

I. PROFESSIONAL PRACTICE

A. STATEMENT OF PHILOSOPHY

The objective of Chait & Company (formerly C2G) is to provide competent professional services to our clients, the public and other design professionals. This will involve the maximum effort on the part of the entire staff to render professional services required by our clients, public services to improve our neighborhood, city and the nation, and contributory services to improve our professions.

The firm strives to achieve design and construction excellence, to produce high-quality projects within budgetary limitations, and to conduct itself in an efficient, businesslike manner.

B. THE FIRM AND PROFESSIONAL SERVICES

Chait & Company (formerly C2G) is a California Corporation established in May 1994. The firm began business on January 1, 1995. The firm provides architectural design and general contracting services in accordance with the applicable laws and regulations of the State of California, and under the direction of the firm principal Michael Chait.

Historically, the firm was established as a sole proprietorship under the laws of the State of California in 1978. The original name of the firm was Jaime Gesundheit, Architect. Our initial location was at 5352 Laurel Canyon Boulevard, Suite 211, North Hollywood, California. In 1983, the firm became known as Sandhill Group, Inc. and relocated to 7200 Hayvenhurst Avenue, Van Nuys, California. In May 1988, the firm relocated to 16340 Roscoe Boulevard, Van Nuys, California; and in October 1988, the architectural group became known as Gesundheit Architects. The principals of that firm were Jaime Gesundheit and Michael Chait. Previously, Michael Chait had been practicing as a principal with Smalley Chait Architects, in Santa Monica, California.

Following the Northridge earthquake in January 1994, the firm relocated to 14951 Califa Street, Van Nuys, California. At that time, Bradley Fenton joined the firm, and the name was changed to Chait, Fenton and Gesundheit, Inc. Bradley had been practicing as a principal with FENTON Architecture. In 1998, Bradley Fenton resigned from Chait, Fenton and Gesundheit, Inc. to join a construction company. Afterwards, the name of the firm was changed to Chait & Company (formerly C2G). Jaime Gesundheit resigned from the firm in 2001 to devote full-time work with his real estate development and property management firm: Sandhill Group, Inc.

The principal is responsible for developing new projects for the firm. All employees are encouraged to be alert for new business opportunities and report them to the principal. Our continued

growth depends on how the staff represents the firm to our clients and the public, thus increasing opportunities for all employees.

All employees are to respect the confidence placed in us by our clients. The professional relationship between each client and the firm demands that there be no disclosure of any information about projects without proper authorization. This includes responses to inquiries about projects or potential projects from the press, contractors, other professionals or the public. Similar respect should be given to our relationship with professional consultants.

II. USING THIS SECTION OF THE OFFICE MANUAL

This Section of the office manual shall apply to all employees of Chait & Company (formerly C2G), and is intended to give you information about policies and procedures and about benefits and services provided to you as an employee.

This Section, however, cannot anticipate every situation that may arise or answer every question about your employment. In order to retain necessary flexibility, the firm reserves the right to interpret, amend, modify, cancel or withdraw ("change") any or all sub-sections or provisions of this Section at any time. Any change shall become effective upon the date announced by written notice or upon re-issue of this Section. No employee, officer, or principal of Chait & Company (formerly C2G) is authorized to make oral modifications of this Section of the Office Manual.

As you read this Section, remember that it is designed to orient employees with the policies and practices of the company and is not intended to and does not constitute an employment contract for a specific period of time or for termination only for cause, nor substitute for a discussion between you and a principal when you have job-related questions or concerns.

III. RECRUITMENT POLICIES

A. EQUAL EMPLOYMENT OPPORTUNITY POLICY

It is the policy of Chait & Company (formerly C2G) to treat all applicants and employees in a fair and non-discriminatory manner without regard to race, color, religion, sex, age, ancestry, national origin, marital status, physical handicap, medical condition (as defined under California employment laws), or status as a qualified veteran. This applies to the recruiting, hiring, training, compensation and promotion of all persons in every job classification.

In furtherance of this policy, Chait & Company (formerly C2G) will not permit the use of racial, religious, age-related, sexual or ethnic epithets, innuendos, slurs or jokes within its

facilities. Epithets, innuendos, slurs or jokes related to membership in any of the above listed categories are totally prohibited. All employees (including supervisory personnel) shall conduct themselves in a totally professional manner and shall refrain from sexual advances verbal or physical conduct of a sexual nature, or requests for sexual favors. Any employee who violates the above policy and our commitment to equal employment opportunity shall be subject to immediate discharge.

Michael Chait is the equal employment officer, and is available to deal with any problems you may have with regard to our Equal Employment Opportunity Policy.

Any employee who has any questions regarding Chait & Company (formerly C2G)'s Equal Employment Opportunity Policy, or who feels that the policy has been violated, or who feels that he or she has been discriminated against, harassed or treated unfairly as a result of being in any of the categories enumerated above, is required to bring the matter directly to the attention of Michael Chait at the time of occurrence.

Any employee who has a complaint of sexual harassment, or harassment based on membership; in a protected class, at work by anyone, including supervisors, co-workers, customers, or visitors, must bring the problem to the attention of Michael Chait. All complaints will be promptly handled in a timely manner.

Chait & Company (formerly C2G) will retain documentation of all allegations made during investigations and will take appropriate corrective action, including disciplinary measures when justified, to remedy violations of this policy.

IV. EMPLOYMENT POLICIES

A. EMPLOYMENT

Employees of Chait & Company (formerly C2G) understand and agree, by their signature in Article IX. of this Section that they are employed at the discretion of the company. This means whenever and without notice they may quit work or may be dismissed by the company.

