

PETE KING CONSTRUCTION COMPANY

EMPLOYEE HANDBOOK

Revised 7/2017



**11010 North 19th Avenue, Phoenix, AZ 85029
P. O. Box 82970, Phoenix, AZ 85071-2970**

Human Resources: 602-944-4441
Contact Human Resources with Questions Regarding Employee Handbook
Website: <http://www.petekingaz.com>

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

RECEIPT OF EMPLOYEE HANDBOOK ACKNOWLEDGMENT

- I understand a copy of Pete King Construction Company’s Employee Handbook is available on line at www.petekingaz.com. Printed copies are available for review from my foreman or at the Phoenix Office.

- I understand it is a condition of employment with Pete King Construction Company that I read, understand and abide by the policies and procedures established by the company in its written Employee Handbook including:

- Equal Employment Opportunity Policy/Nondiscrimination Policies
- Nondiscrimination Policies
- Group Health Insurance and Other Union Benefits for Painters and Tapers
- Group Health Insurance Benefits for Trades Not Covered by Collective Bargaining Agreement
- Group Health Continuation Coverage “COBRA”
- Harassment Free Environment/Policy Against Sexual Harassment
- Holidays
- Industrial Injury Information/Injury Management & Claims Reporting Procedures
- Fair Wages and Healthy Families Act – Earned Paid Sick Time Policy
- Leave of Absence Policy
- Payroll Check Replacement Policy
- Screw Gun Policy
- Statement of Employee Safety
- Substance Abuse Policy/Drug and Alcohol Testing Policy
- Time Keeping and Overtime Policy
- Travel Time Policy
- Employee Conduct in an Educational Setting Job Site Policy
- Code of Business Ethics and Conduct

- I understand if I have questions regarding the company’s written Employee Handbook I should discuss them with my foreman or contact the Human Resource Department.

- I understand if I feel I am not receiving proper or sufficient training I should contact Jeffry King, President of Pete King Construction Company, at 602-944-4441.

- I understand if I have an unsafe condition or practice to report or if I have a safety suggestion I would like to recommend, I should complete an Employee Safety Information Report and submit it directly to the office. I know this form may be completed and submitted anonymously if desired.

- I understand it is illegal for an employer to take any action against an employee in reprisal for exercising rights as shown in the Employee Handbook.

- **I UNDERSTAND THE CONTENTS OF THIS EMPLOYEE HANDBOOK DO NOT CONSTITUTE THE TERMS OF A CONTRACT OF EMPLOYMENT.**
Except where a collective bargaining agreement or other written contract otherwise provides, employment with Pete King Construction Company is on an “at-will” basis. Our employment relationship may be terminated at any time by either the employee or the company for any reason not prohibited by law.

Employee’s Name Printed: _____ **SSN:** _____

Employee’s Signature: _____ **Date:** _____

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

THE CONTENTS OF THIS EMPLOYEE HANDBOOK DO NOT
CONSTITUTE THE TERMS OF A CONTRACT OF
EMPLOYMENT

Except where a collective bargaining agreement or other written contract otherwise provides, employment with Pete King Construction Company is on an “at-will” basis. Our employment relationship may be terminated at any time by either the employee or the company for any reason not prohibited by law.

**POLICIES AND PROCEDURES OUTLINED IN OUR
EMPLOYEE HANDBOOK ARE SUBJECT TO CHANGE
WITHOUT PRIOR NOTIFICATION**

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

TABLE OF CONTENTS

	Page
EQUAL EMPLOYMENT OPPORTUNITY POLICY	5
NONDISCRIMINATION POLICIES	
Race, Color, Religion, Sex, National Origin Nondiscrimination Policy	6
Disability Nondiscrimination Policy	6
Age Nondiscrimination Policy	7
Sex (Wages) Nondiscrimination Policy	7
Disabled, Recently Separated, Other Protected and Armed Forces Medal Veterans Nondiscrimination Policy	7
Genetic Information Nondiscrimination Policy (GINA)	8
Retaliation	8
GROUP HEALTH INSURANCE AND OTHER UNION BENEFITS FOR PAINTERS AND TAPERS	9
GROUP HEALTH INSURANCE BENEFITS FOR TRADES NOT COVERED BY COLLECTIVE BARGAINING AGREEMENT	10
GROUP HEALTH CONTINUATION COVERAGE (COBRA)	11
Qualifying Events	11
Notices and Election	13
Type of Coverage and Premium Payments	14
Maximum Coverage Periods	16
Newborn Children of or Children Placed for Adoption with Covered Employee After the Qualifying Event	17
Termination of Coverage Before the End of Maximum Coverage Period	17
Other Information	19
Plan Administrator	19
HARASSMENT FREE ENVIRONMENT	20
POLICY AGAINST SEXUAL HARASSMENT	20
HOLIDAY POLICY	21
INDUSTRIAL INJURY INFORMATION	22

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

	Page
INJURY MANAGEMENT & CLAIMS REPORTING PROCEDURES	22
FAIR WAGES AND HEALTHY FAMILIES ACT	
Earned Paid Sick Time Policy	25
LEAVE OF ABSENCE POLICY/FAMILY & MEDICAL LEAVE ACT (FMLA)	27
Serious Health Conditions	27
Leave	28
Notification	28
Certification	29
Benefits	29
Pay Status	29
Return from Leave	30
PAYROLL CHECK REPLACEMENT POLICY	31
SCREW GUN POLICY	32
STATEMENT OF EMPLOYEE SAFETY	33
SUBSTANCE ABUSE POLICY/DRUG AND ALCOHOL TESTING POLICY	34
TIME KEEPING AND OVERTIME POLICY	37
Electronic Time Records	37
Overtime Policy	38
TRAVEL TIME POLICY	39
EMPLOYEE CONDUCT IN AN EDUCATIONAL SETTING JOB SITE POLICY	40
CODE OF BUSINESS ETHICS AND CONDUCT	41

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

EQUAL EMPLOYMENT OPPORTUNITY POLICY

March 22, 2010

It is the policy of Pete King Construction Company (also referred to herein as “the Company”) to assure that the Company employs applicants and treats employees without regard to their race, religion, sex, color, national origin, or status as a disabled person, or as a disabled, recently separated, other protected and Armed Forces service medal veteran. This policy applies to the following actions and conditions among others: employment, compensation, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, job training, selection for job training, selection for apprenticeship or pre-apprenticeship and/or on-the-job training.

- The Company will ensure that all Company facilities and activities are non-segregated.
- The Company will seek to ensure that job classifications, seniority practices, referral practices, and other such practices, whether administered by the Company or a labor organization, do not have a discriminatory effect.
- The Company will ensure that any job qualifications that discriminatorily screen out members of a target group are job-related and consistent with business necessity.

The Company will act affirmatively in its workforce recruitment and advancement of qualified females, members of minority groups, individuals with disabilities as well as disabled, recently separated, other protected and Armed Forces service medal veterans.

If you see or feel there has been a violation of this policy contact me at (602) 944-4441.

Pete King Construction Company
An Equal Employment Opportunity Employer

Jeffrey King

Jeffrey King
President

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

**RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN
NONDISCRIMINATION POLICY**

In accordance with Title VII of the Civil Rights Act of 1964, as amended, Pete King Construction Company's Race, Color, Religion, Sex, National Origin Nondiscrimination Policy protects applicants and employees from discrimination in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral and other aspects of employment on the basis of race, color, religion, sex (including pregnancy) or national origin. Religious discrimination includes failing to reasonably accommodate an employee's religious practices where the accommodation does not impose undue hardship.

In accordance with Executive Order 11246, as amended, Pete King Construction Company's policy prohibits job discrimination on the basis of race, color, religion, sex or national origin and requires affirmation action to ensure equality of opportunity in all aspects of employment.

Pete King Construction Company does not discriminate based on race, color, religion, sex or national origin and acts affirmatively to ensure equality of opportunity in all aspects of employment.

In accordance with Phoenix City Ordinance No. G-5780, Pete King Construction Company prohibits discrimination in employment against all protected classes, including sexual orientation, gender identity or expression and disability.

DISABILITY NONDISCRIMINATION POLICY

In accordance with Title I and Title V of the Americans with Disabilities Act of 1990, as amended, Pete King Construction Company's Disability Nondiscrimination Policy protects qualified individuals from discrimination on the basis of disability in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral and other aspects of employment. Disability discrimination includes not making reasonable accommodation to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, barring undue hardship or safety issues for the applicant/employee as well as safety of other persons with whom they would be working. Pete King Construction Company does not discriminate based on disability.

In accordance with Section 503 of the Rehabilitation Act of 1973, as amended, Pete King Construction Company's policy protects qualified individuals from discrimination on the basis of disability in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral and other aspects of employment. Disability discrimination includes not making reasonable accommodation to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, barring undue hardship or safety issues for the applicant/employee as well as safety of

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

other persons which whom they would be working. As a Federal contractor, Pete King Construction Company takes affirmative action to employ and advance in employment qualified individuals with disabilities at all levels of employment.

Pete King Construction Company does not discriminate based on disabilities and acts affirmatively to employ and advance in employment qualified individuals with disabilities.

AGE NONDISCRIMINATION POLICY

In accordance with The Age Discrimination in Employment Act of 1967, as amended, Pete King Construction Company's Age Nondiscrimination Policy protects applicants and employees 40 years of age or older from discrimination based on age in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral and other aspects of employment. Pete King Construction Company does not discriminate based on age.

SEX (WAGES) NONDISCRIMINATION POLICY

In addition to sex discrimination prohibited by Title VII of the Civil Rights Act as amended, in accordance with the Equal Pay Act of 1963 as amended, Pete King Construction Company's Sex (Wage) Nondiscrimination Policy prohibits sex discrimination in the payment of wages to women and men performing substantially equal work in jobs that require equal skill, effort and responsibility under similar working conditions in the same establishment. Pete King Construction Company does not discriminate based on sex (wages).

