

# **Employee Handbook**

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## **Policies & Benefits**

**Additions and  
Remodeling**



**Insurance  
Restoration  
Work**

**Disaster Restoration – Beyond the Ordinary**

**[www.capstone247.com](http://www.capstone247.com)**

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Employees need to read this handbook and be familiar with its contents.

## WELCOME!

Welcome to **Capstone Construction Co., Inc. (Capstone)**. We are pleased to have you as a member of our team.

This handbook is a general guideline only. It is merely a general resource to outline benefits, policy, and other working conditions. It is not, however, all-inclusive and is not intended to address every circumstance. These policies are subject to modification from time to time and without notice, as deemed necessary at **Capstone's** sole discretion. This is necessary so that we can be flexible in responding to situations as they may arise. For this reason, this handbook should not be construed to create any kind of "employment contract" and it does not contain promises of specific treatment in specific situations.

Any private insurance or retirement benefits referenced may be more fully explained by a summary plan description. Differences between this handbook and applicable summaries or other benefit manuals are to be resolved by referring to the plan description and manuals.

After consulting this handbook, you may still have questions about a particular policy. If so, please **contact your supervisor or Mark Anderson**.

We wish you success.

Sincerely,

**Pat Cummings**  
President

**Russ Deniston**  
Vice President

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## Capstone's Mission Statement

**Capstone Construction Co., Inc. (Capstone)** is a locally owned full-service insurance restoration company serving the Inland Northwest (Spokane and North Idaho) since 1990. We are a professional restoration company focusing on residential and commercial restoration for damage caused by fire, smoke, water, wind and storm.

**Capstone** goes *“Beyond the Ordinary”* in customer service, quality of workmanship, and in hiring the best in skilled technicians. We strive for excellence which we believe sets us apart from other restoration companies.

**“Disaster Restoration – Beyond the Ordinary”**

### Locations

#### Washington

2917 E. Francis Ave.  
Spokane, WA 99208  
(509) 468-4981

#### Idaho

PO Box 1728  
Post Falls, ID 83877  
(208) 664-8038

**Website**

[www.capstone247.com](http://www.capstone247.com)

## Employment Practices

### ATTENDANCE

Employees are expected to be on time to their assigned job site according to their supervisor's schedule. Tardiness and/or absenteeism may be grounds for termination of employment. Warnings will be noted in employees' file.

### TIME SHEETS

Employees are expected to accurately record their time worked, job worked on, and job code every day. Sheets are to be filled out in such a manner that the same task on the same job during one week shall be reported on one line. *Falsely reporting hours or "padding" hours on timecards constitutes theft and is grounds for termination.* Supervisors will keep track of their crews' hours worked and tasks performed, checking employees' timecards against their records for accuracy. Adjustments will be made accordingly after speaking with the employee. Time sheets are due every other Monday by 8:00 a.m. Failure to turn in time sheets in a timely fashion may result in the paycheck being delayed for two weeks. Paychecks shall be available on or before the Thursday of the week time sheets are turned in.

### APPEARANCE

Employees are expected to keep a neat and well-kept appearance at all times, especially when working inside a customer's home. Hair shall be no greater than shoulder-length for males. No dangling jewelry or earrings shall be worn while working at a job-site. Employees are also expected to wear clothing identifying them as a **Capstone** employee.

### PROBATIONARY PERIOD

Newly-hired employees have a 90-day probationary period, during which time their work performance is evaluated. New employees may be terminated for any reason(s) **Capstone** sees fit during their probationary period. **Capstone** will evaluate statements made by the employee during the interview and hiring process to determine if employees' statements accurately portray their skill level, and to see if they have the tools and equipment necessary to perform their work. Any false statements made in the hiring process may be grounds for immediate termination. At the end of 90-days the new employee will have a job review and evaluation. Again, Capstone will evaluate the employees' performance and skill level to determine if the employee will be retained or terminated. Employees on probation shall not be eligible for paid holidays.

## AT-WILL EMPLOYMENT POLICY NOTICE TO ALL EMPLOYEES

This manual neither implies nor establishes a contract between **Capstone** and the employee. The contents of this Employee Handbook summarize current policies and programs and are intended as guidelines only. **Capstone** retains the right to change, modify, suspend, interpret, or cancel, in whole or in part, any of the published or unpublished policies or practices of **Capstone**, without advance notice, in its sole discretion, without having to give cause or notification to any employee.

As such, the contents of this handbook do not constitute the terms of an employment contract.

Employment with **Capstone** is on an at-will basis. This means that either the employee or the employer has the right to end the employment relationship at any time, with or without advance notice or cause. No representative of this organization has the authority to change this at-will relationship except in a specific written agreement declaring such intent and signed by the employee and the President or Vice President of **Capstone**.

## LAYOFFS

From time to time, a lack of work may dictate that there is not enough work for the full workforce. In such cases, the order of employees to be laid-off shall be determined by management, and will be based on a combination of the following factors: salary and skill level, the type of work available, productivity, and seniority.

## EQUAL EMPLOYMENT OPPORTUNITY

The management of this company believes that every employee has the right to work in surroundings that are free from discrimination. It is our policy, notwithstanding any requirements of affirmative action, to hire, compensate, promote, transfer, discharge, and make all other employment-related decisions without consideration of an employee's race, color, creed, sex, sexual orientation, religion, age, national origin, disability, veteran status, marital status, or any other basis prohibited by local, state or federal law. Capstone will make reasonable accommodations for qualified individuals with disabilities, unless doing so will create an undue hardship on the organization, taking into consideration the nature and cost of the accommodation needed, the employer's financial resources, and the impact of the needed accommodation on the operation and on other employees and our customers. This policy applies to all aspects of the employment relationship from the hiring process through the employment relationship, including promotions, job assignments, compensation, provision of leave, access to benefits, perquisites, discipline, discharge, lay-off, etc.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their supervisor or the President or Vice President of **Capstone**. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination would be subject to disciplinary action, up to and including immediate termination of employment.

