



EMPLOYMENT AGREEMENT GUIDE

Pinnacle Communications Corporation

Welcome employee!

On behalf of your colleagues, I welcome you to Pinnacle and wish you every success here.

We believe that each employee contributes directly to Pinnacle's growth and success, and we hope you will take pride in being a member of our team.

This handbook was developed to describe some of the expectations of our employees and to outline the policies, programs, and benefits available to eligible employees. Employees should familiarize themselves with the contents of the employee handbook as soon as possible, for it will answer many questions about employment with Pinnacle. Please sign and return the Employee Acknowledge Form located on page 6 of the Guide. It may be faxed to me at 301-601-9322.

We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

Sincerely,

David W. Dorough
President

TABLE OF CONTENTS

<u>NO.</u>	<u>POLICY TITLE</u>
	INTRODUCTION
10	Title Page
20	Employee Welcome Message
40	Introductory Statement
51	Employee Acknowledgement Form
	EMPLOYMENT
101	Nature of Employment
102	Employee Relations
103	Equal Employment Opportunity
105	Hiring of Relatives
106	Employee Medical Examinations
107	Immigration Law Compliance
108	Conflicts of Interest
110	Outside Employment
112	Non-Disclosure
114	Disability Accommodation
	EMPLOYMENT STATUS & RECORDS
201	Employment Categories
202	Access to Personnel Files
203	Employment Reference Checks
204	Personnel Data Changes
205	Introductory Period
208	Employment Applications
209	Performance Evaluation
	EMPLOYEE BENEFIT PROGRAMS
301	Employee Benefits
305	Holidays
306	Workers' Compensation Insurance
309	Bereavement Leave
311	Jury Duty
312	Witness Duty
313	Benefits Continuation (COBRA)
314	Educational Assistance
315	Paid Time Off (PTO)
316	Working from home
317	Tools
	TIMEKEEPING/PAYROLL
401	Timekeeping
403	Paydays
405	Employment Termination
409	Administrative Pay Corrections
410	Pay Deductions

TABLE OF CONTENTS (contd.)

<u>NO.</u>	<u>POLICY TITLE</u>
	WORK CONDITIONS & HOURS
501	Safety
502	Work Schedules
504	Use of Telephones
506	Meal Periods
507	Overtime
508	Use of Equipment and Vehicles
510	Emergency Closings
512	Business Travel Expenses
516	Computer and E-mail Usage
518	Workplace Monitoring
	LEAVES OF ABSENCE
601	Medical Leave
602	Family Leave
607	Pregnancy-Related Absences
	EMPLOYEE CONDUCT & DISCIPLINARY ACTION
701	Employee Conduct & Work Rules
702	Drug & Alcohol Use
703	Sexual & Other Unlawful Harassment
704	Attendance & Punctuality
705	Personal Appearance
706	Return of Property
708	Resignation
710	Security Inspections
712	Solicitation
714	Drug Testing
718	Problem Resolution

INTRODUCTORY STATEMENT

This handbook is designed to acquaint you with Pinnacle and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by Pinnacle to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

No employee handbook can anticipate every circumstance or question about policy. As Pinnacle continues to grow, the need may arise and Pinnacle reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time as it deems appropriate, in its sole and absolute discretion. The only exception to any changes is our employment- at-will policy permitting you or Pinnacle to end our relationship for any reason at any time. Employees will, of course, be notified of such changes to the handbook as they occur.

Pinnacle Communications Corporation

EMPLOYEE ACKNOWLEDGEMENT FORM

The employee handbook describes important information about Pinnacle, and I understand that I should consult the Human Resources Manager regarding any questions not answered in the handbook. I have entered into my employment relationship with Pinnacle voluntarily and acknowledge that there is no specified length of employment. Accordingly, either I or Pinnacle can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the handbook may occur, except to Pinnacle's policy of employment- at-will. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the chief executive officer of Pinnacle has the ability to adopt any revisions to the policies in this handbook.

Pinnacle employees shall not, at any time during employment, and for 2 years from the date of termination, directly or indirectly, within a geographic area of 300 miles of home or office, engage in, or become involved in any business competitive or similar to that of Pinnacle Communications Corporation.

I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it. I understand that by signing this agreement, I agree to the terms and conditions set forth.

.....
DATE

.....
EMPLOYEE'S SIGNATURE

.....
EMPLOYEE'S NAME (TYPED OR PRINTED)

101 NATURE OF EMPLOYMENT

Employment with Pinnacle is voluntarily entered into, and the employee is free to resign at will at any time, with or without cause. Similarly, Pinnacle may terminate the employment relationship at will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

The provisions of the handbook have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or cancelled at any time, at Pinnacle's sole discretion.

These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the chief executive officer of Pinnacle.

102 EMPLOYEE RELATIONS

Pinnacle believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that Pinnacle amply demonstrates its commitment to employees by responding effectively to employee concerns.