DISABLED, RECENTLY SEPARATED, OTHER PROTECTED AND ARMED FORCES SERVICE MEDAL VETERANS NONDISCRIMINATION POLICY

In accordance with The Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212, Pete King Construction Company's Veteran Nondiscrimination Policy prohibits job discrimination and requires affirmative action to employ and advance in employment disabled veterans, recently separated veterans (within three years of discharge or release from active duty), other protected veterans (veterans who served during a war or in a campaign or expedition for which a campaign badge has been authorized), and Armed Forces service medal veterans (veterans who while on active duty participated in a U.S. military operation for which an Armed Forces service medal was awarded). Pete King Construction Company does not discriminate and acts affirmatively to employ veterans covered by this policy.

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

**GENETIC INFORMATION NONDISCRIMINATION POLICY
(GINA)**

In accordance with Title II of the Genetic Information Nondiscrimination Act of 2008, Pete King Construction Company's GINA Policy protects applicants and employees from discrimination based on genetic information in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral and other aspects of employment. GINA also restricts employers' acquisition of genetic information and strictly limits disclosure of genetic information. Genetic information includes information about genetic tests of applicants, employees or their family members; the manifestation of diseases or disorders in family members (family medical history); and requests for or receipt of genetic services by applicants, employees or their family members. Pete King Construction Company does not discriminate based on genetic information.

RETALIATION

Federal laws prohibit retaliation against a person who files a charge of discrimination, participates in an OFCCP proceeding or otherwise opposes discrimination or any other unlawful employment practice.

It is the policy of Pete King Construction Company to prohibit any and all retaliation against an employee for reporting any unlawful employment practice. Personal harassment, unwanted changes in working conditions and any other forms of retaliatory discrimination are expressly prohibited. This policy does not purport to restrain the company or its employees from exercising their legal rights in responding to and defending against a charge of unlawful employment practice.

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

**GROUP HEALTH INSURANCE AND OTHER
UNION BENEFITS FOR
PAINTERS AND TAPERS**

Pete King Construction Company pays benefits on all Painters and Tapers to Local Union 86 for each hour worked. The benefit package includes Pension and Health Insurance. **You are not required to join Local 86 to receive these benefits.**

After meeting the union eligibility requirements, your health insurance should be effective for you and your eligible dependents. You must also meet the Painters and Tapers Local Union 86 hours worked requirements to maintain your health insurance coverage. You should receive by mail the current insurance plan information from Southwest Service Administrators Inc. They track eligibility, maintain insurance plan information and process claims. Please notify Southwest Service Administrators, Inc. when you have an address change.

It is to your advantage to obtain the insurance information and understand the health insurance plan provided through the Painters and Tapers Local Union 86. Using their Provider Directory may keep your costs at a minimum. If after having coverage you become ineligible for the health insurance benefits, contact Southwest Service Administrators Inc. for COBRA continuation coverage.

If you do not receive insurance information or you have questions regarding your eligibility or benefits, please contact Southwest Service Administrators Inc.

**Southwest Service Administrators Inc.
2400 West Dunlap Suite 250
Phoenix, AZ 85021**

602-249-3582

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

**GROUP HEALTH INSURANCE BENEFITS
FOR TRADES NOT COVERED BY COLLECTIVE BARGAINING
AGREEMENT**

(Excludes Painters and Tapers)

Pete King Construction Company offers a group health insurance plan to carpenters, laborers and other employees not covered under a collective bargaining agreement. The group health plan is normally contracted on an annual basis. The benefits plan and insurance company may change upon each contract renewal.

You must meet the group health insurance eligibility requirements for enrollment. Full-time employees are eligible for benefits on the first day of the month following your 60-day waiting period based on your hire or rehire date. The employment date used is your hire date or the last rehire date which may incorporate breaks or interruptions of your employment.

You will receive a Benefit Guide outlining benefit options, enrollment instructions and premium costs on your hire or rehire date or approximately 30 days prior to your effective insurance date. Please read the Benefit Guide and enrollment instructions carefully. Contact Human Resources if you have any questions about options available to you so you are able to make an informed decision. Familiarizing yourself and eligible, covered dependents with the insurance plan option selected will help minimize unnecessary claim problems and costs to you. Complete your benefit enrollment by phone through our agent or utilize our online enrollment option before the deadline date.

Upon receiving your enrollment information, the insurance company will send insurance identification cards to you in approximately two to three weeks.

If you have any questions regarding your insurance eligibility, benefits or claims, please contact our Human Resources Department.

Holly Brakke or Reyna Rodriguez
Human Resources Department
Pete King Construction Company
Post Office Box 82970
Phoenix, AZ 85071-2970
602-944-4441

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

**GROUP HEALTH CONTINUATION COVERAGE
“COBRA”**

The following is a summary of rights and obligations regarding continuation of group health plan coverage, also known as “COBRA”. Congress often changes the COBRA laws. This summary is subject to change without notice as interpretations or changes of the law occur.

Federal law requires most employers sponsoring group health plans to offer employees and their eligible dependents covered under a group health plan the opportunity to elect a temporary extension of health coverage (called “continuation coverage” or “COBRA coverage”) at group rates in certain instances (“qualifying events”) where coverage under the group health plan would otherwise end. Pete King Construction Company (the “Employer”) maintains a group health insurance plan which is subject to this Notice. For simplicity, it is referred to in this Notice as the “Plan”. The life insurance and accidental death and dismemberment (AD&D) portion of the Plan is not covered under COBRA but may be converted to an individual policy. You do not have to show that you are insurable to elect continuation coverage, however, you will have to pay all of the premium for your continuation coverage. At the end of the maximum coverage period, you will be allowed to enroll in an individual conversion health plan if it is otherwise available under the Plan.

This summary is intended only to summarize, as best possible, your rights and obligations under the law. The Plan offers no greater COBRA rights than what the COBRA statute requires, and this Notice should be construed accordingly. The COBRA statute is not clear on some points and is interpreted by Federal agencies and the courts. Congress often changes the law. Therefore, this summary is subject to change without notice as interpretations or changes of the law occur.

Both you (the employee) and your spouse should read this summary carefully and keep it with your records.

QUALIFYING EVENTS

A COBRA “qualifying event” is one of the specified triggering events which would result in the loss of coverage of a “qualified beneficiary”. A “qualified beneficiary” is any employee, former employee, spouse or dependent child who lost coverage due to the qualifying event and was covered under the plan on the day before the qualifying event. The definition includes a child born to or placed for adoption with a covered employee during the period of COBRA coverage.

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

If you are an employee of the Employer covered by the Plan, you have a right to elect continuation coverage if you lose coverage under the Plan because of any one of the following two “qualifying events”:

1. Termination of your employment (including voluntary resignation, involuntary termination, retirement, or layoff) except for termination due to your gross misconduct; or
2. Reduction in the hours of your employment (includes leave of absence).

If you are the spouse of an employee covered by the Plan, you have the right to elect continuation coverage if you lose coverage under the Plan because of any one of the following four “qualifying events”:

1. The death of your spouse;
2. A termination of your spouse’s employment (including voluntary resignation, involuntary termination retirement, or layoff except for termination due to gross misconduct) or reduction in your spouse’s hours of employment (includes leave of absence) with the Employer;
3. Divorce from your spouse; or
4. Your spouse becomes entitled to Medicare benefits.

In the case of a dependent child of an employee covered by the Plan, he or she has the right to elect continuation coverage if group health coverage under the Plan is lost because of any one of the following five “qualifying events”:

1. The death of the employee parent;
2. The termination of the employee parent’s employment (including voluntary resignation, involuntary termination, retirement, or layoff except for termination due to employee gross misconduct) or reduction in the employee parent’s hours of employment (including leave of absence) with the Employer;
3. Parents’ divorce;
4. The employee parent becomes entitled to Medicare benefits; or
5. The dependent ceases to be a “dependent child” under the Plan.

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

NOTICES AND ELECTION

The Plan provides that your covered dependent's coverage terminates (i.e., is lost) on the date of the qualifying event for a divorce (coverage is lost for the spouse only), or for a child losing eligible dependent status under the Plan.

Under the COBRA statute, the employee or a family member has the responsibility to notify the Plan Administrator of a divorce or a child losing dependent status under the Plan. The employee or family member must give this notice in writing no later than 60 days after the date the covered dependent would lose coverage under the Plan because of a divorce or a child losing dependent status.

If you or a family member fail to notify the Plan Administrator in writing during the 60-day notice period, any family member who loses coverage will NOT be offered the option to elect continuation coverage.

Further, if you or a family member fail to notify the Plan Administrator within the 60-day period, and consequently, your covered dependent's coverage continues (contrary to the Plan terms) beyond the date of the divorce or a child losing dependent status and the Plan Administrator later finds out about the event, then your covered dependent's coverage will be terminated as provided in the Plan (as of the date of the qualifying event of a divorce or a child losing dependent status) and you must reimburse the Plan for any claims paid after the coverage termination date. The same termination and reimbursement requirement will apply if you or a family member give written notice of the event within the 60-day notice period, but then do not timely elect and pay for COBRA coverage. If the Plan Administrator is timely notified that a divorce or child losing dependent status has occurred, the covered dependent(s) are notified of the right to elect continuation coverage.

If you or your covered dependents do not elect continuation coverage within this 60-day election period, you will lose your right to elect continuation coverage.

To be considered timely, an election must be postmarked by the U.S. Postal Service and received by the Employer, sent by an express delivery service with proof of date sent and received by the Employer; or delivered in person to the Employer during normal business hours at the office within 60 days of the date benefits terminate or the date of the Election notice (whichever is later).

A covered employee or the spouse of the covered employee may elect continuation coverage for all covered family members. The covered employee, spouse and dependent children, however, each have an independent right to elect continuation coverage. Thus, a spouse or dependent children may elect continuation coverage even if the covered employee does not elect COBRA.