**Capstone Construction is an equal opportunity employer, and current state, local, and federal employee rights and responsibilities are prominently posted.**

## UNLAWFUL DISCRIMINATION AND HARASSMENT

Every employee of **Capstone** is required to read and adhere to the below stated company policies on unlawful discrimination and harassment in the workplace.

### NON-DISCRIMINATION

**Capstone** is an equal opportunity employer and service provider. **Capstone** will neither engage in nor tolerate any unlawful discrimination on the basis of race, creed, color, religion, national origin, age, gender, marital status, sexual orientation, military or veteran's status, or the presence of any physical, mental, or sensory handicap. No employee of **Capstone** shall discriminate on any such basis against any other employee, customer, or member of the public. Any discriminatory action should be reported immediately to the offending employee's supervisor or **Capstone's** President or Vice President.

Teasing, joking, or any other offensive conduct about any person's race, creed, color, religion, national origin, age, gender, marital status, sexual orientation, military or veteran's status, or the presence of any physical, mental, or sensory handicap or any other form of harassment will not be tolerated. Violation of any aspect of this policy will result in appropriate corrective action up to and including immediate termination.

### SEXUAL AND OTHER UNLAWFUL HARASSMENT

In accordance with the above stated anti-discrimination policy, **Capstone** is committed to providing a work environment free from unlawful discrimination and harassment based on a person's race, creed, color, religion, national origin, age, gender, marital status, sexual orientation, military or veteran's status, or the presence of a physical or mental handicap.

Unlawful harassment is usually thought of in two categories: one type of harassment involves sexual harassment, the other category focuses on other forms of unlawful workplace harassment.

Sexual harassment is defined as any unwanted physical, verbal or visual sexual advances, requests for sexual favors, and other sexually oriented conduct that is offensive or objectionable to the recipient. Other forms of unlawful harassment include physical or verbal abuse or threats of harm aimed at an individual because of the person's sex, sexual orientation, race, national origin, religion, age, or disability. Such activity may include, but is not limited to: epithets, derogatory or suggestive comments, slurs, gestures, offensive posters, cartoons, pictures, or drawings.

Maintaining a harassment-free environment is the responsibility of all employees.

**Any employee that feels he or she has been sexually or otherwise unlawfully harassed must report the incident to the offending employee's supervisor(s) or to the Company President or Vice President. If the employee is uncomfortable reporting the incident to one of the above-named individuals, he or she may report it to the HR Manager, Mark Anderson, or any senior level manager. Call (509) 468-4981 to reach these staff members.**

All complaints will be taken seriously and investigated promptly. Capstone may **appoint an individual or committee, excluding the alleged offender, to conduct an investigation.**



An employee filing an unlawful harassment complaint will not be retaliated against in any way for coming forward with a complaint. Any employee, who is found, after investigation, to have engaged in unlawful harassment or otherwise violated the law or our company standards, will be subject to appropriate corrective action up to and including immediate termination of employment, even for a first offense.

## AFTER HOURS EMERGENCIES

**Capstone** offers service to its customers 24 hours a day, seven days a week. Therefore our employees are required to be available to respond to emergencies after hours and on weekends. This requirement is discussed with potential employees in the initial employment interview. Employee response to after-hours emergencies is considered when evaluating overall performance of an employee.

## SIDE JOBS

Employees are not allowed to work on any side jobs that create a conflict of interest with **Capstone Construction** and the employee. Employees shall not work for any current or prior customer of **Capstone Construction** without prior approval from management. **Capstone** vehicles and tools shall not be used on any side jobs without approval from management. **Capstone** clothing is not to be worn while doing side jobs due to liability risks.

## LEAD-SAFE CERTIFICATION

Employees are required to attend an in-house lead-safe certification class and pass a test to become lead-safe certified according to EPA requirements before working on any jobsite containing lead paint. Supervisors will post certificates on each required jobsite.

## CAPSTONE VEHICLES

**Usage** - Vehicles are expected to be used only for company business, unless prior approval is obtained from **Pat Cummings or Russ Deniston**. Employees shall return vehicles in a neat and picked up condition, with any material, paper, etc. cleaned out of the vehicle after every use. Should an employee use company vehicles for personal use, the vehicle should be returned with the same amount of fuel as when it was borrowed or such miles shall be subtracted from the employee's mileage sheet.

**Fluid Levels & Safety Inspection** - Employees are expected to check oil and fluid levels **at each fill-up**, as well as do a safety inspection and fill out the checklist for larger vehicles.

**Fleet Mastercard** - Fleet Mastercards are distributed to employees with company vehicles and cards are kept in the Content Truck, Demo Trucks and Box Van for fueling of vehicles.

**Car Washing Cards** - Car washing cards are available for use with company vehicles. Each vehicle is authorized for two washes and vacuums per month. Automatic and/or self service washes are available.

## MILEAGE POLICY

Except for the conditions listed below, it is the employee's responsibility to provide transportation to and from work.