The company hires regular, full-time staff to maintain cohesive development of the organization. Employment longevity is not guaranteed; it depends upon the needs of the firm at any given time, as determined at the sole discretion of the firm. The employment of any employee may be terminated at any time, with or without cause, should the firm determine it desirable to do so. There will be no variation from this condition of employment except by written agreement, signed by a principal of the firm.

Regular employment is based on individual experience, records and reference, and is usually for a specific classification at rates of pay comparable to those currently prevailing in this area, but individually established for each employee.

B. EMPLOYEE CLASSIFICATIONS AND DEFINITIONS

Your job is classified on the basis of duties and responsibilities according to applicable federal and state laws.

At the time of hire, and at the time of any change in your employment status, your classification and eligibility for overtime pay will be discussed. The following employment classifications are used throughout this Article and are relevant to determining your eligibility for company-provided benefits and overtime pay.

Exempt Employees: There are a variety of exempt employees under state and federal law, but, generally, exempt employees are those whose responsibilities are considered to be primarily of an "executive," "administrative," or "professional" nature, or those who are employed as outside salespersons. Exempt employees are not eligible for overtime pay.

Non-exempt Employees: Employees who are not exempt are entitled to overtime pay under the provisions of the applicable wage laws. For these employees, an accurate record of actual hours must be maintained.

C. TYPES OF EMPLOYMENT

1. Full-time Regular Employees ("full-time"): Those employees, other than temporary employees, who are regularly scheduled to work at least forty (40) hours each week, and who have completed their introductory period.

2. Part-time Regular Employees ("part-time"): Those employees, other than temporary employees, who are regularly scheduled to work less than thirty (30) hours a week, and who have completed their introductory period. Part-time employees are eligible for benefits only when expressly provided in this Section.

3. Temporary Employees: Those employees who are hired with the understanding that their employment is of limited duration. Temporary employees are not eligible for any of the benefits provided in this Section.

4. Introductory Employees: All employees for the first sixty (60) days of employment. During this introductory period, both the firm and the new employed have the opportunity to get-acquainted and determine whether they are compatible. During this period, the firm reserves the right to terminate any employee with or without cause, without notice, or without pay in lieu of notice. The firm has the sole discretion to extend the

introductory period of an employee when it determines that an extension is necessary or appropriate.

D. STAFF POSITIONS

1. SUPERVISORY - Project Manager/Superintendent:

Function: Responsibility for administration of all phases of assigned project(s).

Experience: Extensive experience in all phases of architecture and engineering, including budgeting, scheduling, planning, design, specifications and working drawings; also with building codes, building materials, building costs and construction techniques; office standards, policies and procedures; principles and techniques of personnel supervision and management.

Knowledge: In addition to architecture, substantial knowledge of civil, structural, mechanical, electrical and acoustical engineering; legal considerations and responsibilities in construction and professional ethics.

Typical Tasks: Direction, guidance and coordination of project(s); supervision of project personnel; control and coordination of development of the project, including work schedule, construction, budget and office labor budget; conferring and correspondence with client, government agencies and consultants; obtaining approvals; preparation of reports and project records; consultation with construction administrator during construction.

2. TECHNICAL STAFF - Designer:

Function: Responsibility for initiating and creating designs for assigned project(s).

Experience: Substantial experience in all phases of architecture and engineering, including varied experience that involves responsible planning and design of complex projects.

Knowledge: Thorough knowledge of programming, planning and design; building materials and construction methods. Working knowledge of civil, structural, mechanical, electrical and acoustical engineering, building codes and building costs.

Typical Tasks: Initiation of design concepts and preparation of presentation and design drawings; development of basic design details; conferring and correspondence with client representatives in conjunction with the project manager to determine project requirements.

3. TECHNICAL STAFF - Drafter:

Function: Responsibility for preparation of design development and construction documents.

Experience: Substantial experience in design development, architectural drafting and detailing on a wide variety of projects.

Knowledge: Substantial knowledge of procedures for production of design development and construction documents; architectural planning, drafting, detailing and building materials. Working knowledge of site planning, civil, structural, mechanical, electrical and acoustical engineering.

Typical Tasks: Preparation of design development and construction documents, coordination of details, dimensions and notations.

4. ADMINISTRATIVE AND CLERICAL - Secretary:

Function: Responsibility for management of administrative details so that the principal and other professional staff may devote more time to the practice of architecture.

Experience: Substantial experience in a professional service office with an interest in art and architecture and an aesthetic awareness of the environment are both big pluses.

Knowledge: In addition to basic secretarial skills, substantial knowledge of the terminology of the profession as well as the tools such as documents, specifications, public relations material and office systems.

Typical Tasks: Taking dictation and typing letters and specifications; answering telephone and recording messages; conversing with clients, consultants, salespersons, review agency officials, travel agents; opening and logging mail; keeping files and ordering supplies.

E. PERSONNEL RECORDS

The firm maintains a personnel file for each employee. All employees are required to immediately advise a principal, in writing, of any change in home address, telephone number, name, and tax withholding exemption information. Contact the bookkeeper for the appropriate forms to use.

In addition, you are required to advise a principal of the following events, which may have an impact on medical coverage for your spouse or dependents:

- (1) Divorce or legal separation of a covered employee from the employee's spouse.
- (2) Facts that would affect the coverage of a dependent under the terms of the medical plan. For example, a child reaching the maximum age for coverage or a child over 18 ceasing to be a full-time student.

- (3) A determination from the Social Security Administration that you or your covered dependent is disabled.

A principal must be advised of the disabled status within sixty (60) days from the date of the determination by the Social Security Administration.