In an effort to protect and maintain direct employer/employee communications, we will resist organization, within applicable legal limits, and protect the right of employees to speak for themselves.

If and when employees examine the option of representation by individuals outside Pinnacle, however, we strongly encourage careful consideration of such related issues as regular deductions from paychecks for representation fees, the potential for outside interference with supervisory relationships, and the commitment to comply with directions from third parties.

103 EQUAL EMPLOYMENT OPPORTUNITY

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Pinnacle will be based on merit, qualifications, and abilities. Pinnacle does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, or any other characteristic protected by law.

This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

In addition to a commitment to provide equal employment opportunities to all qualified individuals, Pinnacle has established an affirmative action program to promote opportunities for individuals in certain protected classes throughout the organization.

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 immediate supervisor. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

105 HIRING OF RELATIVES

The employment of relatives in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried into day-to-day working relationships.

Although Pinnacle has no prohibition against hiring relatives of existing employees, we are committed to monitoring situations in which relatives work in the same area. In case of actual or potential problems, Pinnacle will take prompt action. This can include reassignment or, if necessary, termination of employment for one or both of the individuals involved.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

106 EMPLOYEE MEDICAL EXAMINATIONS

To help ensure that employees are able to perform their duties safely, medical examinations may be required.

After an offer has been made to an applicant entering a designated job category, a medical examination will be performed at Pinnacle's expense by a health professional of Pinnacle's choice. The offer of employment and assignment to duties is contingent upon satisfactory completion of the exam.

Information on an employee's medical condition or history will be kept separate from other employee information and maintained confidentially. Access to this information will be limited to those who have a legitimate need to know.

107 IMMIGRATION LAW COMPLIANCE

Pinnacle is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with Pinnacle within the past three years, or if their previous I-9 is no longer retained or valid.

Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

108 CONFLICTS OF INTEREST

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which Pinnacle wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Human Resources Manager for more information or questions about conflicts of interest.

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of Pinnacle. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit either the employer, the employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific executive-level approval.

108 CONFLICTS OF INTEREST (cont.)

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of Pinnacle's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to an officer of Pinnacle as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which Pinnacle does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving Pinnacle.

110 OUTSIDE EMPLOYMENT

An employee may hold a job with another organization as long as he or she satisfactorily performs his or her job responsibilities with Pinnacle. All employees will be judged by the same performance standards and will be subject to Pinnacle's scheduling demands, regardless of any existing outside work requirements.

If Pinnacle determines that an employee's outside work interferes with performance or the ability to meet the requirements of Pinnacle as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with Pinnacle.

Outside employment will present a conflict of interest if it has an adverse impact on Pinnacle.

112 NON-DISCLOSURE

The protection of confidential business information and trade secrets is vital to the interests and the success of Pinnacle. Such confidential information includes, but is not limited to, the following examples:

- Compensation data
- Customer lists
- Customer preferences
- Financial information
- Labor relations strategies
- Marketing strategies
- New materials research
- Pending projects and proposals
- Proprietary production processes
- Research and development strategies
- Technological data

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

114 DISABILITY ACCOMMODATION

Pinnacle is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Post-offer medical examinations are required only for those positions in which there is a bona fide job-related physical requirement. They are given to all persons entering the position only after conditional job offers. Medical records will be kept separate and confidential.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, lines of progression and seniority lists. Leave of all types will be available to all employees on an equal basis.

Pinnacle is also committed to not discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability. Pinnacle will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

This policy is neither exhaustive nor exclusive. Pinnacle is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

201 EMPLOYMENT CATEGORIES

It is the intent of Pinnacle to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and Pinnacle.

Each employee is designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. NONEXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT employees who work above and beyond their normal responsibilities will be compensated straight time. An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by Pinnacle management.

In addition to the above categories, each employee will belong to one other employment category:

REGULAR FULL-TIME employees are those who are not in a temporary or introductory status and who are regularly scheduled to work Pinnacle's full-time schedule. Generally, they are eligible for Pinnacle's benefit package, subject to the terms, conditions, and limitations of each benefit program.

201 EMPLOYMENT CATEGORIES (cont.)

PART-TIME employees are those who are not assigned to a temporary or introductory status and who are regularly scheduled to work less than 20 hours per week. While they do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they are ineligible for all of Pinnacle's other benefit programs.

INTRODUCTORY employees are those whose performance is being evaluated to determine whether further employment in a specific position or with Pinnacle is appropriate. Employees who satisfactorily complete the introductory period will be notified of their new employment classification.

202 ACCESS TO PERSONNEL FILES

Pinnacle maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.

Personnel files are the property of Pinnacle, and access to the information they contain is restricted. Generally, only supervisors and management personnel of Pinnacle who have a legitimate reason to review information in a file are allowed to do so.