1. **Capstone** will pay mileage to and from work outside of a 20-mile radius of the City of Spokane. This radius is not calculated from an employee's home, but from City limits. The 20 mile radius includes both coming from and going home, i.e., if a job is 19 miles from the city limits, and the job is worked on all day, no mileage would be recorded.
2. In those rare instances that the job is outside of this radius, the amount of applicable miles shall be determined by the "Office", so employees need to ask for the appropriate amount.
3. **Capstone** pays **\$0.30 per mile** (*price may vary depending on fuel prices*) once the first job, or in some cases the office, is reached at the beginning of the day, and the employee has to then travel to another job, pick up materials, etc. At the end of the day, it is the employee's responsibility to provide transportation home from the last job site.
4. The mileage sheets must be filled out accurately and completely, i.e., the date of the mileage must be on the appropriate line, and the miles recorded (not just the odometer reading). Mileage sheets shall be rejected if not appropriately filled out.
5. For those employees with full-time use of company vehicles, a deduction of \$30 every two weeks shall be made from the employee's paycheck. This deduction is designed to reimburse **Capstone** for the cost of miles which are driven for the employee's personal use. Said personal use miles shall be limited to approximately 100 miles every two weeks.

## PURCHASING, RECEIPTS AND SALES TAX

### PURCHASING

Employees are authorized to use **Capstone's** accounts for the purchasing of materials for completion of work and jobs to which they are assigned. Supervisors and some other employees are also authorized to write **Capstone** checks, but all checks shall be logged in the office when they are taken out.

The buying of personal items, tools or equipment on **Capstone's** accounts is **strictly forbidden**, unless approved by the office prior to purchase. Pre-approved purchases shall be deducted from the employee's next mileage check.

### RECEIPTS

Receipts, as well as a copy of any checks, for any purchase are to be promptly turned in to the office. Failure to turn in receipts, especially from stores such as Home Depot (when this is the only original receipt received by **Capstone**), shall result in a warning to the employee, and further incidents shall be grounds for an entry being made to the employee's personnel file.

## SALES TAX

When either checks or open accounts are used for purchases, it is the employee's responsibility to ensure that sales tax is **not** paid or recorded on said purchases, with the exception of equipment rentals and tool purchases.

**Capstone's Washington tax exempt number is: 601 232 970**

**Should an employee fail to have sales tax excluded from a purchase, the amount of tax shall be subtracted from the employee's mileage check if the sales tax cannot be recaptured. It shall be the employee's responsibility to obtain a sales tax refund on their own time.**

## TOOLS AND EQUIPMENT

### HAND TOOLS

Employees are expected to provide hand tools at their own expense, including, but not limited to: hammers, basic drywall tools, tool belts, tape measure, tri-square, etc.

### TOOL ALLOWANCE

Each Structural Crew will receive a monthly tool allowance of \$400 and each Contents Crew will receive \$100 per month. This money will accumulate month to month in order to make larger purchases if needed.

Note that **all** hand tools purchased as replacements or additions for individuals on a particular crew will count against that crew's tool fund. If the tool being purchased is a replacement then it needs to be noted on the receipt to ensure it is not added to your tool inventory. Permission to purchase tools (whether large or small) needs to come from the supervisor. After approval has been given by the supervisor the receipts need to be brought to the office no later than the following Monday. All tool additions need to be properly marked as company property. The tool then becomes the responsibility of the person and crew to which it was purchased. Lost tools are to be reported to the office. Tracking the tool funds and inventory will be handled in the office. Supervisors should not purchase any tools that cost more than what is in their accumulated tool allowance for their crew. Note that blade replacement and tool repair will not affect your tool fund as this is normal wear and tear.

### WATER EQUIPMENT & AIR SCRUBBERS

Fans, dehumidifiers, extractors, ozone machines and air scrubbers are numbered and are to be signed out on the dry erase board by number, date and employee name. All equipment is to be cleaned and returned to their numbered slot on the shelves after use.

**Air Scrubbers** – Air scrubber filters are to be changed after each use. Check with **Jason or Brooke** if you are not sure of this process or if there are not extra filters available. If an employee uses the last filter they should report it to the office.

**Extractors** – Be sure to clean and sanitize water reservoir, hoses and filters before storing. Failing to keep the extractor clean can cause pump damage. Leave covers off so they can air out, and plugs open. Keep wands and hoses with their perspective unit.

## PAINT SPRAYERS

It is essential that paint sprayers are kept clean and free of debris for proper operation. Sprayers are designated for use with certain products. Please check with your supervisor.

## CARPET & UPHOLSTERY CLEANERS

The carpet and upholstery cleaners are used for carpet and upholstery cleaning and should not be used without proper operating instructions. See **Brianne** for training.

## CAPSTONE SAFETY & HEALTH POLICY

The purpose of this policy is to develop a high standard of safety throughout all operations of **Capstone** and to ensure that no employee is required to work under any conditions which are hazardous or unsanitary.

We believe that the individual employee has the right to gain personal satisfaction from his/her job and the prevention of occupational injury or illness is of such consequence to this belief that it will be given top priority.

It is our intention here at **Capstone** to initiate and maintain complete accident prevention and safety training programs. Each individual at **every level** in the company is responsible for the safety and health of those persons in their charge and coworkers around them. Through accepting mutual responsibility to operate safely, the employees of Capstone contribute to the well-being of each person who works at the company.

All employees are required to read, understand, and observe the items of responsibility established in **Capstone's "Accident Prevention Program"** (Safety Manual), as well as job safety rules which may apply to specific task assignments. Each employee is responsible to keep in their possession a copy of the Company's Accident Prevention Program. Additional copies can be obtained at the office.