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

The Plan coverage for you and your covered dependents is canceled after a qualifying event and remains canceled until the COBRA coverage is properly elected with timely payments. The coverage becomes retroactive following a proper election and timely premium payments.

If you do not elect continuation coverage (COBRA), your Plan coverage will end the last day of your employment (not actively working) or the day your hours were reduced. For all other qualifying events, the group health insurance coverage will end on the date of the qualifying event if COBRA is not elected.

Notice of a disability determination under the Social Security Act must be provided by the disabled individual to the Plan Administrator within the 18-month COBRA coverage period and within 60 days after the date of the determination. (More disability information is shown under the heading “Maximum Coverage Periods”.)

TYPE OF COVERAGE AND PREMIUM PAYMENTS

If you elect COBRA coverage, the continuation coverage is identical to the coverage provided under the Plan to similarly situated employees or covered dependents. Continuation coverage consists of the coverage under the group health plan that you and other “qualified beneficiaries” had immediately before your “qualifying event”. A “qualified beneficiary” is any employee, former employee, spouse or dependent child who lost coverage due to the qualifying event and was covered under the plan on the day before the qualifying event date. The definition includes a child born to or placed for adoption with a covered employee during the period of COBRA coverage.

The life insurance & AD&D portion is not subject to COBRA and is not included in the continuation coverage but may be converted to an individual policy by completing a conversion application form with the life insurance company. The conversion form may be requested from the life insurance company or the Plan Administrator.

If the coverage for similarly situated employees or covered dependents is modified, COBRA coverage will be modified the same way. Each qualified beneficiary will have the same options under COBRA coverage as active employees or covered dependents under the Plan.

When an employee or covered dependent(s) under the Plan has a qualifying event, COBRA coverage must be timely elected and paid for to be retroactively reinstated to the first day of the COBRA period.

The continuation coverage must be continuous from the date you would have otherwise lost coverage. The cost of the COBRA coverage will be the premium cost plus 2% administration fee and is subject to change upon the group health insurance contract renewal rates. Each individual has the right to elect COBRA. If one covered individual elects COBRA, the monthly cost will be the individual premium cost plus 2% fee. If two or more qualified beneficiaries elect COBRA continuation coverage with respect to the same qualifying event, the monthly cost will be the total of the individual and dependent

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

premiums plus 2% fee. If you had family coverage but elect to cover only one covered individual under COBRA, the monthly cost will be the individual premium plus 2% fee. Notification of the premium costs will be received with the forms you must complete to elect COBRA after a qualifying event. Please contact the Plan Administrator if you have any questions about your options or costs.

You or your covered dependents must pay the premium payments for the “initial premium months” by the 45th day after electing continuation coverage. The initial premium months are the months that end on or before the 45th day after the date of the COBRA election. The initial payment must include payment for the premiums for all prior months of continuation coverage, not including the month in which you are making the initial payment. You must pay the entire premium for the COBRA coverage to the penny. Please be sure all checks are signed, properly dated and written for the correct total amount. If you pay less than the full amount or an incorrect total amount of the premium, your check is not signed or you pay by check without sufficient funds in the bank (your check “bounces”), you have not paid your full premiums and your COBRA coverage will be canceled unless you make full payment within the payment period. If the full initial premium payment is not made within the 45-day period, COBRA coverage for the affected qualified beneficiaries will be canceled retroactively to the first day of the unpaid COBRA coverage period.

After the “initial premium payment”, all other premiums are due on the 1st of each month for that month’s COBRA coverage. The grace period for late payment expires on the 30th day after the 1st of the month. Monthly statements are sent approximately 10 days before the premium due date. Billing statements are not required and it is your responsibility for paying the full premium on time if you do not get a bill. If you don’t make the full premium payment within the 30-day grace period, your COBRA coverage will be canceled retroactively to the 1st of the month of unpaid coverage. If you lose COBRA coverage, you cannot reinstate it.

To be considered timely, payments must be postmarked by the U.S. Postal Service on or before the applicable grace period expiration date and received by the Employer; sent by an express delivery service with proof of date sent on or before the applicable grace period expiration date and received by the Employer; or delivered in person to the Employer during normal business hours at the office on or before the grace period expiration date. The grace period expires 30 days after the due date (first of the month).

If you wait until the end of the grace period to pay, you risk not having sufficient time to correct errors which may or may not be within your control (i.e., unsigned checks, incorrect payment amounts, premiums sent to the wrong address, or late/missed pickups by the U.S. Postal Service).

A disabled qualified beneficiary may continue COBRA for up to 29 months (see the required conditions). The Employer has the right to charge a disabled qualified beneficiary COBRA premium coverage for months 19 through 29 at 150% of the applicable premium.

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

No claims under continuation coverage are paid unless the premium for the month of the coverage is paid. If, for whatever reason, you received any medical benefits under the Plan during a month for which the premium was not timely paid, you will be required to reimburse the health plan for the benefits you received or pay the providers for their services at their regular rates.

MAXIMUM COVERAGE PERIODS

1. **36 MONTHS:** If the spouse or dependent children lose group health coverage because of the employee's death, divorce, or the employee's becoming entitled to Medicare, or because the dependent child(ren) lose status as a dependent under the Plan, the maximum continuation coverage period (for covered spouse and covered dependent child(ren)) is three (3) years from the date of the qualifying event.

2. **18 MONTHS:** If the employee, spouse or dependent children lose group health coverage because of the employee's termination of employment (other than for gross misconduct) or reduction in hours, the maximum continuation coverage period (for covered employee, covered spouse and covered dependent children) is 18 months from the last day of the month in which the qualifying event occurred. There are three exceptions:
 - a) If an employee or covered dependent is disabled at any time during the first 60 days of continuation coverage, the continuation coverage period for all qualified beneficiaries under the qualifying event is 29 months from the last day of the month of the original qualifying event. The Social Security Administration must formally determine under Title II (Old Age, Survivors and Disability Insurance) or Title XVI (Supplemental Security Income) of the Social Security Act that the disability exists and when it began. For the 29-month continuation coverage period to apply, notice of the determination of disability under the Social Security Act must be provided by the disabled individual to the Plan Administrator within the 18-month coverage period and within 60 days after the date of the determination.

 - b) If a second qualifying event occurs (for example, the employee dies or becomes divorced) within the 18-month or 29-month coverage period, the maximum continuation coverage becomes three (3) years from the last day of the month of the original qualifying event. You are required to notify the Plan Administrator in writing of a second qualifying event within 60 days of the qualifying event.

 - c) If the qualifying event occurs within 18 months after the employee becomes entitled to Medicare, the maximum coverage period (for the covered spouse and covered dependent children) ends three (3) years from the last day of the month in which the employee became entitled to Medicare.

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

NEWBORN CHILDREN OF, OR CHILDREN PLACED FOR ADOPTION WITH, THE COVERED EMPLOYEE AFTER THE QUALIFYING EVENT

If, during the period of continuation coverage, a child is born to the covered employee or is placed for adoption with the covered employee, the child is considered a qualified beneficiary. The covered employee or other guardian has the right to elect continuation coverage for the child, provided the child satisfies the otherwise applicable Plan eligibility requirements. The covered employee or a family member must notify the Plan Administrator within 30 days of the birth or placement to enroll the child on COBRA. (The 30-day period is the Plan's normal enrollment window for newborn or adopted children.)

If the covered employee or family member fails to notify the Plan Administrator timely, the covered employee will NOT be offered the option to elect COBRA coverage for the newborn or adopted child.

TERMINATION OF COVERAGE BEFORE THE END OF MAXIMUM COVERAGE PERIOD

COBRA coverage of the employee, spouse or dependent children will automatically terminate (even before the end of the maximum continuation coverage period) when any one of the following five events occurs:

1. The Employer no longer provides group health coverage to any employees;
2. The premium for your COBRA coverage is not paid timely;
3. If the employee, spouse or dependent children become covered under another group health plan (as an employee or otherwise) that has no exclusion or limitation with respect to any preexisting condition that you have. If the other plan has applicable exclusions or limitations, your COBRA coverage will terminate after the exclusion or limitation no longer applies (e.g., after a 12-month preexisting condition waiting period expires). The rule applies only to the qualified beneficiary who becomes covered by another group health plan. Note that under a Federal law (the Health Insurance Portability and Accountability Act of 1996) that requires portability of health care coverage effective for plan years beginning after June 30, 1997, an exclusion or limitation of the other group health plan might not apply at all to the qualified beneficiary, depending on the length of his or her creditable health plan coverage prior to enrolling in the other group health plan;
4. You (employee, spouse or dependent children) become entitled to Medicare benefits (applies only to the person who becomes entitled to Medicare);

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

5. If the employee, spouse or dependent children became entitled to a 29-month maximum coverage period due to disability of a qualified beneficiary, but then there is a final determination under Title II or XVI of the Social Security Act that the qualified beneficiary is no longer disabled (however, continuation coverage ends with the first month beginning more than 30 days after the determination).

You must be actively working on your effective date of the group health plan to have Plan coverage and COBRA rights. If your effective date is not a normal working day, you must be actively working the first working day following the effective date.

If you are injured on the job and are unable to return to work, your Plan coverage will end the last day of the month in which you were injured and were no longer actively working. The COBRA coverage period will be the first day of the next month. You and your covered dependents coverage under the Plan will be canceled as of the last day of the month of your qualifying event and remains canceled until the COBRA coverage is elected and paid for. The coverage becomes retroactive if you elect COBRA and pay premiums timely.

