbers and Pipe Fitters and UA Local Union 10 Sheet Metal Workers shall be resolved in adherence to the current Inside Construction Agreement.

## POLICY ON FAIR EMPLOYMENT PRACTICES

It is the policy of City Air Mechanical, Inc. to offer equal employment opportunity to all persons without regard to race, sex, color, religion, age, political affiliation, physical disability, or national origin. **NO** applicant is to be discriminated against or given preference to because of these factors. This policy is intended to apply to hiring and firing practices and an employee's compensation, terms, conditions, and privileges of employment.

The Company will appoint employees in full compliance with existing laws. Qualification guidelines for all positions shall be applied consistently and fairly to all applicants. "Qualified" is defined as having the requisite education, training and/or skills required of the position as defined in the approved position and/or job duty described related to the applicable functional position of the City Air Mechanical, Inc. organization and/or in accordance with the current Inside Construction Agreement with UA Local Union 300 Plumbers and Pipe Fitters and UA Local Union 10 Sheet Metal Workers.

## **WORKING HOURS AND SCHEDULE**

### **OFFICE WORK HOURS**

8:00 AM to 4:30 PM Monday through Friday.  
Half-hour lunch with two 10-minute coffee breaks.

### **FIELD WORK HOURS**

The standard work hours for performing craftsman-type work for the customers of City Air Mechanical, Inc. are 8:00 AM to 4:30 PM Monday through Friday of each week, inclusive of one-half hour, non-paid lunch break with two 10-minute coffee breaks. Report to office at 8:00 AM unless your Supervisor indicates otherwise.

### **MOONLIGHTING**

Employees shall not accept pay for personally providing services to customers of the Company or for services in any way competing with the Company.

## **TARDINESS**

### **OBJECTIVE**

To avoid disruptions of the regular work schedule and eliminate hardships on coworkers which may be caused due to tardiness.

### **NOTIFICATION**

If an employee is unable to work as scheduled, notification is required as early as possible to his/her supervisor.

### **TELEPHONE**

All employees must provide a telephone number to their supervisor where they may be reached or otherwise contacted if the employee does not report for work as scheduled and has not made notification.

### **PAY REDUCTION**

A non-exempt employee will not be paid for any time missed due to an unexcused tardiness or absence. No one can excuse tardiness other than an officer of the Company.

### **TARDINESS**

Tardy means not reporting to work on time. Reporting to work one or more minutes late is considered tardy. Habitual tardiness may be grounds for termination of employment.

## **PAY DAY**

### **OBJECTIVE**

To establish consistent procedures so that all employees understand the payroll procedure and receive their pay accurately and timely.

### **PAY DAY**

Pay Day will be on Wednesday for the prior weeks pay period.

### **PAY PERIOD**

The pay period begins at Monday AM and ends Sunday PM for each 1 week period.

### **TIME CARDS**

Time cards must be submitted to your supervisor by 8:00 AM Monday. Late time cards will be processed the following pay day. (See also "Daily Time Sheets" in the Individual Policy Statements section).

### **ERRORS**

If an error should occur in your payroll, notify your supervisor immediately. The supervisor will notify the controller of the error, and it will be corrected and adjusted on the next pay period. If the error is substantial and could inflict hardship, an exception may be made for payment prior to the next payday.

## **EMPLOYEE RIGHTS**

### **OBJECTIVE**

The Company realizes that effective communication between the employees and management is essential to maintain a productive working relationship. Should a difference arise between any employee and his or her immediate supervisor or should the employee experience sexual or any other form of harassment, the following steps should be taken in order for management to effectively address concerns.

### **PROCEDURE**

1. The employee should attempt to solve any problem with their supervisor as soon as possible. The supervisor will investigate the grievance and provide a response or decision within a reasonable period of time. This investigation may consist of, but is not limited to, gathering information from other employees involved, reviewing Company Policy, and any other action necessary to become familiar with the situation.
2. If the employee is not satisfied with the response/decision from the supervisor, he/she is encouraged to contact the Company President to arrange a meeting. The President will conduct a joint meeting with all parties involved. The President may find it necessary to meet with all parties individually. The parties will review the grievance and will advise the employee and the supervisor of the decision. The President's decision will be binding.