All applicants for employment and employees hired after November 6, 1986 are required to present and permit copying of documentation that verifies identity and authorization to work, as required under federal law.

F. CONFIDENTIALITY

Employees will have access to, will acquire and will become acquainted with trade secrets, confidential information and property relating to Chait & Company (formerly C2G) and its customers' businesses. All information obtained in the course of your employment is to be used for conducting Chait & Company (formerly C2G) business only. Never discuss or disclose such trade secrets, confidential information or property, either directly or indirectly, with or in the presence of persons outside the company, either during employment, or at any time thereafter, except as required by your supervisor. Information in any form, including but not limited to documents, tapes, lists, computer printouts, studies, reports, drafts, pictures, charts, maps, drawings, programs, equipment, scrap, blue prints, vendor lists, customer lists, client billing information, all financial reports, all payroll information, records, files, and other materials pertinent to the firm or its customers, may not be removed from the facilities without the advance permission of a supervisor. Employees may be required to sign non-disclosure of confidential information agreements.

This same level of confidentiality must be maintained regarding co-workers, employee relations' matters, and company operations.

G. CONFLICT OF INTEREST

In conducting Chait & Company (formerly C2G)'s business, employees must avoid any business, activity or other situation that may possibly constitute a conflict of interest. Examples of conflict of interest situations include, but are not limited to, (a) accepting employment with, acting for or rendering services to any business or endeavor, with or without compensation, which competes or conducts business with the firm; (b) disclosing or utilizing confidential customer or company information or trade secrets; (c) soliciting or diverting business or customers away from Chait & Company (formerly C2G) or (d) soliciting co-employees both during and after employment to work for another company.

H. RULES OF CONDUCT

We strive to deliver high quality services, while maintaining a good relationship with our customers. All employees are expected to conduct themselves in a manner which will further this objective. Disregarding or failing to conform to these standards shall warrant disciplinary action ranging from a warning notice to dismissal. For your guidance, grounds for disciplinary action and/or dismissal include, but are not limited to, the following:

1. Destruction, damage, theft or unauthorized removal or use of Chait & Company (formerly C2G)'s, client's or fellow employees' property or merchandise, including scrap.
2. Inefficient or careless performance of job responsibilities or inability to perform duties satisfactorily.
3. Failure to promptly report to your supervisor an on-the-job injury or accident involving an employee, customer, visitor, equipment, or property.
4. Negligence that results in injury to personnel, a visitor, or a customer.
5. Falsification of records in the transaction of business.
6. Unauthorized signing or altering of another employee's time card or recording the time of another employee (or allowing the same to be done to your time card).
7. Irregular attendance: Tardiness, unreported or excessive absence, abuse of sick leave, abuse of an approved leave of absence, or failure to request and obtain an approved leave of absence or an extension in a timely manner.
8. Insubordination, including refusal or failure to perform assigned work.
9. Selling, possessing or being under the influence of alcohol, marijuana, cocaine, narcotics, or hallucinogenic or behavior-modifying drugs or chemical substances during working hours or while on Company premises.
10. Gambling at company facilities.
11. Sleeping while at work.
12. Fighting or provoking a fight at company facilities, or interfering with others in the performance of their jobs.

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13. Making malicious, false, or derogatory statements that may damage the integrity or reputation of Chait & Company (formerly C2G), its customers or employees.
14. Misrepresentation or withholding of pertinent facts in securing employment.
15. Violation of appearance standards.
16. Refusal to follow instructions or supervisory or authorized personnel, rude or discourteous conduct toward supervisors, fellow employees, customers or visitors, or any action which endangers the health or safety of others.
17. Two (2) or more unrelated writs or garnishments.
18. Improper use of company telephones.
19. Abuse of break times and lunch periods.
20. Possession, display, or use of explosives, firearms, or other dangerous weapons while on duty or at company facilities.
21. Engaging in any activity that is in conflict with the best interests of Chait & Company (formerly C2G).
22. Leaving the work place without prior authorization.
23. Transacting other than company business during working hours.
24. Failure or refusal to follow general policies, rules and procedures of Chait & Company (formerly C2G).
25. Disclosing or discussing confidential matters to outsiders.

It is impossible to define rules for every conceivable situation that might arise. Activities that are not expressly covered in these rules will be handled on a case-by-case basis. All employees are expected to act with good common sense and in a totally professional manner.

I. SOLICITATION

In order to protect employees from annoyance, harassment, and interference with their work and to maintain a work place free of litter, Chait & Company (formerly C2G) has adopted the following rules concerning solicitation and distribution of literature:

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1. No outsiders shall be allowed to solicit or distribute materials on company premises.
2. Employees shall not engage in solicitation of any kind in public areas, or in working areas during working time.
3. Employees shall not distribute literature in public areas or working areas at any time.
4. Employees shall not distribute literature in non-working areas or non-public areas during working time.
5. As used in these rules, the term "working time" means the period of time that an employee is performing job duties. "Working time" does not include time allotted for break or lunch periods or periods before or after work.

J. HEALTH AND SAFETY

Immediately report any customer or visitor injury, as well as any employee on-the-job injury or illness to your supervisor, regardless of how minor it may seem. Also immediately report to a principal prior to returning to work after sustaining any personal or on-the-job injury or illness.

Chait & Company (formerly C2G) is committed to providing you with a safe and healthful work environment. Section B - Safety and Illness Prevention Program of the Office Manual describes in more detail company policies and procedures concerning on-the-job safety. Immediately report any unsafe act or condition to your supervisor so the necessary action may be taken. Questions and/or suggestions about safety and health should be directed to a principal.