You may be eligible for a leave of absence under the Family and Medical Leave Act of 1993 (FMLA). Refer to the Leave of Absence Policy (in Employee Handbook and Summary Plan Description) for the eligibility requirements. You are required to submit a written request to the Plan Administrator for a leave of absence and provide necessary forms and documentation. If the employee qualifies, a maximum leave of 12 weeks per calendar year may be granted when medically necessary due to the employee's or family member's serious medical condition. On approved leave, your benefits will continue per the Leave of Absence Policy and you are responsible for the normal employee contributions for the group health plan coverage. If you do not return from an approved leave, the end of your leave will be considered a "qualifying event" for COBRA with a maximum continuation coverage period of 18 months unless another or second qualifying event would extend the maximum continuation coverage period.

If you return to work for the Employer within the 18-month period after a qualifying event, elected COBRA timely and if all COBRA premiums were paid timely, you and any covered dependents under COBRA may be changed to "employee status". Employee status coverage will begin the first of the month after your rehire date following COBRA. All COBRA premiums must be paid up to the employee status period providing no lapse in coverage. You will not be subject to the eligibility waiting period of the Plan. "Employee status" refers to the contributions and benefits an eligible employee receives on the Plan. New enrollment forms are required for the status change. Please contact the Plan Administrator for the forms to change to employee status.

If the employee does not elect COBRA coverage after a qualifying event and returns to work at a later date, you will be required to meet the eligibility requirements of the Plan based on the new rehire date. The new effective date of coverage will be the first day of the month following 60 days of consecutive employment after the rehire calendar month.

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

OTHER INFORMATION

If you or any family member have any questions about this notice or COBRA, please contact the Plan Administrator. Please contact the Plan Administrator if you wish to receive the most recent copy of the Plan's Summary Plan Description, which contains important information about Plan benefits, eligibility, exclusions and limitations.

If your marital status changes, or a dependent ceases to be a dependent eligible for coverage under the Plan terms, notify the Plan Administrator in writing within 60 days of the event. If you, your spouse or your covered dependent's address changes, you must immediately notify the Plan Administrator.

PLAN ADMINISTRATOR

The Employer is the Plan Administrator. All notices and other communications regarding the Plan and regarding COBRA should be directed to the following individual who is acting on behalf of the Plan Administrator:

Holly Brakke
Human Resources Director
Pete King Construction Company
Post Office Box 82970
Phoenix, AZ 85071-2970
602-944-4441

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

HARASSMENT FREE ENVIRONMENT

It is Pete King Construction Company's policy to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites and in all facilities at which employees are assigned to work. This policy includes sexual, racial or ethnic harassment in the form of actions or verbal comments.

POLICY AGAINST SEXUAL HARASSMENT

All employees of Pete King Construction Company are entitled, as a matter of company policy, to work in an environment free of sexual harassment. Prohibited sexual harassment includes unwelcome physical conduct of a sexual nature, display of sexually-suggestive graffiti (objects or pictures), and other sexually-oriented behavior that unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive environment.

This policy prohibits such conduct on the part of all individuals at all levels of the company, as well as on the part of visitors and guests. Any employee who feels he or she is affected by a violation of this policy, or who knows of a violation affecting another employee's work environment, should immediately bring the matter to the attention of his/her supervisor **AND** any one of the following individuals:

Jeffry King, President	602-944-4441
Diana Frey, Secretary-Treasurer	602-944-4441
Holly Brakke, Human Resources Director	602-944-4441

A prompt investigation into any such complaint will be conducted and, if a violation of this policy is established, all steps necessary to resolve the matter will be taken.

It is the further policy of Pete King Construction Company to prohibit any and all retaliation against an employee for reporting prohibited sexual harassment. This policy does not purport to restrain the company or its employees from exercising their legal rights in responding to and defending against a charge of sexual harassment. Personal harassment, unwanted changes in working conditions and any other forms of retaliatory discrimination are expressly prohibited.

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

HOLIDAY POLICY

Pete King Construction Company will observe the following holidays:

New Year's Day

All Presidents' Day

Memorial Day

Fourth of July

Labor Day

Thanksgiving Day

Friday Following Thanksgiving Day

Christmas Day

An employee may request time off to observe other religious or national holidays based on preference; however, it is expected that the employee will give his/her immediate supervisors adequate notice (at least three days) and that there is not a business necessity for that employee.

Religious and / or national holiday observances will be unpaid time off.

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

INDUSTRIAL INJURY INFORMATION

Under Arizona Revised Statute, 23-908, Subsection D, all employees are required to immediately report any industrial accident. Failure to report an industrial accident or injury in a timely manner may result in denial of your claim, and even if you have a valid claim, can result in the forfeiture of your benefits. Under Arizona Revised Statute, 23-908, Subsection E, Pete King Construction Company has the right to designate which medical facilities are to be utilized for the treatment of work-related injuries.

Injury Management & Claims Reporting Procedures

Pete King Construction Company implemented a first aid treatment plan for employees injured at work. Our goal is always to treat work place injuries in the most efficient way possible for both the employee and company. Our first aid treatment services will be provided by On-Site Health & Safety. On-Site is the first call employees and foremen should make when there is a work place injury that is not life threatening*. If it is determined medical treatment is needed, employees and foremen need to call Medcor Workplace Health Management's triage line so Medcor can direct and guide a course of action for treatment of work place injuries requiring medical attention.

FIRST POINT OF CONTACT

For all work place injuries that are NOT life threatening* the first point of contact effective May 23, 2013 will be On-Site Health & Safety. On-Site will evaluate the injury and will dispatch a technician to perform first aid treatment when it is appropriate. On-Site will also take care of the drug test required for all work place injuries at the same time they are performing first aid at the job site. This will eliminate unnecessary visits to a clinic. The injured employee and foreman will still need to complete an injury report and submit it to the office. If On-Site performs first aid treatment it should be noted in your injury report.

**On-Site Health & Safety
1-866-998-2750
24 hours a day – 7 days a week**

MEDICAL TREATMENT

If an On-Site technician determines medical treatment is necessary when called for first aid, or when a technician sees an injured employee to administer first aid or medical treatment is indicated at a later date, then the injured employee and foreman will need to contact Medcor's Injury Triage Line. At that time Medcor will direct and guide a course of action for treatment of the injured employee requiring medical attention. If a drug test has not already been done by On-Site, it will need to be done when medical treatment is sought.

**Medcor's Injury Triage Line
1-800-775-5866
24 hours a day – 7 days a week**

PETE KING CONSTRUCTION COMPANY

EMPLOYEE HANDBOOK

***LIFE THREATENING INJURIES**

Always call 911 first for any potentially life-threatening situations including:

Choking, difficulty breathing	Seizure or convulsions
Unconscious or disoriented	Possibility of traumatic neck or back injury
Severe bleeding	Chest pain or discomfort
Off balance, unable to walk	Profuse sweating
Hot, dry skin	Severe abdominal pain
Any other problem you feel may be an emergency	Large burns

When there is a potentially life-threatening situation and 911 is called, the injured employee or foreman will still need to call Medcor's Injury Triage Line after the incident to report the injury.

In the case of a life threatening injury CALL 911; otherwise, the following steps are to be followed when an employee is injured on the job:

1. Injured employee is to immediately contact their foreman if the foreman is on site.
2. Foreman with the injured employee is to immediately call On-Site Health & Safety at 1-866-998-2750. If the injured employee's foreman is not available, the injured employee is to immediately call On-Site direct. An interpreter can be made available if needed.
3. On-Site will triage the injury and if appropriate will dispatch a technician to the job site to administer first aid to the injured employee.
4. If On-Site determines medical attention is needed, the foreman with the injured employee is to immediately call Medcor's Injury Triage Line at 1-800-775-5866. If the injured employee's foreman is not available, the injured employee is to immediately call Medcor's Injury Triage Line direct. Interpreters will be available on the Injury Triage Line to assist if needed.
 - a. A medical professional on the Medcor Injury Triage Line will gather relevant information from the foreman when available and will then speak to the employee after which they will recommend a course of action that will include if needed a referral to a designated medical facility for treatment. The course of action will be shared with foreman.
5. If Medcor directs an employee to a designated medical facility, Medcor will immediately begin the claim management process by providing:
 - a. Injury Alert Form to designated medical facility with relevant information
 - b. First Report information to insurance carrier (Form 101)
 - c. Triage Report to Company
 - d. Foreman Report to Company
 - e. Treatment Guidelines
 - f. First Report to Company (Form 101)
 - i. Currently insurance carrier is filing Form 101 with Industrial Commission.
 - ii. Payroll clerk to verify Form 101 has been filed with Industrial Commission.

PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK

6. Post Injury Resource:
 - a. Employees who received first aid treatment from On-Site can call them back at their toll free number 1-866-998-2750 with any questions or if symptoms change or worsen, 24 hours a day, 7 days a week for follow up advice from technician.
 - b. Employees who contacted Medcor can call them back at their toll free number 1-800-775-5866 with any questions or if symptoms change or worsen 24 hours a day, 7 days a week so they will always have access to a health-care professional.
7. Employees still need to complete our Employee's Report of Injury and submit it to the office.
8. Foremen still need to complete our Foreman's Report of Injury and Investigation.
9. Employees are still required to have a urine test for drugs or alcohol within 24 hours of any injury requiring first aid or medical attention.

Your full cooperation with On-Site and Medcor is required. Employees who do not follow the steps outlined above following an injury will be subject to the Company's progressive disciplinary action up to and including termination for not following company policy in the same manner as when receiving a Safety Violation for not following company safety policies.

Foremen are responsible for ensuring all crew members are aware of both On-Site and Medcor and the policy we have put in place for injury management and claims reporting. If a foreman's crew members do not follow this policy, the foreman will be subject to the same progressive disciplinary action as the injured employee. Contacting On-Site so they can determine whether first aid is an appropriate treatment and contacting Medcor's Injury Triage Line when medical treatment is indicated is not at the discretion of the employee or foreman. It is mandatory.