## **RESPONSIBILITIES COMMON TO ALL EMPLOYEES**

The following responsibilities are applicable to **ALL** employees of City Air Mechanical, Inc., no matter the stature or position occupied within the Company's organization.

1. Assure that all duties and assignments are performed in the highest quality manner possible.
2. Accept special task assignments during temporary periods when directed by their supervisor. These may require performance of duties, which are normally performed by others. Journeymen and apprentices are subject to the guidelines of the current union agreement with UA Local Union 300 Plumbers and Pipe Fitters and UA Local Union 10 Sheet Metal Workers.
3. Exercise reasonable and appropriate care to protect the property and equipment belonging to City Air Mechanical, Inc. against loss, waste, damage or destruction through misuse, negligence or dishonesty.
4. When in contact with any customer or person doing business with City Air Mechanical, Inc., always maintain a courteous, professional, and helpful manner. Everything an employee does or says directly reflects on the Company.
5. Maintain work areas, vehicles, and facilities in a neat, clean, orderly and uncluttered condition.
6. Advise management of any equipment failures, unsafe working conditions, or any other situations or condition that requires immediate attention.
7. Ensure all transactions, times, and quantities are reported accurately and completely, while maintaining full and open communication with supervisors and subordinates relating to directions and instructions given.
8. To comply with the clean air act and other environmental regulations, employees shall not vent, discharge, or in any way release any chlorofluorocarbon (CFC) or hydrochlorofluorocarbon (HCFC) refrigerants or ozone-depleting substances into the environment. We must reclaim refrigerant in approved containers in compliance with EPA regulations. Failure to comply with this policy will result in immediate termination of employment.
9. Employees shall comply with all OSHA guidelines and regulations. Under the Worker's Compensation Act, the employee is automatically insured for accidental injuries suffered during working hours. If the employee is injured on-the-job, it is very important that the employee report the injury in writing immediately and obtains prompt medical attention. When the employee receives the medical treatment for an on-the-job injury, he/she must specify that the claim is related to Worker's Compensation. Report "any" accident in writing, even if medical treatment is not required. This insurance is paid for by the Company and covers all employees of the Company.
10. To protect employees who are regularly exposed to high decibel levels of noise in the work place and other risks, all employees who work in the sheet metal shop shall be provided with hearing protection and should wear them whenever the shop is in operation. Safety eyeglasses will be provided and shall be used at all times in the shop and on construction and maintenance sites.

## STANDARD OF CONDUCT APPLICABLE TO ALL EMPLOYEES

All employees of City Air Mechanical, Inc. are expected to consistently portray a professional, ethical posture to all agencies in which they may come in contact with including the Public, Customers, Fellow Employees, etc. In doing so, they are expected to adhere to all Federal, State, and Municipal laws, rules, regulations and ordinances and are expected to adhere to all Company policies and procedures published and/or included within the current Inside Construction Agreement with UA Local Union 300 Plumbers and Pipe Fitters and UA Local Union 10 Sheet Metal Workers.

**Misconduct** is interpreted to be in violation of the Standards of Conduct and/or the current Inside Construction Agreement and include, but not limited to actions listed in the following. These actions may result in disciplinary action, which could result in dismissal of the employee(s) involved.

1. Falsification of time sheets, personnel records or other records of the Company;
2. Violation of safety rules or accepted safety practices;
3. Refusal of an employee to follow instructions or to perform designated work that may be required of an employee or refusal to adhere to established policy, rules, regulations, or procedure;
4. Neglect of duties, loafing, loitering, or wasting time during working hours;
5. Gambling or participation in other games of chance on the Company's and/or Customer's premises and/or vehicles at any time;
6. Soliciting, collecting money or circulating petitions on the Company's and/or Customer's premises other than within the policies of the Company;
7. Possessing intoxicants or drugs at the work place or the use of intoxicants or drugs during working hours;
8. Abuse or waste of tools, equipment, property, supplies, or goods of the Company or an item on loan and under the control of the Company;
9. Creating or contributing to unhealthy or unsanitary conditions;
10. Failure to cooperate with supervision or coworkers, impairment of function of work unit, or disruptive conduct;
11. Disorderly conduct, horseplay, harassment of Company personnel, including sexual harassment, racial harassment, or use of abusive language on the company's premises;
12. Fighting, agitating a fight, threatening or attempting bodily harm or injury to another employee of the Company;
13. Neglect of duty or failure to meet a reasonable and objective measure of efficiency and productivity;
14. Theft, dishonesty, or unauthorized use of Company owned property or equipment, including Company records and confidential information;
15. Creating a condition hazardous to the individual or fellow employee;
16. Refusal to follow instructions or to perform designated work in the time prescribed that may be required of an employee or refusal to adhere to established policy and/or the current Inside Construction Agreement;
17. Repeated tardiness or absence without proper notification to the employee's supervisor or without satisfactory reason or unavailability to work;
18. Violation of Company policies or rules and/or the current Inside Construction Agreement.
19. Other acts or omissions of misconduct as determined by company management/union representation to be derelict.