Employees who wish to review their own file should contact the Human Resources Manager. With reasonable advance notice, employees may review their own personnel files in Pinnacle's offices and in the presence of an individual appointed by Pinnacle to maintain the files.

203 EMPLOYMENT REFERENCE CHECKS

To ensure that individuals who join Pinnacle are well qualified and have a strong potential to be productive and successful, it is the policy of Pinnacle to check the employment references of all applicants.

The Human Resources Manager will respond in writing only to those reference check inquiries that are submitted in writing. Responses to such inquiries will confirm only dates of employment, wage rates, and position(s) held. No employment data will be released without a written authorization and release signed by the individual who is the subject of the inquiry.

204 PERSONNEL DATA CHANGES

It is the responsibility of each employee to promptly notify Pinnacle of any changes in personnel data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports should be accurate and current at all times. If any personnel data has changed notify the Human Resources Manager.

205 INTRODUCTORY PERIOD

The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. Pinnacle uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or Pinnacle may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

All new and rehired employees work on an introductory basis for the first 90 calendar days after your date of hire. Any significant absence will automatically extend an introductory period by the length of the absence.

205 INTRODUCTORY PERIOD (cont.)

If Pinnacle determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period.

Upon satisfactory completion of the introductory period, employees enter the "regular" employment classification.

During the introductory period, new employees are eligible for those benefits that are required by law, such as workers' compensation insurance and Social Security. Employees should read the information for each specific benefits program for the details on eligibility requirements.

208 EMPLOYMENT APPLICATIONS

Pinnacle relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in Pinnacle's exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

209 PERFORMANCE EVALUATION

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A formal written performance evaluation will be conducted at the end of an employee's initial period of hire, known as the introductory period. Additional formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

The performance of all employees is generally evaluated according to an ongoing 12-month cycle, beginning at the calendar-year end.

Merit-based pay adjustments are awarded by Pinnacle in an effort to recognize truly superior employee performance. The decision to award such an adjustment is dependent upon numerous factors, including the information documented by this formal performance evaluation process.

301 EMPLOYEE BENEFITS

Eligible employees at Pinnacle are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Your supervisor can identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in the employee handbook.

The following benefit programs are available to eligible employees after 1 month from hire date:

- 401K
- Auto Mileage
- Bereavement Leave

301 EMPLOYEE BENEFITS (cont.)

- Dental Insurance
- Educational Financial Assistance
- Employee Health Program
- Holidays
- Jury Duty Leave
- Long-Term Disability
- Meal Allowances
- Personal Leave
- Tool and Equipment Assistance
- Vacation Benefits

Some benefit programs require contributions from the employee, but most are fully paid by Pinnacle.

305 HOLIDAYS

Pinnacle will grant holiday time off to all employees on 9 of the 14 holidays listed below. The list of recognized holidays is as follows:

New Year's Day (January 1)
Memorial Day (last Monday in May)
Independence Day (July 4)
Labor Day (first Monday in September)
Thanksgiving (fourth Thursday in November)
Day after Thanksgiving
Christmas Eve (December 24)
Christmas (December 25)
New Year's Eve (December 31)

Pinnacle will grant paid holiday time off to all eligible employees immediately upon assignment to an eligible employment classification. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day. Eligible employee classification(s):

All employees

If a recognized holiday falls during an eligible employee's paid absence (such as vacation or sick leave), holiday pay will be provided instead of the paid time off benefit that would otherwise have applied.

If eligible nonexempt employees work on a recognized holiday, they will receive holiday pay plus wages at their straight-time rate for the hours worked on the holiday.

Paid time off for holidays will be counted as hours worked for the purposes of determining whether overtime pay is owed.

Pinnacle Communications Corporation

306 WORKERS' COMPENSATION INSURANCE

Pinnacle provides a comprehensive workers' compensation insurance program at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible.

Neither Pinnacle nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by Pinnacle.

309 BEREAVEMENT LEAVE

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately.

Up to two days of paid bereavement leave will be provided to eligible employees in the following classification(s):

Regular full-time employees

Bereavement pay is calculated based on the base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Employees may, with their supervisors' approval, use any available paid leave for additional time off as necessary.

Pinnacle defines "immediate family" as the employee's spouse, parent, child, sibling; the employee's spouse's parent, child, or sibling; the employee's child's spouse; grandparents or grandchildren.

311 JURY DUTY

Pinnacle encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees in an eligible classification may request up to one week of paid jury duty leave over any two year period.

Jury duty pay will be calculated on the employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence. Employee classifications that qualify for paid jury duty leave are:

Regular full-time employees

If employees are required to serve jury duty beyond the period of paid jury duty leave, they may use any available paid time off (for example, vacation benefits) or may request an unpaid jury duty leave of absence.

Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits.

Pinnacle Communications Corporation

311 JURY DUTY (cont.)

Either Pinnacle or the employee may request an excuse from jury duty if, in Pinnacle's judgment, the employee's absence would create serious operational difficulties.