K. DRUG AND ALCOHOL TESTING

Chait & Company (formerly C2G) reserves the right to require employees to be tested, using appropriate testing procedures, for improper drug or alcohol usage. (See also pg. A17.)

L. DRUG AND ALCOHOL USE

In view of Chait & Company (formerly C2G)'s desire and obligation to maintain a safe, efficient and desirable working environment, the firm will not tolerate the sale, possession, distribution, use or being under the influence of alcohol, marijuana, narcotics, or non-prescribed behavior-modifying or hallucinogenic drugs while on the job. A violation of the firm's policy could result in immediate disciplinary action, including dismissal.

The firm reserves its right to require all applicants to be tested for drug or alcohol use.

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Where there is a reasonable suspicion of drug or alcohol use which impacts on an employee's performance or behavior on the job, the firm reserves the right to require the employee to be examined by a physician (paid for by the firm), to undergo testing for drug or alcohol use, and to consent to have the results of the examination and test results released to the firm.

Reasonable suspicion of drug or alcohol use on the job may be based on factors such as: Absenteeism and other attendance problems, poor work performance or erratic behavior on the job, coupled with one (1) or more signs including, but not limited to:

1. Bloodshot or watery eyes.
2. Very large or very small pupils.
3. Runny nose or sores around the nostrils.
4. Bloodstains on shirtsleeves.
5. Wearing of sunglasses indoor and in all weather.
6. Excessive perspiration.
7. Weight loss.
8. Sudden worsening of complexion.
9. Wearing of long-sleeved shirts in all types of weather.
10. Unsteady walk.
11. Slurred speech.
12. Mood changes, including inappropriate gaiety or lethargic behavior.
13. Irritability or unpredictable responses to ordinary requests.

Where an employee tests positive on a drug or alcohol test, the employee may be required to undergo drug or alcohol rehabilitation or medical treatment as a condition of continued employment. The firm will reasonably accommodate any employee who chooses to undergo rehabilitation or medical treatment to the extent, if any, it is covered by the medical insurance provided by the firm.

An employee who has tested positive or has admitted drug use will be required to demonstrate that he/she has become drug-free before being allowed to return to work. Random testing of such an employee will be a condition for continued employment.

If an employee who is reasonably suspected of drug or alcohol use on the job refuses to see or be examined by a physician, to take a drug test, to authorize release of a report from the doctor or to undergo rehabilitation or medical treatment, the employee will be subject to immediate discipline, including, but not limited to immediate suspension or discharge. In addition, the employee will be subject to immediate discipline for the misconduct and nonperformance on the job.

Where discipline short of discharge is invoked, the firm retains the right to hire a permanent replacement for any employee who has been suspended or who is off the job due to drug or alcohol

use or violation of this policy. If, after having refused rehabilitation or treatment, the employee's nonperformance or misbehavior on the job persists, the employee will not be offered another opportunity for treatment or rehabilitation before disciplinary action is taken.

Before any disciplinary action is taken against the employee who has tested positive on a drug test, the employee will be given an opportunity to be retested.

M. APPEARANCE AND GROOMING

A well-groomed, business-like appearance is an asset on any job. During working hours, all employees are expected to present a business-like appearance. All employees are representatives of Chait & Company (formerly C2G) and the impressions they make on customers and prospective customers affect their perception of our firm.

N. PROMOTIONS

Each employee will participate in the staff/firm review, a process designed to provide regular meaningful opportunities for discussion of mutual benefit to the employee and the firm.

Employees are encouraged to prepare themselves for promotion and assumption of greater responsibilities, since it is the policy of this firm to promote from within whenever possible to fill vacant positions.

Promotions are based on merit, determined by performance on past and present assignments. Employees considered for promotions are evaluated on the following professional factors:

- technical experience and ability
- creativity
- effectiveness of performance
- ability to work effectively with other employees
- capability to bring in new work
- dedication
- potential

O. STAFF/FIRM REVIEW

Performance appraisals may be conducted during, or at the conclusion of the introductory period, as determined by the firm, or upon the request of an employee. The introductory period may range from 30-60 days following the first date of employment. Thereafter, performance appraisals may be conducted on each anniversary date, or when requested by the employee or firm. An appraisal may also be given at the time of a transfer or a change in an employee's job classification.

Among the factors evaluated are quantity and quality of work, accuracy, judgment, innovation, appearance, orderliness, courtesy, cooperativeness, knowledge of job, initiative, reliability, perseverance, attitude, dependability, stability, absenteeism, tardiness and alertness. All performance appraisals shall be reviewed with the employee by a principal, and the employee shall have the opportunity to express his or her view on the appraisal.

Performance appraisals are given to aid employees in their growth and development by objectively evaluating strengths and weaknesses on the job. Performance appraisals are also considered in connection with proposed salary adjustments, promotions, and other personnel actions, if granted. No employee should expect to receive a salary increase or promotion based solely on the passage of time.

P. PROBLEM RESOLUTION

Chait & Company (formerly C2G) recognizes that employees may have questions or problems regarding their work, working conditions, policies, procedures or other work-related issues. The firm is anxious to have employees problems resolved as quickly as possible and in a considerate manner, FREE FROM ANY REPRISAL OR RECRIMINATION for using the procedure.

Accordingly, the firm encourages employees to express their concerns to the principal of the firm and to seek resolution of their questions.

Q. OUTSIDE PROFESSIONAL PRACTICE

Since the firm does not attempt to dictate to employees how they use their own time, the following policies will be observed:

1. Those doing outside work are under obligation to advise their clients that the work is not by, for or in the name of this firm, and that Chait & Company (formerly C2G) does not assume liability or responsibility for such work.
2. Outside work must not interfere with regular assignments.
3. No outside work shall be done during regular office hours unless arrangements have been made in advance.
4. The firm recommends that anyone doing outside work secure adequate personal and professional liability insurance for such work.