## INDIVIDUAL POLICY STATEMENTS

### **ABSENCE, EMPLOYEE**

Absenteeism is very disruptive to the Company's work schedule and imposes undue additional work effort on fellow personnel. It is required that if an employee does need time off, he/she will call or have someone call the Company, preferably the employee's supervisor, giving as much advance notice as practical. Upon return to work, a written note from the individual's doctor MAY be required. Failure to provide such notification can result in termination, if it is a repetitive occurrence. If an "extended" absence is required for medical reasons, the employee must provide the Company with a Doctor's written statement.

### **ABSENCE, (Illness in Family)**

In most cases, if an immediate family member (i.e. spouse, child, mother, father, brother, sister, grandparent, or grandchild) is ill, the employee should be able to make arrangements for proper care without the need for absence from work. However, there may be emergency-type occasions when the employee must be absent from work to make proper arrangements. These situations will be handled in accordance with the Family and Medical Leave Act when applicable. Should this emergency situation occur, the employee is to notify the Company, preferably his/her immediate supervisor as soon as possible by calling in or having someone call in for them. Failure to provide such notification can result in termination for the employee if it is a repetitive occurrence.

### **ABSENCE, (Bereavement Leave)**

In the unfortunate event of death of an immediate family member (i.e. spouse, child, father, mother, brother or sister, grandparent or grandchild) or a significant other and/or significant other's family, unpaid time off will be granted. The time allowed can vary depending upon where the funeral will be conducted, but the time granted must be approved by the employee's immediate supervisor prior to the time off being granted; the time off granted will usually not exceed three days.

### **ACCIDENTS**

All accidents, no matter how minor, incurred by any employee of the Company, whether on Company property or not, must be reported immediately to the employee's supervisor. A report must be prepared by the supervisor and placed in the employee's personnel file. The report must describe the accident in full detail, and any medical treatment provided must be included.

## **ATTENDANCE**

All jobs and work effort occurring within the Company are reliant on the assigned personnel being in attendance on a continual and consistent basis. Absences and/or tardiness unfavorably impact the flow of work and impose additional workloads on those employees who are in attendance. The employee's attendance is recorded and filed in his/her individual personnel file. Repetitive infractions of attendance can result in dismissal of the employee.

## **AUDIO EQUIPMENT**

Audio equipment is allowed within the Company's facilities. However, use of this equipment must not disrupt the productive effort of employees or be annoying to fellow employees or customers.

## **BULLETINS/NOTICES**

Information bulletins and notices will be posted in appropriate places of the facilities for ready review by all personnel with interest. Employees should review the notices posted each day to be sure you are up-to-date on Company-related information.

## **CAREER ADVANCEMENT And PROMOTIONS**

The Company encourages each and all employees to expand and heighten his/her talents to qualify for positions of increased responsibility. The Company will attempt to fill any and all vacant positions from within current employment ranks; however, for the betterment of all concerned, the Company will always seek out the most qualified person available from within or outside the Company without regard to race, sex, age, color, religion, national origin or disability and will comply with all statutory requirements relating to the filling of such vacant positions.

## **CHANGE OF ADDRESS**

To assure the employee receives all required governmental information, such as W-2 forms, correspondence, and notices, the current address, telephone number, and exemption status of each employee must be on file in his/her personnel file. The employee is responsible for informing management of any change to his/her address, telephone number, or exemption status to assure the most current information is on file at all times.