Pinnacle will continue to provide health insurance benefits for a maximum period of thirty calendar days after the unpaid jury duty leave begins. At that time, employees will become responsible for the full costs of these benefits, if they wish coverage to continue. When the employee returns from jury duty, benefits will again be provided by Pinnacle according to the applicable plans.

Vacation, sick leave, and holiday benefits, will continue to accrue during unpaid jury duty leave.

312 WITNESS DUTY

Pinnacle encourages employees to appear in court for witness duty when subpoenaed to do so.

If employees have been subpoenaed or otherwise requested to testify as witnesses by Pinnacle, they will receive paid time off for the entire period of witness duty.

Employees will be granted unpaid time off to appear in court as a witness when requested by a party other than Pinnacle. Employees are free to use any available paid leave benefit (such as vacation leave) to receive compensation for the period of this absence.

The subpoena should be shown to the employee's supervisor immediately after it is received so that operating requirements can be adjusted, where necessary, to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits.

313 BENEFITS CONTINUATION (COBRA)

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Pinnacle's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at Pinnacle's group rates plus an administration fee. Pinnacle provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Pinnacle's health insurance plan. The notice contains important information about the employee's rights and obligations.

314 EDUCATIONAL ASSISTANCE

Pinnacle recognizes that the skills and knowledge of its employees are critical to the success of the organization. The educational assistance program encourages personal development through formal education so that employees can maintain and improve job-related skills or enhance their ability to compete for reasonably attainable jobs within Pinnacle.

Pinnacle will provide educational assistance to all eligible employees who have completed 180 calendar days of service in an eligible employment classification. To maintain eligibility employees must remain on the active payroll and be performing their job satisfactorily through completion of each course. Employees in the following employee classification(s) are eligible for educational assistance:

Pinnacle Communications Corporation

314 EDUCATIONAL ASSISTANCE (cont.)

Regular full-time employees

Individual courses or courses that are part of a degree, licensing, or certification program must be related to the employee's current job duties or a foreseeable-future position in the organization in order to be eligible for educational assistance. Pinnacle has the sole discretion to determine whether a course relates to an employee's current job duties or a foreseeable-future position. Employees should contact the Human Resources Manager for more information or questions about educational assistance.

While educational assistance is expected to enhance employee's performance and professional abilities, Pinnacle cannot guarantee that participation in formal education will entitle the employee to automatic advancement, a different job assignment, or pay increases.

Pinnacle invests in educational assistance to employees with the expectation that the investment be returned through enhanced job performance. However, if an employee voluntarily separates from Pinnacle's employment within one year of the last educational assistance payment, the amount of the payment will be considered only a loan. Accordingly, the employee will be required to repay up to 100 percent of the original educational assistance payment.

315 PAID TIME OFF (PTO)

Paid Time Off (PTO) is an all purpose time-off policy for eligible employees to use for vacation, illness or injury, and personal business. It combines traditional vacation and sick leave plans into one flexible, paid time-off policy. Employees in the following employment classification(s) are eligible to earn and use PTO as described in this policy:

Regular full-time employees

Once employees enter an eligible employment classification, they begin to earn PTO according to the schedule below. They can request use of PTO after it is earned.

The amount of PTO employees receives each year is shown in the following schedule.

PAID TIME OFF (PTO) EARNING SCHEDULE

YEARS OF ELIGIBLE SERVICE	PTO HOURS PER PAYCHECK	EACH YEAR
Upon initial eligibility	5.230760 hours	17 days
15 or more years	6.769230 hours	22 days
Part Time	1.538500 hours	5 days

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when the employee starts to earn PTO. An employee's benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

PTO can be used in minimum increments of one-half day. Employees who have an unexpected need to be absent from work should notify their direct supervisor before the scheduled start of their workday, if possible. The direct supervisor must also be contacted on each additional day of unexpected absence.

315 PAID TIME OFF (PTO) (cont.)

To schedule planned PTO, employees should request advance approval from their supervisors. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

PTO is paid at the employee's base pay rate at the time of absence. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

In the event that available PTO is not used by the end of the benefit year, employees may carry unused time forward to the next benefit year. If the total amount of unused PTO reaches a "cap" equal to two times the annual PTO amount, further accrual will stop. When the employee uses PTO and brings the available amount below the cap, accrual will begin again.

At the end of each calendar year, employees may carry-over up to 7 days of unused PTO and not have more than 24 days in a calendar year of PTO. If employees may sell back up to 5 days of PTO at the end of each calendar year.

Upon termination of employment, employees will be paid for unused PTO that has been earned through the last day of work.

316 Work from Home Policy Requirements

Pinnacle Communications may allow employees to work from home on a temporary or long-term basis. Not all job positions qualify to work from home. If an employee desires to work from home they will need to check with their supervisor and meet the following requirements.