## SAFETY DISCIPLINARY POLICY

Employee safety is a top priority at **Capstone** and we believe that a **"Safety and Accident Prevention Program"** is unenforceable without some type of disciplinary policy. Our company believes that in order to maintain a safe and healthful workplace, the employees must be cognizant and aware of all company, State and Federal safety and health regulations as they apply to the specific job duties required. The following discipline policy is in effect and will be applied to all safety and health violations.

These steps will be followed unless the seriousness of the violation would dictate going directly to step 2 or step 3.

1. A first time violation will be discussed orally between company supervision and the employee. This will be done as soon as possible.
2. A second violation will be followed up in written form and a copy of this written documentation will be entered into the employee's personnel folder.

3. A third time violation will result in unpaid time off or possible termination, depending on the seriousness of the violation; or a monetary reduction in the employee's bonus.

Employees are required to read, understand, and observe the items of responsibility established in the Accident Prevention Program.

## SAFETY MEETINGS

Safety meetings are held bi-weekly the Monday on which timecards are turned in, at 7:30 a.m. in the upstairs conference room. **All employees are required to attend these meetings.**

On alternate weeks, **"tailgate"** safety meetings will be held for each crew. Time and location are to be determined by the crew supervisor. Supervisors must turn in their original **"tailgate"** safety meetings signed by each member on their crew to **Capstone's** safety manager, **Mark Anderson**, by the following week. Failure to turn in these safety meetings could result in disciplinary action, including, but not limited to, a reduction in the Supervisor's bonus.

## CAPSTONE'S DRUG-FREE WORKPLACE POLICY

### PURPOSE AND GOAL

**Capstone** is committed to protecting the safety, health and well being of all employees and other individuals in our workplace. We recognize that alcohol abuse and drug use pose a significant threat to our goals. We have established a drug-free workplace program that balances our respect for individuals with the need to maintain an alcohol and drug-free environment.

- This policy recognizes that employee involvement with alcohol and other drugs can be very disruptive, adversely affect the quality of work and performance of employees, pose serious health risks to users and others, and have a negative impact on productivity and morale.
- **Capstone** has no intention of interfering with the private lives of its employees unless involvement with alcohol and other drugs off the job affects job performance, employee and/or public safety.
- As a condition of employment, **Capstone** requires that employees adhere to a strict policy regarding the use and possession of drugs and alcohol.
- **Capstone** encourages employees to voluntarily seek help with drug and alcohol problems.

### COVERED WORKERS

Any individual, who conducts business for Capstone, is applying for a position or is conducting business on Capstone's property or a job site is covered by our drug-free workplace policy. Our policy includes, but is not limited to CEO, managers, supervisors, full-time employees, part-time employees, off-site employees, contractors and applicants.

### APPLICABILITY

Our drug-free workplace policy is intended to apply whenever anyone is representing or conducting business for **Capstone**. Therefore, this policy applies during all working hours,

whenever conducting business or representing **Capstone** and while on **Capstone's** property or a job site.

#### PROHIBITED BEHAVIOR

It is a violation of our drug-free workplace policy to use, possess, sell, trade, and/or offer for sale illegal drugs or intoxicants.

Prescription and over-the-counter drugs are not prohibited when taken in standard dosage and/or according to a physician's prescription. Any employee taking prescribed or over-the-counter medications will be responsible for consulting the prescribing physician and/or pharmacist to ascertain whether the medication may interfere with safe performance of his/her job. If the use of a medication could compromise the safety of the employee, fellow employees or the public, it is the employee's responsibility to use appropriate personnel procedures (e.g., call in sick, use vacation time, request change of duty, notify supervisor, notify company owners) to avoid unsafe workplace practices.

The illegal or unauthorized use of prescription drugs is prohibited. It is a violation of our drug-free workplace policy to intentionally misuse and/or abuse prescription medications. Appropriate disciplinary action will be taken if job performance deterioration and/or other accidents occur.

#### DRUG TESTING

To ensure the accuracy and fairness of our testing program, all testing will be conducted according to DHHS/SAMHSA guidelines where applicable and will include a screening test; a confirmation test; the opportunity for a split sample; review by a Medical Review Officer, including the opportunity for employees who test positive to provide a legitimate medical explanation, such as a physician's prescription, for the positive result; and a documented chain of custody.

- All drug-testing information will be maintained in separate confidential records.
- Each employee, as a condition of employment, will be required to participate in pre-employment, random, post-accident, reasonable suspicion, return-to-duty and follow-up testing upon selection or request of management.
- The substances that will be tested for are, amphetamines, cannabinoids, cocaine, opiates and phencyclidine (PCP).
- Testing for the presence of the metabolites of drugs will be conducted by the analysis of urine or other test that may apply.

**Any employee who tests positive for illegal drugs *may* be immediately terminated from Capstone.** Or, **at management's discretion**, be immediately removed from duty, temporarily suspended without pay, referred to a substance abuse professional or a company provided counselor for assessment and recommendations, required to successfully complete recommended rehabilitation including continuing care, required to pass a Return-to-Duty test and sign a Return-to-Work Agreement, subject to ongoing, unannounced, follow-up testing for a period of five years and terminated immediately if he/she tests positive a second time or

violates the Return-to-Work Agreement. **Note: all follow-up testing will be at the employee's expense.**

An employee will be subject to the same consequences of a positive test if he/she refuses the screening or the test, adulterates or dilutes the specimen, substitutes the specimen with that from another person or sends an imposter, will not sign the required forms or refuses to cooperate in the testing process in such a way that prevents completion of the test. **An employee will be immediately terminated if he/she adulterates or dilutes the specimen, substitutes the specimen with that from another person or sends an imposter to be tested.**

## CONSEQUENCES

One of the goals of our drug-free workplace program is to encourage employees to voluntarily seek help with alcohol and/or drug problems. If, however, an individual violates the policy, the consequences are serious.