V. COMPENSATION

A. OBJECTIVES

It is the policy of the firm to compensate each staff member according to that individual's accomplishments in the firm. It is the desire of the firm to maintain a competitive salary level in relation to other firms in the profession to attract and retain capable and well-qualified staff.

Adjustment of an employee's salary is based upon his/her record of performance in the staff position occupied. Salary adjustments are not automatically given following performance review. Because an individual has continued to be employed by the firm, it is not a justification alone for a salary increase. Performance is the key factor, not length of service. Staff promoted to a more advanced position will normally receive a salary adjustment at the time of promotion.

Decisions regarding compensation, and salary adjustment, may also be influenced by an economic need to reduce payroll expenses, i.e. loss of business revenue, legal judgments against the firm, changes in operations, etc.

The objectives of the firm's wage and salary administration are:

1. To define and describe basic staff positions and recognize their relationship to the organization as a whole.
2. Relate each employee to a basic staff position.
3. Evaluate each employee's accomplishments by annual performance considering the quality, quantity and versatility of his/her efforts.
4. Recognize each employee's progress by promotion to a more advanced staff position when merited by sustained or significant change in responsibility, complexity or nature of work.
5. Maintain a flexible compensation policy in response to the firm's financial health, changes in operations and market economy.

B. HOLIDAYS

Chait & Company (formerly C2G) recognizes the following paid holidays for all full-time employees:

1. New Year's Day (January 1)
2. President's Day (3rd Monday in February)
3. Memorial Day (last Monday in May)
4. Independence Day (July 4)

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5. Labor Day (1st Monday in September)
6. Thanksgiving Day (4th Thursday in November)
7. Friday following Thanksgiving
8. Christmas Eve (1/2 day)
9. Christmas Day (December 25th)
10. New Year's Eve (1/2 day)

Other holidays not listed above will be considered by the firm on an individual basis.

If a holiday falls during a scheduled day off, or on a scheduled vacation, an employee may, with the prior approval of a principal, extend his or her scheduled day off or scheduled vacation one (1) day for each holiday falling within the vacation period or on a scheduled day off.

The rate for holiday pay will be based solely on the employee's regular straight rate of pay at the time of the holiday.

To be eligible for holiday pay, an employee must have worked the last scheduled workday preceding and the first scheduled workday succeeding the holiday, unless excused by a principal.

C. VACATIONS

Full-time staff earns ten (10) days vacation with full pay each year of employment. This also may be expressed as 6-2/3 hours accrued per month. Vacation time begins to accrue immediately upon employment, but may not be used until the introductory period has been successfully completed, and the firm will not pay any accrued vacation time if employment is terminated during the introductory period. All unused vacation leave is paid after each calendar year of employment, or upon termination of employment. After four (4) years of active, continuous, uninterrupted employment, fifteen (15) days of vacation with full pay are accrued per year. Exceptions to the above must be approved in writing by a principal.

Staff members must submit a written request for vacation time-off to a principal at least four (4) weeks before the anticipated date of vacation. Staff members will be notified by a principal on the approval or denial of their request. Employees are encouraged to take their vacation time each year for rest and relaxation from the demands of the office. Since this is not always possible, accrued and unused vacation time will be tabulated through the end of each calendar year, up to a maximum of five (5) working days, and paid during the following 30-60 days. The rate of pay for the accrued and unused vacation time will be the employee's rate of pay at the end of each calendar year.

If a holiday occurs during a vacation period, the employee may elect to extend the vacation by one day or take an additional day of vacation at some other time.

Chait & Company (formerly C2G) reserves the right to correct overages in vacation pay on a quarterly basis by deducting unapproved and disapproved overages from April, July, October and January paychecks.

D. SICK LEAVE

Because of the ever-present possibility of illness, the firm assists the employee through these periods as equitably as possible. Full-time employees are eligible for sick leave with pay.

Sick leave is accumulated at the rate of 3 1/3 hours per month which is five (5) days per year from the start of the month that staff member is hired, but may not be used until the introductory period has been successfully completed. Sick leave may not accumulate from one year to the next, and is paid only for bona fide illnesses. (Lengthy illnesses or special medical circumstances will be reviewed on a case-by-case basis).

In the event that a staff member resigns or is dismissed and has overdrawn his/her leave, any unearned sick leave taken will be deducted from his/her earnings, or vacation pay, upon written agreement by the staff member.

In the event of employment termination, employees will not be entitled to pro-rated annual sick leave compensation.

Chait & Company (formerly C2G) reserves the right to correct overages in sick pay on a quarterly basis by deducting unapproved and disapproved overages from April, July, October and January paychecks.

E. LEAVE OF ABSENCE

An unpaid leave of absence may be granted to full-time employees at the sole discretion of Chait & Company (formerly C2G) for any of the following reasons:

1. Personal health.
2. Illness, or death in the immediate family.

An employee who requests a leave of absence, regardless of the length of time, must submit a prior written request to a principal, indicating the date on which the leave will begin, reason for requesting the leave and anticipated date of return to work. The written request must be submitted with at least six (6) weeks' notice and must be approved by management. In

emergency situations, the firm may waive the six (6) weeks' notice requirement.

If an employee fails to return to work on the anticipated date, or fails to obtain management approval of an extension before the anticipated return date, the employee will be considered to have voluntarily resigned.

An approved leave of absence may not exceed the length of the employee's service, or two and one-half months, whichever is shorter. When a leave of absence exceeds thirty (30) days, seniority shall not accrue and the employee shall not receive the following company-sponsored benefits unless the employee promptly pays the entire cost of the benefits: medical, dental and life insurance.