1. Manager approval is required **and signed off by the board of directors.**
2. All Pinnacle business rules and policies apply when working from home.
3. The employee can't be responsible for providing primary care for other individuals inside the residence.
4. Work hours and schedule will be similar to office hours.
5. Confidential information rules apply.
6. Pinnacle retains ownership of tools, computers, software and content that is used or created while working from home.
7. Internet connection must be unmetered and at least 10Mbps
8. Appropriate workspace with a door and adequate sound insulation from the rest of the residence, if you don't live alone. Documentation of work space conditions need to be provided via photos or an in-home inspection.
9. Desk and associated furniture is the responsibility of the employee.
10. Spouses who work for Pinnacle cannot work at home together.
11. There may be obligations that require work-at-home employees to occasionally attend on-site meetings.
12. Continued eligibility will be based upon job performance.
13. Pinnacle reserves the right to pull employees back into the office as conditions arise.
14. Withholding and unemployment changes to your paycheck may need to be made. Check with Pinnacle HR department to see how these may affect your situation.
15. Certain costs for working from home may be tax deductible. Check with your personal tax accountant.

317 Tools & Laptops

New Employees will be provided tools for their position and a company owned laptop. New Employee Forms will be submitted to ITHelpDesk email group by the Department Manager.

Tools will be provided to correspond with individual hires' Department. Along with tools, tool bag and laptop, new hires will receive inventoried list, to include Laptop identification numbers.

This inventory will be verified and signed by the new employee and submitted to the hiring Manager. Copies will be kept on the Pinnacle Drive and submitted to HR.

Work Clothes

New employees that are installation technicians require certain clothing specific items for work when at new and/or under construction properties. These include work boots, hard hats, safety goggles, reflective safety vest, workman's gloves & face masks.

If a new employee's is without any of these items, except for work boots & hard hat, he/she will have them provided around the same time as the initial tool/tool bag/laptop kits. Work boots and a hard hat must be purchased by the new employee.

Work shirts will also be provided to Install Technicians, see company attire section for more details.

New Tools

New tools can only be purchased with Manager Approval. Techs will need to submit via email request and reason for purchase. Emails will be approved and kept on the Pinnacle Drive and submitted to HR.

Techs may use company card for the purchase, or it will be provided by Purchasing Department and shipped to the technician. The technician's Manager will make these decisions.

Lost Tools

Lost tools can be purchased by the technician.

Replacement tools can be either be purchased by the technician using his own means of payment, or it may be purchased by Pinnacle Communications with costs to be deducted from the next payroll.

Requests for new tools that are to be purchased by Pinnacle Communications will be submitted via email to Purchasing Department and your Department Manager. The Manager will pass/approve to HR for payroll deduction.

Stolen Tools & Laptops

If tools, tool bag or laptop are stolen while at work, the technician must file a police report to be able to follow the protocols for insurance reimbursement.

- Notify Manager ASAP
- File Police report, record the report number and inform Pinnacle management
- If required - file claim with your personal insurance for property outside of workplace tools (as an example, lost jewelry, clothing, wallet, etc.) This will apply if out of your personal home/car insurance.
- Contact HR Department at Pinnacle Communications for any other questions or concerns

401 TIMEKEEPING

Accurately recording time worked is the responsibility of every nonexempt employee. Federal and state laws require Pinnacle to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Nonexempt employees should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime work must always be approved before it is performed.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

403 PAYDAYS

All employees are paid biweekly on every other Friday. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

In the event that a regularly scheduled payday falls on a day off such as a weekend or holiday, employees will receive pay on the last day of work before the regularly scheduled payday.

If a regular payday falls during an employee's vacation, the employee's paycheck will be available upon his or her return from vacation.

Employees may have pay directly deposited into their bank accounts if they provide advance written authorization to Pinnacle. Employees will receive an itemized statement of wages when Pinnacle makes direct deposits.

405 EMPLOYMENT TERMINATION

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated.

405 EMPLOYMENT TERMINATION (cont.)

RESIGNATION - voluntary employment termination initiated by an employee.

DISCHARGE - involuntary employment termination initiated by the organization.

LAYOFF - involuntary employment termination initiated by the organization for non-disciplinary reasons.

RETIREMENT - voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization.

Since employment with Pinnacle is based on mutual consent, both the employee and Pinnacle have the right to terminate employment at will, with or without cause, at any time. Employees will receive their final pay in accordance with applicable state law.

Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

409 ADMINISTRATIVE PAY CORRECTIONS

Pinnacle takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Human Resources Manager so that corrections can be made as quickly as possible.

410 PAY DEDUCTIONS

The law requires that Pinnacle make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. Pinnacle also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." Pinnacle matches the amount of Social Security taxes paid by each employee.

Pinnacle offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs.

If you have questions concerning why deductions were made from your paycheck or how they were calculated, your supervisor can assist in having your questions answered.