**COMPANY OWNED EQUIPMENT,  
SUPPLIES or MATERIAL**

Equipment, supplies, and/or material owned by the Company are valuable assets of the Company and are provided to the employee for use in the performance of assigned tasks. The employee using the equipment is responsible for maintaining and cleaning the equipment for use by the next employee who has a need for it. Vehicles are to have fluid levels checked every time fuel is added. Small engines are to have fluid levels checked before starting. Vehicles and toolboxes are to get locked and secured each evening or as the situation dictates. The assigned employee is responsible for ensuring that the vehicle assigned is safe and within legal weight limits and logbooks are up to date before operating the vehicle. All equipment and unused supplies and/or material must be returned to its proper storage place and/or container upon completion of use by the employee. Any employee without the specific, prior approval of his/her supervisor and/or President CANNOT take Company-owned equipment, supplies and/or material from Company premises. Company-owned equipment, supplies and/or material CANNOT be used for personal use on or off the premises by any employee without the specific, prior approval of his/her supervisor and/or President. All Company equipment or tools borrowed shall be recorded as to when it was removed and the date returned.

**CONFIDENTIAL INFO.**

Non-authorized use or disclosure of confidential information or trade secrets which include intellectual property, business relationships, and/or similar company assets is strictly prohibited. Confidential documents such as estimates, manuals, policies, books of record, drawings, etc. shall NOT be taken from the Company's premises at any time unless specific approval has been given by an employee's supervisor and/or President. An employee who does NOT adhere to this policy is subject to disciplinary action, possible termination, and/or civil and/or criminal action.

**CONFLICT OF INTEREST**

Any action or situation that could compromise the Company's reputation, competitive position, or in any way jeopardize the Company must be avoided by the individual employee. Conflicts of interest will not be tolerated and the involved employee can be subject to dismissal and/or civil/criminal action if a conflict of interest is proven.

## **DAILY TIME SHEETS**

The time sheets provide the foundation data on which various customers' billings are determined. Time worked by an individual employee must be recorded by the individual employee onto his/her individual daily time sheet. Time worked is to be recorded in accordance with the required segregation of time, by job dictated by the time sheet and the associated cost code identifying the task completed. The employee must have his/her time sheet/card approved by his/her supervisor who will provide such documentation to the office. Individual employees who do not adhere to this required policy will be subject to disciplinary action and possible termination, should the nonconformance be repetitive.

## **DISCIPLINE & DISCHARGE**

City Air has adopted a Discretionary Disciplinary Action Plan that may be used for misconduct or performance issues. Please refer to the Disciplinary Action section of the attached Safety Manual for details.

## **DRESS CODE**

The Company does not have a specific dress code; however, employees are expected to dress appropriately to their work responsibility and are expected to wear clothing that is NOT dangerous to themselves or other associates. Should the employee's supervisor determine that the attire worn by any individual for whom she/he is responsible does NOT conform to this policy, the individual employee can be required to leave the premises on unpaid time to dress more appropriately.

## **DRIVER'S LICENSE & RECORD**

Any and all employees who operate Company vehicles must possess a valid, unexpired driver's license before operating any Company motor vehicle. The employee's personal driving record affects the insurance rate of the Company. The insurance company will periodically perform driver's license checks to determine risk. Those employees who have experienced a "poor" driving record may be prohibited from operating Company motor vehicles.

## **ELECTRONIC COMMUNICATION**

**Employer reserves the right to access any e-mail or other electronic communication or computer system(s) for business related reasons** to include but not be limited to prohibiting or limiting personal use of such systems; prohibit insulting or offensive communications such as sexually explicit or offensive messages, jokes or cartoons, propositions or love letters, ethnic or racial slurs or any other harassing or disparaging messages; and require employees to follow the Company's encryption procedures. Personal "text messaging" or internet "instant messaging" on Company time is prohibited.

## **EMPLOYMENT**

All personnel are employed on a **non-contractual, “at will”** basis which means that the employee may leave at any time or the employment of personnel can be terminated by the Company at any time “at will” and without recourse.

## **EMPLOYEE STATUS**

The Company employs personnel in any one of the following category classifications:

- Full Time (Hourly)** Forty hours plus per week
- Part Time (Hourly)** Less than forty hours per week
- Salaried** A specific amount paid in lieu of actual hours worked
- Temporary** An employee hired for only a specific period of time to perform specific tasks on a temporary basis or project

**FALSIFICATION OF RECORDS** A major part of all employee-hiring decisions is based on the information provided to the Company about the individual, by the individual. Should it be discovered that the employee falsified the information provided, that employee can be subject to dismissal. If an employee falsifies information relative to work that he/she is or has performed (i.e. time sheets, reports, etc.), that individual can be subject to dismissal.