In the case of applicants, if he/she violates the drug-free workplace policy, the offer of employment can be withdrawn. The applicant may reapply after six months and must successfully pass a pre-employment drug test.

If an employee violates the policy, he/she will be subject to progressive disciplinary action and **may be immediately terminated from Capstone; or, at management's discretion**, be required to enter counseling or rehabilitation. An employee required to enter counseling or rehabilitation who fails to successfully complete it and/or violates the policy will be terminated from employment. Nothing in this policy prohibits the employee from being disciplined or discharged for other violations and/or performance problems.

## RETURN-TO-WORK AGREEMENTS

Following a violation of the drug-free workplace policy, an employee **may** be offered an opportunity to participate in rehabilitation. In such cases, the employee must sign and abide by the terms set forth in a Return-to-Work Agreement as a condition of continued employment.

## ASSISTANCE

**Capstone Construction Co., Inc.** recognizes that alcohol and drug abuse and addiction are treatable illnesses. We also realize that early intervention and support improve the success of rehabilitation. To support our employees, our drug-free workplace policy:

- Encourages employees to seek help if they are concerned that they or their family members may have a drug and/or alcohol problem.
- Encourages employees to utilize the services of qualified professionals in the community to assess the seriousness of suspected drug or alcohol problems and identify appropriate sources of help.
- Ensures the availability of a current list of qualified community professionals or a company provided counselor.
- Offers all employees and their family members assistance with alcohol and drug problems through the Employee Assistance Program (EAP).

Treatment for alcoholism and/or other drug use disorders may/or may not be covered by the employee benefit plan. Nevertheless, the ultimate financial responsibility for recommended treatment belongs to the employee.

#### CONFIDENTIALITY

All information received by **Capstone** through the drug-free workplace program is confidential communication. Access to this information is limited to those who have a legitimate need to know in compliance with relevant laws and management policies.

#### SHARED RESPONSIBILITY

A safe and productive drug-free workplace is achieved through cooperation and shared responsibility. Both employees and management have important roles to play.

All employees are required to not report to work or be subject to duty while their ability to perform job duties is impaired due to on or off-duty use of alcohol or other drugs.

In addition, employees are encouraged to:

- Be concerned about working in a safe environment.
- Support fellow workers in seeking help.
- Use the Employee Assistance Program.
- Report dangerous behavior to their supervisor.

It is the supervisor's responsibility to:

- Inform employees of the drug-free workplace policy.
- Observe employee performance.
- Investigate reports of dangerous practices.
- Document negative changes and problems in performance.
- Counsel employees as to expected performance improvement.
- Refer employees to the Employee Assistance Program.
- Clearly state consequences of policy violations.

#### COMMUNICATION

Communicating our drug-free workplace policy to both supervisors and employees is critical to our success. To ensure all employees are aware of their role in supporting our drug-free workplace program:

- All employees will receive a written copy of the policy.
- The policy will be reviewed in orientation sessions with new employees.
- The policy and assistance programs will be reviewed at safety meetings.
- All employees will receive an update of the policy annually with their paychecks.



- Employee education about the dangers of alcohol and drug use and the availability of help will be provided to all employees.
- Every supervisor will receive training to help him/her recognize and manage employees with alcohol and other drug problems.

CAPSTONE WILL CONDUCT DRUG AND/OR ALCOHOL TESTING UNDER ANY OF THE FOLLOWING CIRCUMSTANCES:

- **Random Testing:** Employees may be selected at random for drug and/or alcohol testing at any interval determined by the Company.
- **For-cause testing:** The Company may ask an employee to submit to a drug and/or alcohol test at any time it feels that the employee may be under the influence of drugs or alcohol, including, but not limited to, the following circumstances: evidence of drugs or alcohol on or about the employee's person or in the employee's vicinity, unusual conduct on the employee's part that suggests impairment or influence of drugs or alcohol, negative performance patterns, or excessive and unexplained absenteeism or tardiness.
- **Post-accident testing:** Any employee involved in an on-the-job accident or injury. "Involved in an on-the-job accident or injury" means not only the one who was or could have been injured, but also any employee who potentially contributed to the accident or injury event in any way.

If an employee is tested for drugs outside of the employment context and the results indicate a violation of this policy, or if an employee refuses a request to submit to testing under this policy, the employee may be subject to appropriate disciplinary action, up to and possibly including discharge from employment. In such a case, the employee will be given an opportunity to explain the circumstances prior to any final employment action becoming effective.

**ADDENDUMS TO CAPSTONE'S DRUG-FREE WORKPLACE POLICY**

1. **05/04/07:** An employee or supervisor testing positive for illegal drugs or intoxicants may, at management's discretion, be demoted from their position, which may include an adjustment to their wage and/or salary.
2. **05/04/07:** An employee or supervisor testing positive for illegal drugs or intoxicants may not qualify or be rewarded with a company bonus. Capstone's policy has always been that employees are not entitled to bonuses. A bonus is given, in part, based upon an employee's productivity, adherence to company policies, safety rules, and other job performance variables determined by management.
3. **06/01/07:** Any employee testing positive for illegal drugs or intoxicants will be responsible for all costs of any follow-up drug testing performed during the period of their Return-to-Work Agreement.
4. **09/24/07:** The section under **Drug Testing**, which reads: *An employee will be subject to the same consequences of a positive test if he/she refuses the screening or the test, adulterates or dilutes the specimen, substitutes the specimen with that from another person or sends an imposter, will not sign the required forms or refuses to cooperate in the testing process in such a way that prevents completion of the test;* shall include the following statement: **"The**

consequence for an employee refusing the screening or the test will result in either, 1) immediate termination from employment, or 2) employee has a right to quit.”