501 SAFETY

To assist in providing a safe and healthful work environment for employees, customers, and visitors, Pinnacle has established a workplace safety program. This program is a top priority for Pinnacle. Its success depends on the alertness and personal commitment of all.

Pinnacle provides information to employees about workplace safety and health issues through regular internal communication channels such as supervisor-employee meetings, bulletin board postings, memos, or other written communications.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. Employees who violate safety

501 SAFETY (cont.)

standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify the appropriate supervisor. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures.

502 WORK SCHEDULES

The normal work schedule for all employees is eight hours a day, five days a week. Supervisors will advise employees of the times their schedules will normally begin and end. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

504 USE OF TELEPHONES

Employees may be required to reimburse Pinnacle for any charges resulting from their personal use of the telephone, this includes both fixed and cellular telephone services.

To ensure effective telephone communications, employees should always use the approved greeting and speak in a courteous and professional manner. Please confirm information received from the caller, and hang up only after the caller has done so.

506 MEAL PERIODS

All full-time employees are provided with one meal period of 30 minutes in length each workday. Supervisors will schedule meal periods to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

507 OVERTIME

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. When possible, advance notification of these mandatory assignments will be provided. All overtime work must receive the supervisor's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked. Time off on sick leave, vacation leave, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

Failure to work scheduled overtime or overtime worked without prior authorization from the supervisor may result in disciplinary action, up to and including possible termination of employment.

508 USE OF EQUIPMENT AND VEHICLES

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Please notify the supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job. Employee requirements for having equipment stolen

Employees should do their best to not have equipment stolen, but if it does:

Notify manager ASAP

File Police report, record the report number and inform management

Required to file claim with personal insurance if possible. This will apply if out of their personal home/car ?

\$250 / Laptop \$50 per check until reached – Unless covered by personal insurance

\$250 / Tool Bag \$50 per check until reached – Unless covered by personal insurance

Unwritten Rule – 5 year + laptop will be replace.

510 EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fires, power failures, or earthquakes, can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility.

When operations are officially closed due to emergency conditions, the time off from scheduled work will be paid.

512 BUSINESS TRAVEL EXPENSES

Pinnacle will reimburse employees for reasonable business travel expenses incurred while on assignments away from the normal work location. All business travel must be approved in advance by the President.

Employees whose travel plans have been approved are responsible for making their own travel arrangements.

When approved, the actual costs of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives will be reimbursed by Pinnacle. Employees are expected to limit expenses to reasonable amounts.

Employees who are involved in an accident while traveling on business must promptly report the incident to their immediate supervisor. Vehicles owned, leased, or rented by Pinnacle may not be used for personal use without prior approval.

Cash advances to cover reasonable anticipated expenses may be made to employees, after travel has been approved. Employees should submit a written request to their supervisor when travel advances are needed.

When travel is completed, employees should submit completed travel expense reports within 30 days. Reports should be accompanied by receipts for all individual expenses.

Employees should contact their supervisor for guidance and assistance on procedures related to travel arrangements, travel advances, expense reports, reimbursement for specific expenses, or any other business travel issues.

Abuse of this business travel expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

516 COMPUTER AND E-MAIL USAGE

Computers, computer files, the E-mail system, and software furnished to employees are Pinnacle property intended for business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization. To ensure compliance with this policy, computer and E-mail usage may be monitored.

Pinnacle strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, Pinnacle prohibits the use of computers and the E-mail system in ways that are disruptive, offensive to others, or harmful to morale.

516 COMPUTER AND E-MAIL USAGE (cont.)

For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

E-mail may not be used to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters.

Pinnacle purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, Pinnacle does not have the right to reproduce such software for use on more than one computer.

Employees may only use software on local area networks or on multiple machines according to the software license agreement. Pinnacle prohibits the illegal duplication of software and its related documentation.

Employees should notify their immediate supervisor, the Human Resources Manager or any member of management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

518 WORKPLACE MONITORING

Workplace monitoring may be conducted by Pinnacle to ensure quality control, employee safety, security, and customer satisfaction.

Employees who regularly communicate with customers may have their telephone conversations monitored or recorded. Telephone monitoring is used to identify and correct performance problems through targeted training. Improved job performance enhances our customers' image of Pinnacle as well as their satisfaction with our service.

Computers furnished to employees are the property of Pinnacle. As such, computer usage and files may be monitored or accessed.

Because Pinnacle is sensitive to the legitimate privacy rights of employees, every effort will be made to guarantee that workplace monitoring is done in an ethical and respectful manner.

601 MEDICAL LEAVE

Pinnacle provides medical leaves of absence without pay to eligible employees who are temporarily unable to work due to a serious health condition or disability. For purposes of this policy, serious health conditions or disabilities include inpatient care in a hospital, hospice, or residential medical care facility; and continuing treatment by a health care provider.