## **FIREARMS/WEAPONS**

NO firearms or weapons of any kind are allowed on or in the Company’s premises and/or vehicles. An employee is subject to immediate dismissal if this policy is violated.

## **GARNISHMENTS AGAINST WAGES**

Garnishments directed by a court of Law will be deducted from an employee’s wages, as will any fees or charges that result from the garnishment. After the occurrence of two such garnishments, the individual employee will be issued a warning because garnishment is an expense for the Company and indicates a lack of responsibility on the part of the individual employee. The third occurrence of garnishment can result in dismissal of the employee.

## **GRIEVANCES**

All grievances are to be expressed in writing by the grieving employee and provided to the employee’s supervisor. The supervisor will either arbitrate a resolution to the grievance in accordance to established Company policy or will forward the grievance to higher levels of management for resolution. Grievances by union members shall conform to the dictates described within the current Inside Construction agreement. All grievances will be reviewed by the President to assure appropriate resolution.

## **GRIEVANCES**

### **BY-PASS PROCEDURE**

In the event an employee can not or prefers not to follow standard procedure of reporting grievances through “chain of command,” the employee may go through higher levels of management for resolution. This is especially warranted for grievances concerning discrimination, harassment, or retaliation.

### **GRIEVANCE RETALIATION**

Any retaliation by fellow employees against those who report policy violations or grievances is strictly prohibited and will be subject to disciplinary action.

### **HOLIDAY PARTIES**

Holiday parties or other social events may from time to time be scheduled for the benefit of the employees. NO alcoholic beverages of any kind will be provided by the Company at such parties because of the liabilities that do accrue to the Company for doing so.

### **HOLIDAYS**

The Company will observe seven (7) holidays each year: **Memorial Day, Independence Day (July 4<sup>th</sup>), Labor Day, Veteran’s Day, Thanksgiving Day, Christmas Day, and New Year’s Day.** Veteran’s Day will be considered a “floating” holiday and can be taken as an extra day during November. Employees who are members of UA Local Union 300 Plumbers and Pipe Fitters and UA Local Union 10 Sheet Metal Workers are governed by the Inside Construction Agreement relative to holiday pay.

### **HOUSEKEEPING**

Each individual employee is responsible for maintaining his/her work space, vehicle, and job site in a neat, organized, clean, uncluttered and safe condition. ALL employees are responsible for keeping the bathrooms, break areas, and general building areas in a clean, neat condition. **City Air has adopted the 5S Standard for housekeeping. Refer to the Housekeeping section of the attached Safety Manual for details.**

### **IMMIGRATION REFORM**

The Company will fully comply with the Immigration Reform and Control Act of 1986. As such, the Company is committed to employ only U.S. citizens and aliens authorized to work in the United States. A Form I-9 for each employee of the Company will be maintained in the individual employee’s personnel file.

### **INCENTIVE PAY PLANS**

At the discretion of the employer, the Company does offer various incentive plans which are based primarily on individual employee performance, team performance, and the financial success of the company, in total, to non-unionized employees. These plans are described under separate cover, and the employee will be notified of the plans that pertain to them upon request.

## **INTOXICATION and/or ILLEGAL SUBSTANCES**

No alcoholic beverages or illegal substances are allowed on Company premises, either inside or outside the facility, on job sites, or in Company vehicles. Driving or operating any vehicle or equipment under the influence of alcohol or an illegal substance is strictly prohibited, and if an employee is proven to have done so, he/she is subject to immediate dismissal. Any infraction of this policy can result in immediate termination of the employee proven to have been in violation of this policy. An employee who reports to work and is under the influence of either alcohol and/or an illegal substance shall be denied entrance and directed to leave the premises without pay until such time as he/she can return in a sober condition. Repetitive occurrences of this condition can result in termination of employment of the individual.

## **IRA or 401(k)**

This is a safe Harbor Match 401(k).  
Service and Eligibility Requirements are as follows...  
Each Employee must complete 1000 hours within the calendar year and be 18 years of age. Entry date is semi annually (Jan 1<sup>st</sup> and July 1<sup>st</sup>) following completion of eligibility requirements. All service with employer counts for all contribution sources. Collective Bargained (Union) Employees, Nonresident Aliens, and Leased Employees are excluded. Employer profit sharing is discretionary and is vested at the rate of 20% after 2 years, 40% after 3 years, 60% after 4 years, 80% after 5 years, and 100% after 6 years of service. Roth Contributions are permitted.