PETE KING CONSTRUCTION COMPANY

EMPLOYEE HANDBOOK

FAIR WAGES AND HEALTHY FAMILIES ACT

Earned Paid Sick Time Policy

ENTITLEMENT & AMOUNT: Beginning July 1, 2017, Pete King Construction Company employees are entitled to earned paid sick time and accrue one hour of earned paid sick time for every 30 hours worked under the Fair Wages and Healthy Families Act (the “Act”) subject to the following limitation:

- Pete King Construction Company’s Earned Paid Sick Leave Policy is for employees NOT covered under one of the collective bargaining agreements shown below under “**EXCEPTIONS**”.
- Our Earned Paid Sick Leave Policy will be based on a calendar year.
- Employees hired before July 1, 2017 may use earned paid sick time as it is accrued. Employees hired after July 1, 2017 will need to wait until the 90th calendar day after commencing employment before using accrued earned paid sick time.
- An employee’s unused accrued earned paid sick time will roll over into the following calendar year; however, the amount of paid sick time that can be accrued or used during any calendar year is limited to a maximum of 40 hours.
- Employees will not receive reimbursement upon termination, resignation, retirement or other separation from employment for accrued earned paid sick time that has not been used. When there is a separation from employment and employee is rehired within nine months of separation, previously accrued earned paid sick time that had not been used will be reinstated. Employee will be able to use accrued earned paid sick time and accrue additional earned paid sick time at the date of rehire without waiting until the 90th calendar day after being rehired.

EXCEPTIONS: Pete King Construction Company is signatory to two collective bargaining agreements:

- International Union of Painters and Allied Trades, District Council 15, Local Union 86
 - Drywall Tapers Labor Agreement
 - Painting and Decorating Labor Agreement

Employees who are covered by either of these collective bargaining agreements (tapers and painters) are exempt from implementation of the company’s Earned Paid Sick Time Policy until 3/31/2019, the expiration date of both agreements. If the company becomes signatory to new collective bargaining agreements effective 4/1/2019, language in the new agreements will determine at that time whether employees covered by them will continue to be exempt from the company’s Earned Paid Sick Time Policy.

TERMS OF USE: Earned paid sick time may be used for the following purposes: (1) medical care or mental or physical illness, injury, or health condition; or (2) a public health emergency; and (3) absence due to domestic violence, sexual violence, abuse or stalking. Employees may use earned paid sick time for themselves or for family members. *See Arizona Revised Statutes §23-373 for more information.*

Employees must request use of earned paid sick time by contacting our payroll or human resource department before time of use when foreseeable or when unforeseeable at the latest by end of day of

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

requested use. If this policy is not followed, use of paid earned sick time will be denied. Employee needs to make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt company operations.

Our payroll and human resource departments can be contacted in the following ways: 11040 N. 19th Ave., Phoenix, AZ 85029; 602-944-4441 or by e-mail martha@pkcaz.com or reyna@pkcaz.com. When possible employee's request for use of earned paid sick time needs to include the expected duration of the absence.

Earned paid sick time may be used in increments of a day (8 hours), hours or partial hour.

For earned paid sick time of three or more consecutive work days, the company will require reasonable documentation that the earned paid sick time requested is being used for a purpose covered by *Subsection A of Article 8.1 of Title 23, Chapter 2*. Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation.

In cases of domestic violence, sexual violence, abuse or stalking, employee can select one type of documentation from list specified by *Arizona Revised Statutes §23-373* and it will be considered reasonable documentation.

Confidentiality and Nondisclosure: An employee does not need to disclose details relating to domestic violence, sexual violence, abuse or stalking or the details of an employee's or an employee's family member's health information as a condition of providing earned paid sick time. If an employee gives information to the company regarding health information or information pertaining to domestic violence, sexual violence, abuse or stalking about an employee or employee's family member, such information shall be treated as confidential and not disclosed except to the affected employee or with the permission of the affected employee.

RETALIATION & DISCRIMINATION PROHIBITED: Employers are prohibited from discriminating against or subjecting any person to retaliation for: (1) asserting any claim or right under the Act; including requesting or using earned paid sick time; (2) assisting any person in doing so; or (3) informing any person of their rights under the Act.

ENFORCEMENT: Each employee has the right to file a complaint with the Industrial Commission's Labor Department alleging that an employer has violated the Act. Certain time limits apply. A civil action may also be filed as provided in the Act. Violations of the Act may result in penalties.

INFORMATION: For additional information regarding the Act, you may refer to the Industrial Commission's website at www.azica.gov or contact the Industrial Commission's Labor Department: 800 W. Washington, Phoenix, Arizona 85007-2022; (602) 542-4515.

PETE KING CONSTRUCTION COMPANY

EMPLOYEE HANDBOOK

LEAVE OF ABSENCE POLICY

Pete King Construction Company employees employed for one year or more and who have worked at least 1,250 hours in the preceding year may qualify for a maximum of twelve weeks of leave per calendar year (January 1 through December 31) under the Family and Medical Leave Act (FMLA) for one, or more, of the following reasons:

1. The birth of the employee's child and in order to care for the child during the first year of birth;
2. The adoption of a child by the employee, or the placement of a child with the employee for foster care; and in order to care for the child during the first year of placement;
3. To care for a spouse, child or parent who has a serious health condition; or due to the employee's own serious health condition.
4. Because of "any qualifying exigency" arising out of the fact that the spouse, son, daughter, or parent of the employee is on active duty, or has been notified of an impending call to active duty status, in support of a contingency operation.
5. An eligible employee who is the spouse, son, daughter, parent, or next of kin of a covered service member who is recovering from a serious illness or injury sustained in the line of duty on active duty is entitled to up to 26 weeks of leave in a single 12-month period to care for the service member. This military caregiver leave is available during "a single 12-month period" during which an eligible employee is entitled to a combined total of 26 weeks of all types of FMLA leave.

SERIOUS HEALTH CONDITIONS

Under FMLA a serious health condition must result in the inability of the employee to perform one or more of the "essential functions" of the job. A serious health condition is defined as follows:

1. Absences of more than three days coupled with one or more treatments by a health care provider such as office visits, or a single visit to a provider coupled with a regimen of prescribed treatment such as prescription medicine. Routine physical examinations are not considered "treatments", nor are the use of over-the-counter medication, bed rest, or other similar activity which can be initiated without a visit to a health care provider considered a "regimen of continuing treatment" for purposes of FMLA leave. Unless there are complications, colds, flu, upset stomachs, non-migraine headaches, routine dental problems, etc. do not qualify as serious health conditions.
2. Chronic or long term health conditions are also covered even if a resulting absence for treatment or flare-ups is of short duration. Examples of such conditions include asthma, diabetes, epilepsy, cancer, severe arthritis and kidney disease. Conditions that are not treatable such as Alzheimer's disease, severe stroke, etc. also meet the definition of a serious health condition.

PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK

3. Any period of incapacity due to pregnancy and prenatal care are considered serious health conditions. Severe “morning sickness” is included.
4. Substance abuse treatment may qualify for FMLA leave, but an absence due to the use of intoxicating or controlled substances does not.
5. Mental illness resulting from stress may also be a serious health condition if all other regulatory requirements are met.

LEAVE

Leave may be taken for a time period of twelve consecutive weeks or less, or may be taken intermittently or on a reduced work schedule when medically necessary due to the employee’s or family member’s serious medical condition. If intermittent or reduced schedule leave is permitted, the employee may be required to temporarily transfer to an alternative position.

An employee’s entitlement to leave for a birth or placement for adoption or foster care expires at the end of the twelve-month period beginning on the date of birth or placement. For employees who have been employed for less than one year or who worked less than 1,250 hours in the year preceding the beginning date of requested leave, the granting of a leave of absence and the conditions under which a leave of absence may be granted, including the amount of leave, will be determined on a case by case basis at the sole discretion of Pete King Construction Company.

NOTIFICATION

An employee requiring leave must submit a written request to Holly Brakke in our Phoenix office:

Holly Brakke
Human Resources Director
Pete King Construction Company
Post Office Box 82970
Phoenix, Arizona 85071-2970
Phone: 602-944-4441

The written request must state the reason for the leave and the expected beginning and ending date of the leave. When the need for leave is foreseeable, such as an expected birth or adoption or for planned medical treatment, the employee must request leave at least thirty (30) days before the leave period is expected to begin. However, when such advance notice is not possible, a leave request shall be submitted as soon as practical before the beginning of the leave. (In the event of a medical emergency, leave may be requested orally as soon as reasonably possible by either the employee, or a responsible family member if the employee is unable to make the request, provided that the employee submits a written leave of absence request as soon as he or she is able.) A failure to provide adequate notice prior to a requested leave date may result in postponement of the date on which leave may begin.

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

When leave is anticipated for the purposes of medical treatment, the employee should consult with Supervision and make a reasonable effort to schedule the leave, including intermittent or reduced schedule leave, so as not to unduly disrupt normal business operations. When leave is requested due to a serious medical condition of the employee or a family member, Pete King Construction Company reserves the right, for justifiable cause, to require the employee to attempt to reschedule medical treatment relating to the condition, subject to the ability of the health care provider to reschedule the treatment and the approval of the health care provider as to any modifications of the treatment scheduled.

CERTIFICATION

For leave due to a serious medical condition of the employee or a family member, Pete King Construction Company requires the submission of a medical certification signed by the health care provider (as defined by FMLA) treating the employee or affected family member. Pete King Construction Company also reserves the right to require medical recertification from time to time during the leave period, and further reserves the right to obtain a second medical opinion with respect to any medical certification provided on behalf of an employee or family member. The necessary certification forms will be provided upon receipt of the employee's leave of absence request. A failure to complete and submit a medical certification form in a timely manner may result in denial or postponement of the leave or continuation of the leave.