Employees in the following employment classifications are eligible to request medical leave as described in this policy:

Regular full-time employees

Eligible employees may request medical leave only after having completed 180 calendar days of service. Exceptions to the service requirement will be considered to accommodate disabilities.

Eligible employees should make requests for medical leave to their supervisors at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events.

601 MEDICAL LEAVE (cont.)

A health care provider's statement must be submitted verifying the need for medical leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to Pinnacle. Employees returning from medical leave must submit a health care provider's verification of their fitness to return to work.

Eligible employees are normally granted leave for the period of the disability, up to a maximum of 12 weeks within any 12 month period. Any combination of medical leave and family leave may not exceed this maximum limit. If the initial period of approved absence proves insufficient, consideration will be given to a request for an extension. Employees will be required to first use any accrued paid leave time before taking unpaid medical leave.

Employees who sustain work-related injuries are eligible for a medical leave of absence for the period of disability in accordance with all applicable laws covering occupational disabilities.

Subject to the terms, conditions, and limitations of the applicable plans, Pinnacle will continue to provide health insurance benefits for the full period of the approved medical leave.

Benefit accruals, such as vacation, sick leave, or holiday benefits, will be suspended during the leave and will resume upon return to active employment.

So that an employee's return to work can be properly scheduled, an employee on medical leave is requested to provide Pinnacle with at least two weeks advance notice of the date the employee intends to return to work. When a medical leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified.

If an employee fails to report to work promptly at the end of the medical leave, Pinnacle will assume that the employee has resigned.

602 FAMILY LEAVE

Pinnacle provides family leaves of absence without pay to eligible employees who wish to take time off from work duties to fulfill family obligations relating directly to childbirth, adoption, or placement of a foster child; or to care for a child, spouse, or parent with a serious health condition. A serious health condition means an illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential medical care facility; or continuing treatment by a health care provider.

Employees in the following employment classifications are eligible to request family leave as described in this policy:

Regular full-time employees

Eligible employees may request family leave only after having completed 180 calendar days of service. Eligible employees should make requests for family leave to their supervisors at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events.

Employees requesting family leave related to the serious health condition of a child, spouse, or parent may be required to submit a health care provider's statement verifying the need for a family leave to provide care, its beginning and expected ending dates, and the estimated time required.

602 FAMILY LEAVE (cont.)

Eligible employees may request up to a maximum of 12 weeks of family leave within any 12 month period. Any combination of family leave and medical leave may not exceed this maximum limit. Employees will be required to first use any accrued paid leave time before taking unpaid family leave.

Married employee couples may be restricted to a combined total of 12 weeks leave within any 12 month period for childbirth, adoption, or placement of a foster child; or to care for a parent with a serious health condition.

Subject to the terms, conditions, and limitations of the applicable plans, Pinnacle will continue to provide health insurance benefits for the full period of the approved family leave.

Benefit accruals, such as vacation, sick leave, or holiday benefits, will be suspended during the leave and will resume upon return to active employment.

So that an employee's return to work can be properly scheduled, an employee on family leave is requested to provide Pinnacle with at least two weeks advance notice of the date the employee intends to return to work. When a family leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified.

If an employee fails to report to work promptly at the end of the approved leave period, Pinnacle will assume that the employee has resigned.

607 PREGNANCY-RELATED ABSENCES

Pinnacle will not discriminate against any employee who requests an excused absence for medical disabilities associated with pregnancy. Such leave requests will be evaluated according to the medical leave policy provisions outlined in this handbook and all applicable federal and state laws.

Requests for time off associated with pregnancy and/or childbirth, such as bonding and child care, not related to medical disabilities for those conditions will be considered in the same manner as other requests for 1 week of maternity leave.

701 EMPLOYEE CONDUCT AND WORK RULES

To ensure orderly operations and provide the best possible work environment, Pinnacle expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records
- Working under the influence of alcohol or illegal drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace

701 EMPLOYEE CONDUCT AND WORK RULES (cont.)

- Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Sexual or other unlawful or unwelcome harassment
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- Excessive absenteeism or any absence without notice
- Unauthorized absence from work station during the workday
- Unauthorized use of telephones, mail system, or other employer-owned equipment
- Unauthorized disclosure of business "secrets" or confidential information
- Violation of personnel policies
- Unsatisfactory performance or conduct

Employment with Pinnacle is at the mutual consent of Pinnacle and the employee, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

702 DRUG AND ALCOHOL USE

It is Pinnacle's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on Pinnacle premises and while conducting business-related activities off Pinnacle premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

703 SEXUAL AND OTHER UNLAWFUL HARASSMENT

Pinnacle is committed to providing a work environment that is free of discrimination and unlawful harassment. Actions, words, jokes, or comments based on an individual's sex, race, ethnicity, age, religion, or any other legally protected characteristic will not be tolerated. As an example, sexual harassment (both overt and subtle) is a form of employee misconduct that is demeaning to another person, undermines the integrity of the employment relationship, and is strictly prohibited.