5. **11/05/08: Any employee who tests positive for illegal drugs *may* be immediately terminated from Capstone. An employee *will* be immediately terminated if he/she adulterates or dilutes the specimen, substitutes the specimen with that from another person or sends an imposter to be tested.**

## WORKPLACE VIOLENCE

**Capstone** is strongly committed to its employees to provide a safe, healthy, and secure work environment. The presence of weapons and the occurrence of violence in the workplace during working hours or otherwise are inconsistent with these objectives. We will not tolerate violence in the workplace and will make every effort to prevent violent incidents from occurring by enforcing this Workplace Violence Policy. **Capstone** takes a no tolerance position with respect to this policy, and violation of the following prohibitions will result in immediate termination.

1. Employees shall not engage in any verbal threats of violence, any acts of violence or other conduct in the workplace that threatens, or intentionally causes harm to any person or property of another. For purposes of this policy, the “workplace” includes any facilities or property owned by **Capstone** or any of its subsidiaries, and that of any customer of **Capstone**, or anywhere an employee engages in such prohibited conduct where the employee is on duty or otherwise acting as a representative of **Capstone**.

It is every employee’s responsibility to report violations of this policy, whether you are a victim of such conduct, or are merely a witness. All such violations should immediately be reported to the Supervisor or Upper Management. All such reports will be investigated as soon as possible. While **Capstone** will endeavor to keep the source of these reports confidential, circumstances may require **Capstone** to release this information.

## DISPUTE RESOLUTION

In our desire and willingness to listen to our employees, we believe in an open door communication policy. Employees are encouraged to discuss with their immediate supervisors any questions, problems, or concerns. An employee’s supervisor may secure the assistance of other resource persons. We will listen to concerns with respect and do our best to help solve any problems.

If there is any reason an employee feels he or she cannot bring a concern directly to his or her supervisor or the person involved, a meeting with upper management may be scheduled. Please remember - do not keep a problem to yourself. We cannot help solve a problem if we do not know it exists. Please feel free to communicate concerns without fear of reprisal.

There may be instances when a problem or misunderstanding will arise regarding the policies of **Capstone**. When this occurs, the employee is urged to discuss the problem or misunderstanding with management.

## Employee Benefits

In order to better serve and to inform **Capstone** employees about benefits, **Capstone** has prepared this information sheet. If you have any questions and/or problems regarding interpretation of these benefits or policies then please feel free to contact our employee benefits manager, **Mark Anderson**, for assistance. He will be happy to sit down with you to go over them. Final interpretation of these benefits and policies are left up to management.

### ELIGIBILITY

**Capstone** benefits apply only to full-time employees. Unless otherwise stipulated, to qualify as a full-time employee one must work a minimum of 30-hours per week over a 12 month period. Part-time and seasonal employees do not qualify for these benefits. This benefits section may be updated annually, as changes may and do occur periodically. Employees will be timely informed as to any changes in benefits and/or policies.

### MEDICAL/VISION/LIFE

Employees are eligible and may enroll for company paid medical coverage following completion of one year of full-time employment. Eligible employees may also enroll at the beginning of the insuring company's open enrollment period, which may vary depending upon which insurance company we are using. Our current benefit allows for **Capstone** to pay 80% of the employee's premium with the employee paying the other 20% collected through payroll deduction. If an employee participates in the "**wellness program**" (see below) **Capstone** may pay up to 100% of the employee's premium. **Capstone's** wellness program is an additional benefit to reward and encourage employees to pursue and enjoy a healthier life style. See the wellness section of this handbook to learn about the program's components and incentives.

Our current medical insurance carrier is on the List of Contacts attached.

**Mark Anderson is our benefits manager.** If you have questions concerning this or any of our other benefits please direct them to **Mark**, before our Monday morning safety meeting or during the week between 6:30 am and 3:30 pm. If **Mark** doesn't readily have the answer to your question he will pursue it and get back to you.

## WELLNESS INCENTIVE PROGRAM

On June 1, 2010, **Capstone** began a health and wellness program to encourage employees to:

- **get an annual physical including a blood metric profile**
- **live a tobacco free life using a tobacco cessation program (if necessary)**

If a new employee, at the time of enrollment in **Capstone's** health insurance plan, has quit or has not used tobacco (chew or smoking) in the previous 90 days, will then be eligible for full company 100% paid health insurance.

All current employees are able to upgrade to full company 100% paid health coverage after having been and **remaining** tobacco free for a period of 90 days and meeting the annual physical and blood metric profile requirement. Eligibility will be evaluated annually for compliance.

Additionally, **Capstone** has elected to match any money deducted from payroll for medical premium payments and deposit it into a separate wellness incentive program account for future wellness incentive programs (to be announced). You must turn in a signed sheet or note from your doctor's office indicating your compliance for the physical and blood metric profile requirements. Please report annual physicals and tobacco cessation information to **Mark Anderson**.