BENEFITS

Pete King Construction Company will make its normal contributions for health insurance premiums for an employee on approved leave at the same rate and in the same manner paid while the employee is present at work. Any portion of insurance premiums that are the employee's responsibility must be paid by the employee during leave period on or before the date such payments would normally be deducted from the employee's pay (i.e., each weekly payday during the leave period). A failure to make required insurance premium payments while on leave may result in the loss of insurance coverage. Pete King Construction Company reserves the right to recover all insurance premium payments made on behalf of an employee during leave in the event the employee fails to return to work following the expiration of his or her leave (except in those cases where the failure to return is due to a continuation, recurrence or onset of a serious health condition or other circumstances beyond the employee's control).

PAY STATUS

Leaves of absence will be without pay.

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

RETURN FROM LEAVE

An employee returning to work upon the expiration date of his or her leave will be reinstated to the previous position held or to an equivalent position with the same pay and benefits. Upon return from a leave due to the employee's serious medical condition, the employee must provide a medical certification that the employee is physically able to resume work prior to being reinstated. If at any time during a leave, an employee determines that he or she will not return to work upon the expiration of the designated leave period, Holly Brakke, Human Resources Director in our Phoenix office, should be advised of that fact in writing as soon as possible.

Reinstatement following a leave may be denied for the following reasons:

1. If the employee's position is eliminated during the leave period;
2. If leave is fraudulently obtained;
3. If the employee fails to return to work after using his or her twelve weeks of leave entitlement during the calendar year; or
4. For any other reason permitted by law.

This policy is intended to summarize your rights and obligations under the law. Congress often changes the law, therefore, this policy is subject to change without notice as interpretations or changes of the law occur.

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

PAYROLL CHECK REPLACEMENT POLICY

The following procedures will be followed when an employee loses a payroll check and requests the Company issue a replacement check:

1. The employee requesting a replacement check must complete and sign a “Stop Payment Request by Employee” form. If the bank advises us the original check has already been cashed, the employee must sign a “Fraud Statement” indicating they did not cash the check.
2. The replacement check will not be issued by the Company for a period of up to three weeks.
3. The employee must pay the Company an administrative fee of \$20.00 **prior** to the replacement check being issued.
4. If after receiving a replacement check, the employee cashes both the replacement check and the original check and is still employed by the Company, the net amount of the replacement check plus an additional \$20.00 will be deducted from the employee’s next payroll check. The employee will be subject to disciplinary action up to and including termination. If the full amount of the replacement check plus an additional \$20.00 is not recovered, the Company will prosecute the employee to the fullest extent of the law to recover funds still due.
5. If after receiving a replacement check, the employee cashes both the replacement check and the original check and is no longer employed by the Company, the Company will prosecute to the fullest extent of the law to recover the amount of the check plus an additional \$20.00 fee.

Employees should take steps to safeguard their payroll checks. Payroll checks should not be left lying around in vehicles or anywhere else.

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

SCREW GUN POLICY

Employees who are required to use screw guns will be provided with a screw gun one time only by Pete King Construction Company. Upon termination, the screw gun must be returned.

At the time an employee is provided with a screw gun, he or she must sign a form acknowledging receipt of the screw gun and accepting responsibility for the return of it at time of termination.

If a screw gun provided by Pete King Construction Company is lost or stolen, it is the employee's responsibility to replace it. Screw guns may be purchased through our purchasing agent. Screw guns ordered through our purchasing agent must be paid for when the screw gun is received or the employee must sign a form authorizing payroll deductions to cover the cost of the screw gun.

Pete King Construction Company will continue to service and maintain screw guns as well as provide cords for them. It is the employee's responsibility to make sure the screw gun he or she is using is turned in for proper maintenance and has a cord in good condition.

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

STATEMENT OF EMPLOYEE SAFETY

It is the policy of Pete King Construction Company that the first consideration in the performance of work will be the safety of employees. All reasonable methods, procedures and equipment necessary to achieve this will be used.

Our goal is to eliminate all occupational accidents and incidents. This objective can be met only with the complete cooperation and dedication of every employee. Accountability for safety must be accepted at all levels from management to each individual employee.

A comprehensive written Safety Program has been developed to help us achieve this goal. Our Safety Program is available on our website at www.petekingaz.com.

=====

**IT IS A CONDITION OF EMPLOYMENT THAT YOU READ, UNDERSTAND
AND ABIDE BY THE POLICIES AND PROCEDURES AS OUTLINED IN OUR
EMPLOYEE HANDBOOK AND IN OUR SAFETY PROGRAM**

=====

If you have questions regarding any part of our Employee Handbook or our Safety Program, please see your foreman or call the office.

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

**SUBSTANCE ABUSE POLICY
DRUG AND ALCOHOL TESTING POLICY**

Pete King Construction Company endeavors to maintain a safe, healthy work environment. Our written Substance Abuse Policy/Drug and Alcohol Testing Policy is an important part of our Safety Program. It prohibits the unlawful use of controlled substances prohibited under Arizona's criminal statutes or alcohol within company property, vehicles and job sites. It also prohibits the unlawful use of controlled substances such as prescription drugs including medical marijuana or alcohol away from work in a manner that impairs the employee's abilities while at work. **All employees need to read, understand and abide by this policy.**

1. Do not bring alcohol or drugs, including medical marijuana, to the work place. The possession or sale of alcohol and/or drugs, including medical marijuana, within the company's offices, vehicles, job sites or supporting areas (yards, parking lots, etc.) will be grounds for immediate termination. Use of illegal drugs, medical marijuana and alcohol at work is strictly prohibited to maintain the highest standards of worker safety. Prescription drugs that do not impair an employee's performance and over-the-counter drugs are not covered by this paragraph.
2. The use of alcohol or drugs at any time such that it could adversely affect the safe performance of your job will be grounds for immediate termination. The company will not tolerate any employees being impaired from drugs, legal or illegal, at work.
 - a. If you are taking a prescription or over-the-counter drug you are personally responsible for confirming with your physician that you may safely perform your normal job duties while taking it.
 - b. If you are taking a drug including medical marijuana that could impair your performance, you must advise your foreman or supervisor. If duties which are not hazardous are available your foreman or supervisor will reassign you; otherwise, you will not be allowed to work. Employees should not report to work impaired.
 - c. The company expects every employee to report to work without alcohol or drugs in their system and to remain that way while at work. Employees are warned that some drugs, especially marijuana, remain in the system for extended periods. Usage of such drugs even away from the work place may lead to violation of this policy in that they may impair an employee's abilities and safe performance of job.
 - d. Substance abuse of any kind while driving a company vehicle will be grounds for immediate termination.
3. Urine, saliva and any other tests deemed appropriate to determine whether there are drugs, including medical marijuana, or alcohol in your system may be required at the discretion of your

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

superintendent. Generally testing will also be required under the following conditions.

- a. Reports have been made to us of the possibility of you using or dealing illegal drugs.
 - b. You receive an injury requiring medical attention. **Employees who require medical attention after a work place related injury are required to submit to an alcohol impairment test and a drug impairment test for the use of any controlled substance within twenty-four hours after we have been notified of the injury.** Employees are reminded that all injuries must be reported to their foreman immediately and our Employee's Report of Injury form completed and submitted to the office as soon as possible.
 - c. You are or have been working with or around another worker who receives an injury which requires medical attention.
 - d. You are or have been working in the vicinity of a non-injury, property accident with an estimated loss greater than \$500.
 - e. You are scheduled to work at a job site where the owner or general contractor requires drug testing prior to allowing employees on the job site.
4. Any employee who refuses to be tested is subject to termination. All testing must occur within two hours after the directive requiring it. **AIM Clinic is to be utilized for alcohol impairment and drug testing unless employee is out of town at time of testing. AIM Clinic is located at 515 North 18th Street, Phoenix, Arizona 85006-4104.**
- a. Upon written request an employee has the right to obtain a copy of the written test results.
 - b. Test results for employees will be maintained in confidential files separate from other personnel documents.
5. Any employee who tests positive for drugs including medical marijuana or alcohol will receive a Pre-Adverse Action Disclosure notice along with a copy of the test results and a copy of Summary of Your Rights Under the Fair Credit Reporting Act. An employee who feels the information shown on the test results is not accurate should notify us immediately and may request a retest of the original specimen.
- a. If the retest is positive or an uncontested original test is positive the employee will receive an Adverse Action Notice and will be immediately terminated and will not be allowed to return to work until a negative test result is obtained and only then at the discretion of management.
 - b. If management determines an employee may return to work after a negative test is obtained at a later date, the employee will be subject to frequent random testing.
 - c. Upon written request employees have the right to explain in a confidential setting a positive test

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

result. An exception will be made for individuals who test positive for off-duty marijuana use but have a valid prescription for medical marijuana consistent with Arizona statutes; however, it should be noted employees will not be allowed to work “impaired” or “under the influence” of marijuana. Use of illegal drugs, medical marijuana and alcohol at work is strictly prohibited to maintain the highest standards of worker safety. Any employee found to be under the influence of these substances or impaired at work will be terminated immediately.

6. The company’s management and its agents have the right to search its offices, vehicles, job sites and supporting areas (yards, parking lots, etc.) for alcohol and drugs including medical marijuana.
7. If you have questions concerning our Substance Abuse Policy/Drug and Alcohol Testing Policy please discuss them with your Superintendent or our Safety Director, Billy Walthers. It is the responsibility of every employee to understand and abide by this policy.
8. Any employee who has a problem with drugs or alcohol is encouraged to come forward. An employee voluntarily admitting they have an alcohol or substance abuse problem will not be terminated or disciplined but will be required to abide by frequent random alcohol and drug testing and must receive negative test results in order to continue working.
9. In order to provide a safe, healthy working environment for all employees, we must keep drugs, alcohol and impaired individuals out of our work environments.

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

TIME KEEPING AND OVERTIME POLICY

ELECTRONIC TIME RECORDS

Pete King Construction Company utilizes devices to record time worked rather than paper time sheets. Time records are sent electronically to the office for processing. You will be trained by your foreman, however, please note the following basic information regarding this process.

It is your responsibility as an employee of Pete King Construction Company to make sure you are clocking in and clocking out each day on the device where you are working.