## **WORK ORDERS**

Work Orders are to be completed DAILY by each craftsman employee. It is imperative that all blanks are filled in, especially dates, times, descriptions of work, billing address, telephone number, job number, and owner's signature for new clients. Overtime is to be noted on the job ticket, as well as rental or specialized equipment. Customer bills and job cost are prepared from these job tickets; therefore, they need to be filled out accurately, completely and daily. Incomplete job tickets or failure to fill out job tickets on a daily basis is considered sufficient reason for suspension or dismissal of the employee.

## **PURCHASE ORDERS**

Purchase orders are required for all purchases made by City Air employees on behalf of the company. They are issued directly from the office staff by telephone, e-mail or mail. Required information for obtaining a purchase order is where the purchase is being made, what project/purpose is the purchase is going, what is being purchased and how much is the total purchase. Once this information is gathered, the office will authorize the purchase.

## **JURY DUTY**

Non-union employees who must serve their civic duty by serving jury duty shall be granted the necessary time off. The employee may retain the stipend provided by the courts for serving such duty to defray personal expenses incurred while serving their civic duty.

## **KEYS**

All Company keys shall be numbered and assigned, if necessary, to specific personnel. It is the responsibility of the assigned employee to assure against loss or misuse of the key(s) assigned.

## **LEAVES OF ABSENCE**

Unpaid leaves of absence may be granted with the prior approval of the employee's supervisor and/or President. Maternity leaves will be granted in compliance with the direction provided, in writing, by the individual employee's doctor.

## **LOANS, TO EMPLOYEE**

No loans of money will be made by the Company to any employee without the approval of the President.

## **LUNCH and BREAKS**

A one-half hour LUNCH break is allowed but NOT paid for during any one single, full work day. Employees who are members of the union are governed by the dictates within the current Inside Construction Agreement for direction.

## **MEETINGS**

Meetings will be conducted from time to time to assure communication throughout the Company. Employees may be required to attend all meetings to which they are invited and will be compensated for such time involved. Notices of scheduled meetings are posted. It is the employee's responsibility to review the posted notices each day to be informed of such meetings.

## **MILITARY LEAVE**

An employee who is drafted or otherwise called to active duty or who leaves for extended active duty in the military service of the United States during a war or national emergency shall be granted a military leave without pay for the duration of such service. A copy of the official military orders must be presented to the employee's immediate supervisor prior to the leave being approved. Notification of the employee's intent to return to his/her job must be made to the Company within sixty (60) days following the end of service in order to secure his/her previous position with the company. Military leave of absence will not be considered a break in Company service; however, the employee will not accrue leave (i.e. vacations, etc.) during this period and will be responsible for the payment of group health insurance benefits during the period on military leave. An employee may take a two-week leave of absence to perform temporary active duty with Reserve or National Guard units. This leave can be considered vacation time. A copy of the military orders directing this duty must be presented to the employee's immediate supervisor to receive approval for such leave.

## **OUTSIDE EMPLOYMENT**

Certain employees need the additional income of secondary employment. The company understands this need and fully recognizes it. Secondary employment (i.e. moonlighting) is NOT encouraged but is allowed if it:

- Does NOT conflict with the individual's responsibilities required by the Company;
- Creates NO conflict of interest;
- Is NOT undertaken with the claim that the individual is an official representative of City Air Mechanical, Inc.;
- Does NOT require the use of City Air Mechanical, Inc. resources;
- And is APPROVED by the President.

Should a conflict occur, the employee will be asked to forego the secondary employment. If that is unacceptable, resignation by the employee from the Company's employ can be requested and required.

## **OVERTIME PAY**

Overtime pay begins for hourly paid and/or Non-Exempt salaried employees after the first forty (40) hours are worked during a single pay period and is paid at 1½ times the individual's normal hourly rate of pay. The employee will be notified as to when overtime work is required. Unauthorized overtime may lead to disciplinary action. Union members are governed by the dictates of the current Inside Construction agreement with UA Local Union 300 Plumbers and Pipe Fitters and UA Local Union 10 Sheet Metal Workers.