## RETIREMENT PLAN

All full-time employees who have completed one (1) full year of employment may be eligible to participate. However, they may not be added to the plan until the open enrollment period of the plan, which occurs on a quarterly basis. Eligible employees must be at least 21 years of age to qualify. There may be additional requirements or provisions as required by law or that of the retirement plan provider. Employees participating in the **Capstone 401(k) Plan and Trust** will be eligible to receive a percentage of a discretionary year-end profit sharing contribution by **Capstone**. Participants may make changes to their bi-weekly payroll contribution on a quarterly basis. **Capstone** and its management can NOT make any recommendations to which funds an employee should invest in within the plan.

**David Boley**, of Farmers Financial Services is available to sit down and talk to any employee regarding his/her individual investments in **Capstone's** 401(k) plan. See contact sheet for David's contact information. Also, it is highly recommended that employees visit the Plan's website at: [www.americanfunds.com/retire](http://www.americanfunds.com/retire) and monitor their 401(k) plan at least twice per year. Employees can make changes to their own 401(k) plan investments on this website. On your first login follow the instructions to setup a new user ID and password. Write it down and save.

Please see **Mark Anderson** for more details.

## EMPLOYEE LEAVE AND TIME OFF

### PAID VACATION

Employees are eligible for one week's paid vacation following completion of one year of full-time employment. Paid vacation days are calculated using the following table.

<b>Full years of employment</b>	<b>Weeks of paid vacation</b>
Less than 1 year	0
1	1
2	1 (plus one floating day)
4	2
10	3

Next year's vacation will not be available until after an employee's anniversary date.

### CARRYOVER

Up to and no more than 2 weeks of paid vacation time, NOT taken during the eligibility period, may be carried over into the following year.

### CASH-IN

Anything over two (2) weeks will be cashed-out to the employee on his anniversary date. Employee may also elect to cash-in their vacation, subject to the volume of work.

### LAYOFFS & LAID-OFF EMPLOYEES

From time to time, a lack of work may dictate that there is not enough work for the full workforce. In such cases, the order of employees to be laid-off shall be determined by management, and will be based on a combination of the following factors: salary and skill level, the type of work available, productivity, and seniority. Laid-off employees may use their vacation during a period of layoff.

### SCHEDULING OF VACATIONS

Scheduling of vacations shall be done in conjunction with the office and job supervisor, and this scheduling is the final decision of management.

### SICK OR OTHER DAYS OFF

There is no pay for sick days or other days off, such as jury duty.

### HOLIDAYS

There are currently 3 paid holidays; July 4th, Thanksgiving Day and Christmas Day. To qualify for holiday pay you must:

- Be a full-time employee, averaging at least 30 hours per week over the prior 30 days before the holiday. Part-time and seasonal employees do not qualify for this benefit. **and**
- Work at least 4 hours on the business day before and after the holiday (unless using a vacation day).

## UNPAID VACATION

Unpaid days off are available at the discretion of the job supervisor and the office. Days off for holidays not paid by **Capstone** may be available, but again, are at the discretion of the job supervisor and the office.

## CELLULAR PHONES

Capstone provides cell phones to supervisors and estimators and to certain other employees based upon crew needs. This is left entirely up to employer's discretion.

Other than supervisors and estimators, employees with cellular phones will be charged for costs over \$30.00 per month for usage, plus additional overage charges. Management will determine overage charges based upon reasonable use.

All employees with company cell phones will be responsible for any charges for text messaging, internet usage, ringtone downloads, data plans, etc. These charges will be deducted from the employee's monthly mileage check.

Currently, our cell phone carrier is with **Verizon Wireless**. There are **free** mobile-to-mobile minutes between Verizon users. Also, there is no extra charge for long-distance use (regular minutes apply). Night and weekend minutes are free from 9:00 p.m. and 6:00 a.m. Employees are free to use the cell phones for personal use, but overage charges will be applied should **Capstone's** pooled minutes be exceeded. Employees will be contacted and warned when usage exceeds what is considered to be reasonable usage by management.

**Personal cell phone use is limited to break time and emergencies only.**

Additionally, **Capstone** expects employees to protect their cell phones from damage or theft. If our warranty has expired, replacement phones will be charged to the employee if it is determined that damage was due to anything other than normal usage. Employees are also responsible for their own accessories except for batteries and chargers that have failed under normal usage.

## COSTCO MEMBERSHIP

Employees are eligible for a Costco card following one (1) full year of full-time employment. New cards are available once per year (May) during **Capstone's** renewal period. However, an employee can be added if their anniversary date is within the first six (6) months after the May renewal date. Any employee having an anniversary date after the six month cut-off date (Dec. 31st) will be required to wait until the following May.

## W-4

Employees should always consider revising their W-4 when there are changes in their lives, such as marriage, name changes, etc. This can be done at any time during the year.

## LIFE AND DISABILITY INSURANCE

### LINCOLN FINANCIAL

After completing 6 months of full-time employment, each benefits-eligible employee must enroll in a mandatory Life and Disability Insurance Plan through Lincoln Financial. This plan includes life insurance, short-term disability, and long-term disability. The Plan includes the following core benefits as well as the ability to buy-up benefits for you and/or your family.

#### LIFE INSURANCE

\$20,000 of Personal Life Insurance/AD&D Insurance

#### SHORT TERM DISABILITY

\$100/week for up to 12 weeks. Benefits begin on the 8<sup>th</sup> consecutive day of disability.

#### LONG TERM DISABILITY

\$500/month payable up to age 65 or your Social Security Normal Retirement Age (differs for those over 60). Benefits start after 90 days.

Premiums for this plan are automatically paid through payroll deduction. See **Mark Anderson** for more information about this plan and how to buy-up your life and disability coverage.