CLOCK IN

Enter your 6-digit PIN.

Position Device so your face shows in box.

Click green IN button.

** *Question* - Change Location: Yes or No.

** If Location shown is correct, click NO.

Select and Click on Task.

<p>** To change Location, Click YES. Select and Click on correct Location. Select and Click on Task. Click on green ACCEPT button.</p>

Verify Name, Location and Task displayed on Device is correct.

<p><i>If information displayed is not correct, Click on red CANCEL button and start over at "Click green IN button".</i></p>

Click on green ACCEPT button.

CLOCK OUT

Enter your 6-digit PIN.

Position Device so your face shows in box.

Click red OUT button.

Question Were you injured or did you witness any injuries on the job site today? Click on either Yes or No.

Clock In times will display in green.

Clock Out times will display in red.

Use Clipboard icon next to green Clock In time if you want to send a message to office.

Click green ACCEPT button.

CHANGING LOCATIONS DURING THE DAY

If you change Location during the day, do not Clock Out. Simply **Click In** again selecting the new Location and Task.

Click green IN button.

Question Change Location: Yes or No

PETE KING CONSTRUCTION COMPANY

EMPLOYEE HANDBOOK

Click YES.
Select and click on correct Location.
Select and Click on Task.
Click on green ACCEPT button.

MANDATORY LUNCH

All employees who work six hours or more during a day must take a 1/2-hour lunch break per company policy. Do not Clock Out for lunch. This 1/2 hour will be deducted from the total time transmitted to the office when payroll is processed.

Any approved exceptions to this policy must be reported when you Clock Out using the Clipboard icon next to the green Clock In record. For example, report if no lunch was taken or if a longer lunch was taken.

When you Clock Out and are viewing your time records on the Device, the total time shown at the bottom of the screen includes your 1/2-hour lunch.

OVERTIME POLICY

It is the policy of Pete King Construction Company that no employee is to work overtime without the knowledge and prior approval of his/her foreman, superintendent or management. Overtime is defined as all hours worked over 40 hours during a pay period, Wednesday through Tuesday. Any employee violating this policy will be subject to disciplinary action up to and including termination.

While our policy is established to stop unauthorized overtime, it does not mean that the company will not pay employees for all overtime worked. Any employee who works overtime will be paid for all overtime worked during a pay period.

ACCURATE TIME RECORDS ARE REQUIRED BY FEDERAL LAW

Any employee who is asked or required to record hours which do not reflect actual hours worked should immediately call:

Jeffrey King, President 602-944-4441

A prompt investigation into any such complaint will be conducted and persons responsible for violation of this policy will be subject to disciplinary action up to and including termination. Retaliation against any person making a complaint is strictly prohibited. Overtime over 40 hours must be paid. It is the duty of the employee and his/her supervisor to ensure that all daily hours of work are accurately reported by utilizing the Devices provided to Clock In when starting work at the beginning of each day and Clock Out when stopping work at the end of the day.

PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK

TRAVEL TIME POLICY

Effective September 21, 2011

Travel time will be paid to the driver of vehicles used for transportation to and from jobsites designated as out-of-town locations.

Travel time will be paid to drivers only and not to passengers.

If transportation is provided for an employee and the employee chooses to utilize their own transportation for their convenience, travel time will not be paid.

Superintendents will calculate travel time for each out-of-town job.

Superintendents will determine the method of transportation to be utilized for all out-of-town jobs and will designate who will be the driver.

Only approved drivers can be authorized to drive a company vehicle.

In compliance with company policy, all overtime must be approved by superintendents. Drivers must keep their total hours including travel time to 40 hours or fewer each week unless they receive overtime authorization from their superintendent.

Travel time must be identified as such for each time record by selecting Task 1-50.

Travel time for prevailing wage jobs needs to be charged against Job 17-3303.

Travel time for non-prevailing wage jobs needs to be charged to actual job number.

Travel time will be paid at minimum wage.

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

**EMPLOYEE CONDUCT IN AN EDUCATIONAL SETTING JOB SITE
POLICY**

The following guidelines need to be followed by all employees when working in an educational setting.

1. Employees are not to use any of the school's facilities when working on a school or campus job site.
2. Employees are to have no communication and/or body language of any nature with faculty members, students or guests.
3. Employees are to conduct themselves in a professional manner which will be a positive reflection of the company.
4. Construction activities that will cause a disruption to the normal operation of the school must be performed in such a manner as to minimize the impact on school operations.
5. Projects located at an existing school campus are regulated by State Statutes that require no smoking or tobacco products will be allowed on or around the campus by anyone including at the work site.
6. Employees are to abide by all OSHA regulations as well as the policies, procedures and guidelines established by Pete King Construction Company including our written Safety Program and Employee Handbook.
7. Employees are to abide by policies, procedures and guidelines established by the General Contractor on each project.

Any employee who does not follow these guidelines will be subject to disciplinary action up to and including termination of employment.

**PETE KING CONSTRUCTION COMPANY
EMPLOYEE HANDBOOK**

**CODE OF BUSINESS ETHICS AND CONDUCT
GOOD ETHICS IS GOOD BUSINESS**

Pete King Construction Company (PKCC) has established this Code of Business Ethics and Conduct specifying rules and standards of behavior expected from principals, officers, directors and employees. It is supported by policies, guidelines, processes and procedures. Our Code of Business Ethics and Conduct will be made available to all principals, officers, directors and employees. Each person needs to familiarize themselves with the issues which apply to them in their role within the company.

PKCC is committed to maintaining high standards of employment practices while strictly adhering to the highest ethical and legal principles in its business activities. We will constantly strive to improve the quality of our work creating and maintaining a reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. No illegal or unethical conduct on the part of principals, officers, directors, employees or affiliates will be tolerated.

The individual actions of persons at all levels within PKCC are expected to be consistent with this commitment. Everyone is expected to adhere to high standards of personal integrity. Principals, officers, directors and employees are not to permit their personal interests to conflict or appear to conflict with the interests of PKCC, the companies with which PKCC conducts business or affiliates.

Principals, officers, directors and employees of PKCC must be particularly careful to avoid representing PKCC in any transaction with others with whom there is any outside business affiliation or relationship. They need to avoid using their PKCC contacts to advance their private business or personal interests at the expense of PKCC, the companies with which PKCC conducts business or affiliates.

No bribes, kickbacks or other similar remuneration or consideration shall be given to any person or organization in order to attract or influence business activity. Principals, officers, directors and employees of PKCC shall avoid gifts, gratuities, fees, bonuses or excessive entertainment in order to attract or influence business activity. We insist on integrity, honesty and fairness in all aspects of our business and we seek the same from those with whom we do business.

Principals, officers, directors and employees of PKCC that come into contact with or have access to proprietary, confidential or business sensitive information must take appropriate steps to assure that such information is strictly safeguarded including information regarding employees. This information – whether it is about PKCC, companies with which PKCC conducts business, affiliates or employees – needs to be treated with sensitivity and discretion and is only to be disseminated as deemed necessary. All Federal and State laws will be followed regarding privacy of business and employee confidential information.

Principals, officers, directors and employees of PKCC are to refrain from gathering competitor intelligence by illegitimate means and refrain from acting on knowledge which has been gathered in such a manner. They are to avoid exaggerating or making disparaging comparisons of the services and competence of competitors.

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

Principals, officers, directors and employees of PKCC will obey all Equal Employment Opportunity laws and act with respect and responsibility towards others in all of their dealings.

Principals, officers, directors and employees of PKCC are to conduct their personal lives in such a way it will not interfere with their ability to maintain the highest ethical and legal principles in their role within PKCC's business activities. They agree to disclose unethical, dishonest, fraudulent and illegal behavior or the violation of company policies and procedures directly to the appropriate committee members.

If a principal, officer, director or employee of PKCC is concerned about any activity they have witnessed or are aware of, they should report their concern to one of the persons designated as a member of our Code of Business Ethics and Conduct Committee.

Violation of our Code of Business Ethics and Conduct will result in disciplinary action up to and including termination of employment. The degree of discipline relates in part to whether there was a voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation.

CODE OF BUSINESS ETHICS AND CONDUCT COMMITTEE

The following persons have been appointed to serve on Pete King Construction Company's Code of Business Ethics and Conduct Committee. They are charged with the responsibility of monitoring the implementation and effectiveness of our Code of Business Ethics and Conduct and the investigation into any concerns of misconduct reported to them.

Jeffry King
Wes Wagner
Richard Luby

If a principal, officer, director or employee of PKCC has knowledge of a violation of this policy, they should report it to a committee member as soon as possible.

All committee members can be reached through our main phone number: 602-944-4441.

A written notice of your concern can be sent to a committee member using our mailing address: Post Office Box 82970, Phoenix, AZ 85071-2970

During the course of their investigation into your concerns, the Code of Business Ethics and Conduct Committee will do everything possible to protect your anonymity if you request it unless prohibited from doing so by law. There will be no retaliation against anyone raising a concern about violations of this policy with the Code of Business Ethics and Conduct Committee.

PETE KING CONSTRUCTION COMPANY

EMPLOYEE HANDBOOK

Grievance matters or other human resource matters including harassment of any kind should not be reported to the Code of Business Ethics and Conduct Committee. Please use our reporting guidelines shown in your Employee Handbook to report these matters.

Under FAR 52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT, it will be the responsibility of PKCC's Code of Business Ethics and Conduct Committee to follow guidelines established by FAR 52.203-13 to ensure PKCC's Code of Business Ethics and Conduct is properly administered to be in compliance with FAR 52.203-13.

FAR 52.203-13

CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT

Pete King Construction Company has incorporated guidelines established by FAR 52.203-13 into its Code of Business Ethics and Conduct and set up internal controls to ensure the integrity of our Code.