703 SEXUAL AND OTHER UNLAWFUL HARASSMENT (cont.)

Any employee who wants to report an incident of sexual or other unlawful harassment should promptly report the matter to his or her supervisor. If the supervisor is unavailable or the employee believes it would be inappropriate to contact that person, the employee should immediately contact the Human Resources Manager or any other member of management. Employees can raise concerns and make reports without fear of reprisal.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment should promptly advise the Human Resources Manager or any member of management who will handle the matter in a timely and confidential manner.

Anyone engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

704 ATTENDANCE AND PUNCTUALITY

To maintain a safe and productive work environment, Pinnacle expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on Pinnacle. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor as soon as possible in advance of the anticipated tardiness or absence.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

705 PERSONAL APPEARANCE

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image Pinnacle presents to customers and visitors.

During business hours, employees are expected to present a clean and neat appearance and to dress according to the requirements of their positions.

Consult your supervisor or department head if you have questions as to what constitutes appropriate attire.

706 RETURN OF PROPERTY

Employees are responsible for all property, materials, or written information issued to them or in their possession or control. Employees must return all Pinnacle property immediately upon request or upon termination of employment. Where permitted by applicable laws, Pinnacle may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. Pinnacle may also take all action deemed appropriate to recover or protect its property.

708 RESIGNATION

Resignation is a voluntary act initiated by the employee to terminate employment with Pinnacle. Although advance notice is not required, Pinnacle requests at least two weeks' written resignation notice from all employees.

710 SECURITY INSPECTIONS

Pinnacle wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, Pinnacle prohibits the possession, transfer, sale, or use of such materials on its premises. Pinnacle requires the cooperation of all employees in administering this policy.

Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of Pinnacle. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of Pinnacle at any time, either with or without prior notice.

Pinnacle likewise wishes to discourage theft or unauthorized possession of the property of employees, Pinnacle, visitors, and customers. To facilitate enforcement of this policy, Pinnacle or its representative may inspect not only desks and lockers but also persons entering and/or leaving the premises and any packages or other belongings. Any employee who wishes to avoid inspection of any articles or materials should not bring such items onto Pinnacle's premises.

712 SOLICITATION

In an effort to assure a productive and harmonious work environment, persons not employed by Pinnacle may not solicit or distribute literature in the workplace at any time for any purpose.

Pinnacle recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. (Working time does not include lunch periods, work breaks, or any other periods in which employees are not on duty.)

In addition, the posting of written solicitations on company bulletin boards is restricted. These bulletin boards display important information, and employees should consult them frequently for:

1. Affirmative Action statement
2. Organization announcements
3. Workers' compensation insurance information

If employees have a message of interest to the workplace, they may submit it to the Human Resources Manager for approval. All approved messages will be posted by the Human Resources Manager.

714 DRUG TESTING

Pinnacle is committed to providing a safe, efficient, and productive work environment for all employees. Using or being under the influence of drugs or alcohol on the job may pose serious safety and health risks. To help ensure a safe and healthful working environment, job applicants and employees may be asked to provide body substance samples (such as breath, urine and/or blood) to determine the illicit or illegal use of drugs and alcohol. Refusal to submit to drug testing may result in disciplinary action, up to and including termination of employment.

Copies of the drug testing policy will be provided to all employees. Questions concerning this policy or its administration should be directed to the Human Resources Manager.

718 PROBLEM RESOLUTION

Pinnacle is committed to providing the best possible working conditions for its employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from Pinnacle supervisors and management.

718 PROBLEM RESOLUTION (cont.)

Pinnacle strives to ensure fair and honest treatment of all employees. Supervisors, managers, and employees are expected to treat each other with mutual respect. Employees are encouraged to offer positive and constructive criticism.

If employees disagree with established rules of conduct, policies, or practices, they can express their concern through the problem resolution procedure. No employee will be penalized, formally or informally, for voicing a complaint with Pinnacle in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs when employees believe that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps. The employee may discontinue the procedure at any step.

1. Employee presents problem to immediate supervisor after incident occurs. If supervisor is unavailable or employee believes it would be inappropriate to contact that person, employee may present problem to Human Resources Manager or any other member of management.
2. Supervisor responds to problem during discussion or after consulting with appropriate management, when necessary. Supervisor documents discussion.
3. Employee presents problem to Human Resources Manager if problem is unresolved.
4. Human Resources Manager counsels and advises employee, assists in putting problem in writing, visits with employee's manager(s), if necessary, and directs employee to President for review of problem.
5. Employee presents problem to President in writing.
6. President reviews and considers problem. President informs employee of decision and forwards copy of written response to Human Resources Manager for employee's file. The President has full authority to make any adjustment deemed appropriate to resolve the problem.

Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussion of mutual problems can employees and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment, and helps to ensure everyone's job security.