## **PARKING (Employee)**

The main parking area is to be kept as free as possible in order to accommodate the customers visiting the Company.

## **PAYROLL ADVANCES**

No advances against an employee's wages or salary will be made by the company, unless approved by the President.

## **PAYROLL WITHHOLDING**

City Air Mechanical will automatically deduct from the gross pay any withholdings required for federal, state, and local taxes as well as mandated deductions and any employee-elected payroll deductions. Employee-elected deductions that are unpaid due to an employee's absence for a week will be added to the following payroll deduction.

## **PERSONAL LEAVE**

No specific number of unpaid personal time is provided. Should the individual require time off for personal reasons, they may use vacation time accrued. All personal leave must be approved by the employee's immediate supervisor and the President prior to the taking of personal leave.

## **PERSONNEL RECORDS**

The Company maintains personnel files on each and every employee and does ensure that such files are maintained in conformance with the provisions of applicable Federal, State, and Local laws, rules, regulations and/or statutes. Procedures are maintained to restrict the dissemination and availability of employee's personnel records on a need-to-know basis internal to the Company and in accordance with State and Federal law for sources external to the Company. The employee has access to his/her own personnel record and may review the record during business hours and in the presence of either the Supervisor and/or President.

**PERFORMANCE EVALUATION** Performance evaluations of each non-union employee will be prepared and discussed with each employee by the employee's immediate supervisor at minimum every six (6) months throughout the year. The evaluation serves to solidify communication between and amongst employees and supervision and assists in helping each employee become more valuable to the Company. The results of these evaluations are also taken into consideration in the incentive plans adopted by the Company.

## **PERSONAL MAIL**

Personal mail WILL NOT be accepted at the Company's facilities.

## **PERSONAL TOOLS**

A journeyman employee, in order to perform the quality workmanship required by the Company, must possess and have available for use the tools as identified within the current Inside Construction Agreement. Apprentices upon reporting for work shall possess the minimum tool requirements as specified within the current Inside Construction Agreement. These tools are the responsibility of the employee. The Company will not be held liable if they are lost, stolen, or damaged.

## **PERSONAL USE OF COMPANY VEHICLES/EQUIPMENT**

Personal use of company vehicles and equipment can only be authorized by the express consent of the President. When authorized, it is the understanding of the employee that the borrowed item shall be returned in the same condition it was received in or shall be repaired or replaced at the employee's expense. Using vehicles, equipment, or tools for personal use without authorization from the President is grounds for dismissal. A release form must be completed prior to the use of any Company vehicle, equipment, or tool borrowed. All borrowed equipment or tools shall have a written report of the time removed and the date returned.

## **PRANKS and/or JOKES**

Pranks, jokes, or any type of action that can place another individual in danger has NO place within a facility and/or job site where equipment and machinery are in operation. Therefore, action of this type can result in disciplinary action of unpaid days off or, if serious, termination of the employee(s) partaking in the action.

## **PROBATIONARY PERIOD**

All new non-union employees of the Company are employed on a probationary basis for three (3) months, i.e. 90 days. Employees may be terminated at any time during the probationary period without recourse if their performance is not satisfactory.

## **RESIGNATION**

Employees who resign from employment by the Company are expected to provide adequate notice to their supervisor to allow for an orderly transition of work activity. A two-(2) week notice is appreciated.

## **SAFETY**

The Company and management is extremely concerned over the safety of its employees and is willing to take whatever actions required to assure a safe working place. However, safety is everyone's concern and individual employees must practice routinely safe work practices. In this regard, attached is the City Air Mechanical Safety Manual for safe work practices and procedures.

## **SEXUAL HARASSMENT**

Sexual or harassment of any kind to a customer or employee by any employee, no matter their gender, is NOT allowed. Any employee who feels that they have been so harmed shall report the incident(s) immediately to his/her immediate supervisor for resolution. If the employee does not feel he/she can receive fair resolution from his/her immediate supervisor, the matter should be directed immediately to the President. Individual employees proven to have applied the sexual harassment shall be subject to immediate dismissal.

## **SIDE WORK**

Side work performed by employees of City Air Mechanical, Inc., without authorization by the President, is strictly prohibited. Any employee who violates this policy is subject to immediate dismissal. If side work is authorized, City Air Mechanical, Inc. assume NO liability for the work performed.