Chait & Company (formerly C2G) reserves the right to extend the duration of an approved leave of absence when such an extension is determined necessary or appropriate in the sole discretion of the firm.

The firm also reserves the right to permanently replace an employee during an approved leave of absence.

F. PREGNANCY DISABILITY LEAVE

Female employees may request an unpaid leave of absence for any disability caused or contributed to by pregnancy, childbirth, or a related medical condition. If absence for two (2) weeks or more is expected, the employee must request a leave of absence. Any employee who desires to take a pregnancy disability leave must submit a written request to a principal, indicating the date on which the leave will commence and the estimated duration of the leave.

Normally, the length of the leave granted will be for the period of time that a medical doctor determines that the employee is unable to perform her job. In respect to a normal pregnancy, it will be presumed that the pregnant employee is medically unable to perform her job for a period not exceeding six (6) weeks, unless the period of disability on account of pregnancy, childbirth or related medical conditions is extended by a medical doctor's opinion. The total period of any approved leave of absence on account of disability due to pregnancy, childbirth or related medical conditions may not exceed four (4) months.

If required by business necessity, the firm reserves the right to hire someone to replace the employee. Any employee returning from an approved pregnancy disability leave of absence which does not exceed four (4) months will be reinstated to her original position, unless that position no longer exists because of legitimate business reasons, or preservation of the employee's original position would substantially undermine the firm's

ability to operate safely and efficiently. If, due to one of the above reasons, the employee's original position is no longer available or the employee has been replaced during the leave of absence, the firm will assign the employee to a substantially similar position, unless no substantially similar position is available, or unless filling that position with the returning employee would substantially undermine the firm's ability to operate safely and efficiently.

G. MILITARY LEAVE

Leave up to two weeks for organized military training may be taken as paid vacation (in lieu of regular vacation) or as leave of absence without pay, upon approval of the firm (or alternatively as a partially compensated leave).

H. JURY DUTY

Employees are encouraged to perform jury duty as citizens in our community. However, such arrangements must be made in advance with a principal of the firm. Employees who voluntarily choose to perform jury duty will not be compensated for that time.

I. AUTOMOBILE PARKING

Space is available for employees to park their private automobiles. Staff members are not to park in the spaces marked "Reserved" or "Visitors".

J. INSURANCE

Major medical, disability and life insurance are not available to full-time or part-time employees.

K. STATUTORY INSURANCE

1. **Federal Insurance Contributions Act (FICA):** This program, also known as Social Security, provides certain old-age assistance benefits, which are described in detail in a separate publication. The firm contributes an amount equal to that deducted from each individual pay toward the funding of this program.

2. **Unemployment Insurance:** In accordance with state and federal laws, the firm is taxed on a quarterly basis for its contributions toward state and federal unemployment insurance programs. No deductions are made from the employees' salaries for these programs. Additional information may be obtained from state departments of economic security.

3. **Workers' Compensation Insurance** is provided by the firm for all staff as required by law. This insurance protects the staff in the event of accident in the course and within the scope of

employment. To insure payment of proper benefits, an employee must first report any on the job injury to the firm. California law requires that an employee notify the employer immediately (same time and day) when an employee has been injured.

Every work-connected injury that causes disability lasting longer than the day of the injury, or that requires medical attention beyond minor first-aid treatment, must be reported by the employer within five (5) days of the injury, according to California State Law. Report forms are available from the bookkeeping department. For the protection of the staff as well as the firm, all work-related injuries, despite how trivial, must be reported immediately to the firm.

Employees participating in extra-curricular activities not organized by the firm, but independently organized by staff members of the firm (i.e., baseball games, parties, field trips, etc.), understand that said participation is strictly voluntary and therefore any injuries sustained during their participation will not be covered by Workers' Compensation Insurance.

4. California State Disability Insurance Plan:

As required by law, contribution to this plan is deducted from each staff member's salary at the rate established by California law. To be eligible for disability benefits a claimant must:

- A. Be ill or injured from causes not connected with work;
- B. Serve a seven (7) day waiting period before becoming eligible. A waiting period is not required if one is immediately confined in a hospital.
- C. File a claim within twenty (20) days of illness or injury. Late filing results in reduction of payments. Claim forms may be obtained from the hospital or by calling or writing the Unemployment Department.

L. PART-TIME OFFICE STAFF BENEFITS

Part-time office staff (less than thirty (30) hours per week) accrue the following benefits:

1. Vacation time, accrued on a pro-rated basis according to the number of hours per day worked.
2. Sick leave, accrued on a pro-rated basis according to number of hours per day worked.
3. Holidays are paid at the regular rate according to usual hours worked. (See also paragraph V.B. Holidays.)

VI. OFFICE PROCEDURES

A. WORKING HOURS

The normal workday is eight (8) hours, Monday through Friday; and the normal work week is forty (40) hours. The lunch period is one (1) hour and should be taken between 12:30 noon and 1:30 pm. The workday begins at 8:30 am and ends at 5:30 pm. Unless other arrangements are made with a principal, staff is expected to observe these hours. Regular variation from these hours must be approved in writing, and signed by a principal. The office is normally closed on Saturdays, Sundays and holidays observed by the firm.

To meet unexpected personal or emergency situations, an employee may arrange with the firm to make-up short periods of absence as "make-up" work done by approval in writing by a principal and with the knowledge of the project manager or other supervisor.

Staff who leave the office for ten (10) minutes or more, must inform the secretary, principal or project manager of their whereabouts. If leaving the building, staff must sign-out on the sheet provided at the front desk. This is for the convenience of clients, consultants and other staff.