1. We will not include an individual as a principal of PKCC without performing due diligence to ensure the individual has not engaged in conduct that is in conflict with our Code of Business Ethics and Conduct. Due diligence will be performed by existing principals of the company.
2. We will exercise due diligence to prevent and detect criminal conduct by utilizing various committees to monitor activities and investigate concerns, complaints and grievances taking action as needed.
 - a) Code of Business Ethics and Conduct Committee (includes principals and top management)
 - b) Quality Assurance Representatives and Inspectors (includes top field management and office management)
 - c) Grievance Committee (includes principal, officer and top management)
 - d) General Safety Committee (includes principal, top field management, Safety Director)
 - e) Human Resource Department – Hiring Practices (includes officer and human resource specialists)
3. We will promote a culture within our company that encourages ethical conduct and a commitment to compliance with the law.
4. We will timely disclose in writing to the agency Office of the Inspector General (OIG) with a copy to the Contracting Officer, whenever in connection with the award, performance or closeout of a contract or any subcontract there under, we have credible evidence that a principal, employee, agent or subcontractor of PKCC has committed any of the following:
 - a) A violation of Federal criminal law involving fraud, conflict of interest, bribery or gratuity found in Title 18 of the United States Code.
 - b) A violation of the Civil False Claims Act (31 U.S.C. 3729-3733).
5. We will notify the OIG of the ordering agency and the IG of the agency responsible for the basic contract if a violation relates to an order against a Government-wide acquisition contract, a multi-agency contract, a multiple-award schedule contract or any other procurement instrument intended for use by multiple agencies.
6. We will disseminate our Code of Business Ethics and Conduct to all principals, officers, directors and employees.

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

7. We will train all principals, officers, directors and employees regarding their role under our Code of Business Ethics and Conduct including:
 - a) Their responsibility to read, understand and abide by our Code of Business Ethics and Conduct.
 - b) Their responsibility to report any concerns they have regarding activities they have witnessed or are aware of to the Code of Business Ethics and Conduct Committee.
 - c) Discussion groups for various committee members will include their specific responsibilities.
8. Our Code of Business Ethics and Conduct Committee will maintain confidential records regarding any concerns regarding violations of the Code reported to them, results of their investigations of reported concerns and any action taken.
 - a) Committee to report results of investigations and actions taken if necessary to all principals of company to ensure corrective measures are promptly instituted and carried out.
 - b) Committee to evaluate effectiveness of our Code of Business Ethics and Conduct reporting their findings to all principals.
9. Principals of PKCC will stay involved in all aspects of the company assessing the risk of criminal conduct in each of the areas and taking appropriate steps to change our Code of Business Ethics and Conduct as necessary to reduce the risk of any criminal conduct identified.
 - a) Estimating
 - b) Contract reviews
 - c) Hiring process
 - d) Purchasing
 - e) Accounting
 - f) Field
10. Distribute Special Tool Box Meeting Agendas with information regarding various committees establishes, committee member names and how to contact them by phone or mail to report concerns, grievances or complaints encouraging employees to utilize resources available to them when they become aware of a situation or problem.
11. Principals will review actions by committee members to ensure they take reasonable steps to prevent or detect improper conduct including proper investigations and actions taken when concerns, grievances or complaints are filed with them. Disciplinary action will be taken as warranted.
 - a) Review will include whether there was timely disclosure in writing to the agency OIG with a copy to the Contracting Officer, whenever in connection with the award, performance or close out of any Government contract performed by the company or a subcontractor there under, the company has credible evidence that a principal, employee, agent or subcontractor of the company has committed a violation of Federal criminal law involving fraud, conflict of interest, bribery or gratuity violations found in Title 18 U.S.C. or a violation of the civil False Claims Act (31 U.S.C. 3729-3733).
 - b) Review will include if a violation relates to more than one Government contract

TOTAL QUALITY MANAGEMENT QUALITY ASSURANCE PROGRAM

Pete King Construction Company is committed to providing our customers with the best quality and

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

service in our industry through excellence and professionalism. Our work, commitment and loyalty will allow us to achieve our goals and will lead to successful long-term relationships. We will strive constantly to learn and to improve; to develop superior employees who are enthusiastic, efficient and safe; and to cultivate a caring environment where teamwork is not a slogan, but is a spirit.

Our Total Quality Management – Quality Assurance Program contains our policies, procedures and guidelines developed to ensure we provide top quality in all phase of work we perform.

The following persons have been appointed to monitor the implementation and effectiveness of our Quality Assurance Program.

Richard Luby, Quality Assurance Representative
Gordon Bassett, Quality Assurance Representative
Bill Walthers, Quality Assurance Inspector
Walt Crews, Quality Assurance Inspector
Mike Krabbe, Quality Assurance Inspector
Gonzo Avena, Quality Assurance Inspector
Mike Anders, Quality Assurance Inspector
Dennis Grubbs, Quality Assurance Inspector

Quality Assurance Representatives can be reached through our main phone number: 602-944-4441.

Quality Assurance Inspectors can be reached by cell phone. Cell phone numbers can be obtained by calling our main phone number and requesting information from receptionist.

Written comments or complaints can be submitted to Quality Assurance Representatives or Quality Assurance Inspectors using our mailing address: Post Office Box 82970, Phoenix, AZ 85071-2970.

There will be no retaliation against anyone filing a comment or complaint with a Quality Assurance Representative or a Quality Assurance Inspector.

HARASSMENT FREE ENVIRONMENT

It is Pete King Construction Company’s policy to ensure and maintain a working environment free of harassment, intimidation and coercion at all sites and in all facilities at which employees are assigned to work. This policy includes sexual, racial or ethnic harassment in the form of actions or verbal comments. A copy of our “Harassment Free Environment/Policy Against Sexual Harassment” can be found in PKCC’s Employee Handbook.

The following persons have been appointed to serve on Pete King Construction Company’s Grievance Committee. These persons are identified in PKCC’s Employee Handbook. They are charged with the responsibility of investigating complaints when they are received and taking action as indicated by the results of their investigation including additional training as needed and disciplinary action up to and

PETE KING CONSTRUCTION COMPANY EMPLOYEE HANDBOOK

including termination when warranted.

Jeffry King, President
Diana Frey, Secretary-Treasurer
Holly Brakke, Human Resources Director

All committee members can be reached through our main phone number: 602-944-4441.

A written notice of your grievance can be sent to a committee member using our mailing address: Post Office Box 82970, Phoenix, AZ 85071-2970

Committee members will determine if additional training is need for the specific person(s) the complaint was filed against and whether there should be additional training for other persons within the company to ensure the problem being investigated does not reoccur.

There will be no retaliation against anyone filing a complaint with the Grievance Committee.

SAFETY

It is the policy of Pete King Construction Company that the first consideration in the performance of work will be the safety of employees. All reasonable methods, procedures and equipment necessary to achieve this will be used. Our goal is to eliminate all occupational accidents and incidents. This objective can be met only with the complete cooperation and dedication of every employee. Accountability for safety must be accepted at all levels from management through each individual employee.

Our safety policies, procedures and guidelines can be found in Pete King Construction Company's written Safety Program. An "Employee Safety Information Report" and "Safety Suggestion" form can be found in our Safety Program. Copies of this form can be obtained from any foreman, superintendent, Safety Director or our office. This form should be used by employees to report an unsafe working condition or practice or to give a safety suggestion for consideration.

The following persons have been appointed to serve on Pete King Construction Company's General Safety Committee. These persons are identified in PKCC's Safety Program. They are charged with the responsibility of reviewing accident/injury reports and discussing root causes and corrective actions if needed. They are responsible for continually reviewing our Safety Program, updating it as needed and monitoring the implementation and effectiveness of our Safety Program. All "Employee Safety Information Report" and "Safety Suggestion" forms submitted will be reviewed by the General Safety Committee, investigated when necessary and action taken when warranted.

Jeffry King, President
Bill Walthers, Safety Director
Superintendents

PETE KING CONSTRUCTION COMPANY

EMPLOYEE HANDBOOK

All committee members can be reached through our main phone number: 602-944-4441. Billy Walthers can also be reached on his cell phone: 602-689-6697.

A completed "Employee Safety Information Report" and "Safety Suggestion" form can be sent to a committee member using our mailing address: Post Office Box 82970, Phoenix, AZ 85071-2970

There will be no retaliation against anyone filing a complaint with our General Safety Committee.

HIRING PRACTICES

Pete King Construction Company has established policies, procedures and guidelines relating to our hiring practices collectively called our Hiring Procedures.

The following persons are charged with the responsibility of monitoring our Hiring Procedures to ensure they are kept up to date with Federal and State laws. They are also charged with monitoring the implementation of our Hiring Procedures and ensuring all company policies, procedures and guidelines are followed as well as Federal and State laws.

Diana Frey, Secretary-Treasurer
Martha Rubio, Payroll Department
Holly Brakke, Human Resource Department

All employee hiring is done in our office unless employees are hired at out of town job sites in which case foremen are trained by our Human Resource Department before being sent to job site where hiring will be done on site.

At time of hire all employees are required to complete an employment package including Form I-9. The "Employment Package" can be found in our Hiring Procedures.

Pete King Construction Company has entered into a Memorandum of Understanding (MOU) with the Social Security Administration (SSA) and Department of Homeland Security (DHS) regarding our participation in the Employment Eligibility Verification Program (E-Verify). The employment eligibility of all newly hired employees will be confirmed after the Employment Eligibility Verification Form (Form I-9) has been completed. The "MOU" and "E-Verify Instructions" can be found in our Hiring Procedures.

Effective September 8, 2009 the final rule of Federal Acquisition Regulation (FAR) was implemented for FAR clause 52.222-54. For all federal contracts meeting the criteria of FAR 52.222.54 containing the FAR E-Verify clause we must E-Verify all existing employees assigned to the FAR E-Verify project not previously E-Verified as well as new hires. Our "FAR E-Verify Instructions" can be found in our Hiring Procedures.