## **SMOKING**

By law, smoking is not allowed in any enclosed areas of public places and places of employment including workplace vehicles. Enclosed area means all space between a floor and ceiling that has thirty-three percent or more of the surface area of its perimeter bounded by opened or closed walls, windows, or doorways. Smoking outside public places and places of employment is not allowed within twenty feet of entrances, exits, operable windows, air intakes, and ventilation systems. Violators of this state law will

be forced by the ND States Attorney and Law enforcement to pay a fine of no more than \$50 per offense. City Air will follow our standard disciplinary process for violators to be in compliance with this state law to avoid suspension or revocation of City Air Mechanical's permits and licenses.

## **SOLICITATION**

No solicitation by outside parties is allowed within the Company's facility or on its premises. Solicitation by employees on behalf of such organizations as the Girl or Boy Scouts, etc. is allowed as long as it does NOT interfere with other employee work efforts.

## **SUGGESTIONS**

ALL suggestions are welcome for the improvement of the Company or work effort. Such suggestions will be in writing and will be submitted to the President for consideration through the individual employee's supervisor.

## **TELEPHONE/INTERNET USAGE**

There are no public telephones within the Company's facility. All telephones, including cellular phones, and computer/internet access within the facility are for BUSINESS purposes ONLY. Employees are prohibited to use the Company telephones or computers for personal use on Company time. Employees are allowed time for personal calls/texts/emails on personal cell phones during scheduled breaks.

## **TERMINATION**

All employee termination shall be for "just cause" following a communication pattern of warnings and documentation. (See also Appendix 7).

## **THEFT and/or PILFERAGE**

Any employee found guilty of theft or pilferage of Company property or property of others that was in the company's facility/vehicle or on the company's premises shall be subject to immediate termination.

## **TRAVEL**

Travel and/or subsistence payment for employees who are members of the union shall conform to the dictates of the current Inside Construction Agreement. Non-union employees will be reimbursed for appropriate and approved travel expenses, which are supported by documented receipts.

## **UNEMPLOYMENT COMPENSATION**

The Company contributes to the Federal and North Dakota Unemployment Compensation authorities specified amounts on behalf of each employee. In addition, the Company contributes to the union specific amounts for employees who are members of the union in conformance with the current Inside Construction Agreement. Should the employee be laid off because of business conditions, the employee should file for the benefits provided with the proper State of North Dakota and/or union authority. The

Company will dispute and challenge employee claims, for unemployment benefits if the employee was discharge, terminated, and/or dismissed for “just cause,” such as theft, pilferage, sexual harassment, etc.

**PAID TIME OFF (PTO)  
(Inclusive of Vacations,  
Holidays, & Sick Leave)**

Non-union full time employees are entitled to PTO as determined by length of service. The employee is required to notify his/her immediate supervisor of the requested time for vacation, one month prior to the time requested. Length of Service is calculated from the individual employee’s employment anniversary date. PTO is accrued on the basis of an eight (8) hour work day is:

<b>Length of Service</b>	<b>Vacation (Work) Days Accrued</b>
Less than One (1) year	0
One (1) to less than Three (3)	7 Days PTO
Three (3) to less than Five (5)	12 Days PTO
Over Five Years	Negotiable

PTO is to be taken in whole eight (8) hour days, unless previously approved by the employer. The Company contributes to the union certain sums relative to vacations for employees who are members of the union. The Inside Construction Agreement with the UA Local Union 300 Plumbers and Pipe Fitters and UA Local Union 10 Sheet Metal Workers shall dictate the requirements for members of the unions.

**WITNESS LEAVE**

A non-union employee subpoenaed as a witness in a legal proceeding, except in one involving the employee versus City Air Mechanical, Inc. or any subsidiary entity of the Company, may be eligible for witness leave with pay based on a case by case evaluation. Prior notification of such need must be communicated to and approval received from the President.

**WORK AREA (Cleanliness)**

To perform quality work and to produce a quality product for our quality customer, all work areas, including job sites and vehicles, must be kept in the most orderly and clean condition possible by the employee. At the end of all work shifts, the individual employee is responsible for cleaning and organizing his/her own work area. **Again, City Air has adopted the 5S Standard for work areas. Refer to the Housekeeping section of the attached Safety Manual for details.**