B. ATTENDANCE

Each employee is required to be prompt and regular in attendance on assigned workdays. Dependability is essential for a smoothly running operation and is a factor that is considered during an employee's introductory period and performance evaluations. If you are unable to be at work at the assigned work time, you must notify your supervisor within one (1) hour of your scheduled start time, of that day you will be in the office, and the reason for your tardiness.

If you find that you must be out due to illness or other personal reasons, you must notify the office within one (1) hour of your scheduled workingtime on that day, and the reason for such absence. If you are unable to notify the office, you are responsible for arranging for someone else to notify the office as required. In addition, you must notify the office within the allotted time of your absence every day you are scheduled to work, unless you are on an approved leave of absence.

If you become ill while at work, report to a principal or fellow employee. Never leave work or go home before the end of your schedule without first securing approval from a principal. If a principal is not available, use the sign-out sheet before leaving.

An employee who does not report to work on a scheduled working day or who does not report the absence to the office as required

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will be considered to have voluntarily terminated his or her employment after two (2) days of such absence.

C. OVERTIME

This subsection concerns authorized time in excess of normal working hours. It has important legal and financial consequences for the firm and its staff members. Chait & Company (formerly C2G) strict policy concerning overtime is as follows:

NO OVERTIME WILL BE PAID UNDER ANY CIRCUMSTANCES UNLESS IT IS AUTHORIZED AND APPROVED IN WRITING BY A PRINCIPAL IN ADVANCE.

This ensures that the firm can make clients aware of the need for overtime work and negotiate fair compensation for such overtime in advance.

D. REST PERIODS

Refer to federal/state labor laws for information, and who qualifies, for rest periods.

E. MEAL BREAKS

Employees working over six (6) hours qualify for one hour, unpaid, off-duty meal break.

F. TIME RECORDS

Time sheets are an explanation of all time spent during the semi-monthly period. They are the major source for billing the client, which means that any time lost or incorrectly allocated has a direct dollar effect. Time sheets are legal documents and may be called for audit by the client. Time sheets are also a reference to gauge the ability of the office to do jobs for stated sums and time.

Time sheets must be filled out promptly, neatly and correctly by all designated employees. All necessary information must be filled in before time sheets are given to the bookkeeper. Time sheets are to be submitted on the 15th and the last day of the month, for work through each of those days.

Time sheets are one of the responsibilities of the job and must be filled out DAILY and left in a convenient place for ready reference. If a staff member anticipates that he/she will not be in the office on the day time sheets are collected, it is his/her responsibility to see that the time sheet is complete.

G. DIARY

All employees are encouraged to maintain a daily diary in addition to a time sheet. The diary may be useful to record

daily activities, "to do" items, and reminders for future "tickler" items. The diary may be calendar based, i.e., "Week-at-a-Glance", or a simple spiral-bind notebook.

H. PAY PERIOD AND REMUNERATION

The pay period is monthly. Paydays are the fifteenth (15th) day of every month.

When the 15th or last day falls on Saturday, payday will be the Friday before. When the 15th or last day falls on Sunday, payday will be the following Monday. When the 15th or last day falls on a holiday weekend, payday will be the prior Friday. When a staff member does not work a full 40 hours each week, the monthly amount otherwise payable will be adjusted accordingly.

In accordance with State and Federal laws, money will be withheld for Federal and State income tax payment, Federal Social Security (FICA) and State Disability Insurance (SDI). Upon the staff member's enrollment, additional money may be withheld for health insurance benefits.

I. TRAVEL AND REIMBURSABLE EXPENSES

Employees will be reimbursed for expenses incurred while traveling or otherwise performing services for the firm. Prior authorization by a principal is required for reimbursement. Expenses to be reimbursed include travel, meals and tips, lodging, automobile rental, personal auto mileage and other similar direct expenses. All items must be reported on the expense record form. Prior to departing from the office, all staff shall sign-out on the sheet provided at the reception desk.

Use of a staff member's automobile will be compensated at the current allowable IRS rate. Staff is cautioned that primary coverage of personally owned automobiles is not available to the firm and there is no contingent collision coverage available. There is no way that the firm's policy can be of assistance to a staff member whose car is damaged in an accident for which he/she is responsible, or if he/she is involved in an accident for which an uninsured driver is responsible.

Staff may rent automobiles when authorized by the firm for specific temporary purposes. All rental vehicles must be insured with full collision coverage.

Staff conducting company business will be reimbursed for their out-of-pocket expenses after two (2) weeks of receipt of proper documentation by the bookkeeping department. Such documentation normally has an expense sheet properly completed and accompanied by receipts, tickets, etc., substantiating all expenses, also project numbers and pertinent explanations. Expense record forms

must be completed within the pay period in which the expenses are incurred and submitted with the time record form.

J. DRAWING/GRAPHIC SUPPLIES

All employees are expected to use and provide their drawing tools. Chait & Company (formerly C2G) will provide paper, replacement leads and ink, certain special project related tools/supplies, and a desktop straight-edge.

The use of existing drawing/graphic supplies and tools owned by Chait & Company (formerly C2G) is at the discretion of the firm. Employees using these items are responsible for their proper care and maintenance.

K. PURCHASES

All purchases of routine supplies, materials and equipment will be by the Architectural Clerk or other designated person, upon approval of written requisition signed by a principal.

L. USE OF OFFICE EQUIPMENT AND FACILITIES

Access to Office: Entrances to the office are locked from 5:30 P.M. until 8:30 A.M. Monday through Friday and all day on Saturday, Sunday and holidays. Employees who do not have keys must make arrangements to gain entrance to the office during these hours. Office equipment and facilities may be used for personal matters during non-business hours only with the permission of a principal of the firm.