### ALLSTATE

Employees are eligible to sign up with Allstate disability insurance after 3 months of full-time employment. Allstate disability is supplemental insurance which can be purchased by qualifying employees and is paid through payroll deduction. Open enrollment is the month of December. See Contacts sheet attached for agent and number. All appointments made to meet with the Allstate agent are to be done on the employees own time.

## VOLUNTARY DENTAL INSURANCE

Employees are eligible to sign up for dental insurance after 3 months of full-time employment. **Guardian Insurance** can be purchased by qualifying employees and is paid through payroll deduction. See **Mark Anderson** for an application and/or premium amounts. Open enrollment is the month of June. The effective date is July 1<sup>st</sup>. See Contact sheet for more information. All appointments made to meet with the Guardian agent are to be done on the employees own time.

## EAP PLAN

An employee assistance plan may be available to you. This valuable service offers:

- Telephone and Web access 24-hours-a-day, 7-days-a-week, 365-days-a-year.
- In person sessions for short-term problem resolution.
- Telephone access to legal counsel.
- A 25% discount for services resulting from an attorney referral.
- Work/life services for assistance with:
  - Parenting and childcare
  - Eldercare
  - Relationships
  - Work and career
  - Financial questions

Talk with a specialist at 1-877-757-7587. Support is anonymous but you will be asked to identify your employer to validate access to these services. You may also visit [www.eapadvantage.com](http://www.eapadvantage.com) (password=connect)

## COBRA

Continuing Coverage under COBRA Provisions

The Consolidation Omnibus Budget Reconciliation Act of 1985 (COBRA) requires that most employer-sponsored health plans\* offer covered employees and their dependents the opportunity to continue health coverage in some instances where it would otherwise normally end.

\*Medical, dental, vision, health reimbursement arrangements and Flexible Spending Accounts (FSA) are health plans. Each must offer the COBRA continuing coverage options.

You and/or your enrolled dependents may elect and self-pay for continued coverage or extended coverage in the following circumstances (these may change, Please contact your employer if you or any of your eligible family members lose coverage):

1. If employment ends (except for gross misconduct), or if your hours are reduced and you lose benefits
2. If the covered employee dies
3. If the employee and spouse become legally separated or divorced
4. If a dependent child no longer qualifies as a dependent under the employer plan
5. If the employee becomes entitled to Medicare.



To become eligible for COBRA continuation of coverage, you or a family member must inform **Mark Anderson** within 60 days of the date of legal separation or divorce, or a child losing eligibility, or the date coverage is lost due to such event- whichever is later. You will then receive a form explaining your rights and the premiums cost to continue coverage. Your employer or Insurance Provider will notify you and/or your dependents in the other circumstances. You must decide whether or not you want to purchase continued coverage within 60 days after the date you are notified of your eligibility for continued coverage, or the date coverage would otherwise terminate (whichever is later).

COBRA continuation of coverage or extended coverage may be available for up to 18, 29, or 36 months depending on the event.

## Contacts

### CAPSTONE CONTACTS FOR EMERGENCIES

MARK ANDERSON,  
HR MANAGER

SHERRY LINDSEY,  
ADMINISTRATOR

PAT CUMMINGS,  
PRESIDENT

Emergency Cell: 509-435-7828

Emergency: 509-468-4981

EMERGENCY: 509:435-7810

### BENEFITS CONTACTS

#### COPPERLEAF CONSULTANTS

Scott Jones, Consultant  
Rhonda Nowak, Customer Service

Office: 509-838-5571

scott@copperleafconsultants.com  
rhonda@copperleafconsultants.com

#### MEDICAL INSURANCE – PREMIERA BLUE CROSS

Customer service

1-800-722-1471

www.premera.com

24-hour nurse line

Call the number on the back of  
your insurance card

#### VISION INSURANCE – VISION SERVICE PROVIDERS (VSP)

Visit [www.vsp.com](http://www.vsp.com) to check your benefits or find a doctor

#### DENTAL INSURANCE – GUARDIAN

Visit [www.guardiananytime.com](http://www.guardiananytime.com) to

- find a dentist
- check a claim
- review your procedure history

#### 401(K) – FARMERS FINANCIAL SERVICES

Dave Boley

509-924-7959

dboleym@farmersagent.com

Visit [www.americanfunds.com/retire](http://www.americanfunds.com/retire) to check your retirement plan fund

#### LIFE AND DISABILITY

##### Lincoln Financial

Short-Term Disability Claim

1-866-783-2255

Life or Long-Term Disability Claim

1-800-423-2765, option 1

##### Allstate

Charles Fletcher

509-324-6311

cfletch@allstate.com

#### EMPLOYEE ASSISTANCE PLAN

EAP Advantage

1-877-757-7587

www.eapadvantage.com  
password=connect

# Employee acknowledgment

## ACKNOWLEDGMENT OF RECEIPT AND UNDERSTANDING OF CAPSTONE’S EMPLOYEE HANDBOOK

My signature below shall acknowledge and certify that I have received, read, and understand the employee handbook, a copy of which has been provided to me.

I understand that the handbook contains important information regarding the company’s general personnel policies and my privileges and obligations as an employee. I have familiarized myself with the material in the handbook and understand that statements contained in the employee handbook are not a contract.

I clearly recognize and understand that the employer, at its sole and absolute discretion, may change the employee handbook at any time with or without prior notice. I have been informed that this handbook supersedes any and all prior handbooks issued.

I understand the items of responsibility established in Capstone’s Accident Prevention Program, as well as job safety rules which may apply to specific task assignments.

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Employee Signature

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Print Name

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Date of Signature