Heating and Air Conditioning: Adjustments to thermostats and dampers can be made only authorized personnel. Indiscriminate adjustments cause the heating and air conditioning system to become inoperative.

Lighting: Overhead lighting in the office is controlled from a lighting panel and should be turned off by the last person to leave the room. Individual employees are responsible for turning off desk lights and lights in conference rooms after use.

Care of Desks: Each employee is expected to keep drafting board, side table and areas immediately adjacent in a neat and orderly manner. Books, reference materials and active and inactive project tracings must be returned to their proper locations when not in use, and care should be taken to maintain equipment in good working order.

All "original" drawings and sketches shall be placed in the appropriate drawer, or covered shelf, at the end of the workday. No "original" documents are to be left atop desks or tabletops after the office has closed.

Employees should maintain their work area and the office in general in a clean and organized fashion. Cleanliness provides a better working environment.

M. TELEPHONE

Good telephone procedures and manners are important since they may be the way in which an outsider becomes acquainted with the firm. A courteous "hello," prompt message-taking and brief waits on "hold" promote the image of the firm as an efficient business operation.

Personal Calls: Personal calls restrict the use of office telephone lines for business purposes; all employees are asked to cooperate by terminating personal calls as quickly as possible and to limit their number.

Telephone Messages: Telephone messages for employees unavailable to receive incoming calls include the following information: date and time of call, name of employee and of person calling, the party's telephone number and any message. Include the project name and number, if appropriate.

Memoranda: Telephone conversations concerning project requirements are to be documented in writing on a "Telephone Record" from immediately after the call is terminated and placed in the project file.

Long Distance Calls: Remember to use 800 numbers when possible.

N. VISITORS

All visitors to the office are to be politely greeted by the Secretary, or other staff, who will notify the employees being called upon. This procedure is necessary to prevent unauthorized strangers from entering the office and to facilitate meetings with visitors with a minimum amount of disruption to normal office activity. Generally, meetings with visitors are held in the conference room, or other open areas.

Manufacturers Representatives: These persons are valuable sources of information and assistance concerning the use and limitations of their products, as well as introduction to new products and techniques. In addition, manufacturers representatives come into contact with clients and potential clients and are sources of reference information about the firm. For these reasons, it is essential that they be treated in a professional, courteous manner at all times. However, employees should not permit an undue imposition on their time.

Contractors & Subcontractors: A spirit of cooperation with contractors is important to the success of the firm's projects. When contractors visit the office, they are invited to use the

space set aside for the review of drawings and specifications. Only authorized staff may discuss or interpret bidding or contract documents with contractors. Only authorized staff may discuss or interpret bidding or contract documents with contractors.

Contractors should not be greeted or allowed to remain in the Accounting or Construction offices. Those offices contain certain confidential business related documents that are not to be viewed by unauthorized persons.

O. MAIL AND CORRESPONDENCE

Outgoing Mail: An important aspect of the firm's image is projected by the quality of our correspondence. It is important that all letters be well written, grammatically correct, direct and to the point. Project Managers are responsible for reviewing all correspondence leaving the office to see that it meets these standards and to strive for uniform approach in presentation. The office staffs are responsible for typing letters in the established format, which is not to be altered by individual employees. No one letter, or memorandum should deal with more than one project at a time.

Incoming Mail: All incoming mail is opened and routed by the Secretary, or other designated employee. Letters requiring response normally are answered within two working days of receipt.

Personal Mail: Incoming personal mail that is clearly identified as such is not to be opened prior to routing to the addressee.

Product Literature: Product literature is reviewed by a principal to determine what is to be retained in the office library. Employees are requested not to accumulate product literature at their desks.

Office Stationery: Office stationery is used for all official business of the firm.

P. SMOKING

Smoking by staff members is prohibited within the office. Employees who wish to smoke may do so outside the office; if so, please discard cigarette butts and other trash in the outside trash bins.

VII. **PROFESSIONAL DEVELOPMENT**

A. CONTINUING EDUCATION

All employees are encouraged to continue their professional development through formal education courses. This includes both

credit and noncredit courses offered through a university or college and continuing education courses, seminars and workshops offered through the AIA or other professional societies. Information about available education programs will be circulated throughout the office periodically.

With prior approval of the firm, fees and expenses incurred in connection with courses related to the employee's professional employment would be reimbursed upon successful completion of the course. To determine if arrangements can be made, staff members should contact a principal.

B. PROFESSIONAL LICENSING

In accordance with state laws, professional licensing is one condition for assuming greater professional responsibility in the practice of architecture. The firm encourages all eligible employees to obtain their professional licenses at the earliest possible opportunity, regardless of present assignment. Information about professional licensing may be obtained from the State Architectural Registration Board, in Sacramento, California, or from the National Council of Architectural Registration Boards, 1735 New York Avenue, N.W., Washington, D.C. 20006.

After two years of continuous employment, the firm will grant a leave of absence with pay for full-time employees only for up to a total of 4 days to enable professional employees to take the professional licensing examination. Staff members requiring more than 2 years to successfully complete the examination may take either vacation or a leave of absence without pay for the additional days.

C. PROFESSIONAL SOCIETY ACTIVITIES

Employees are encouraged, but not required, to participate in the activities of the AIA and/or professional societies of their choice. Active involvement in a professional society strengthens the individual, the firm and the profession.

Employees are allowed reasonable time off with pay to participate in the activities of a professional society. Employees are expected to pay their own professional dues, but the firm will reimburse other allowable expenses incurred in connection with professional society activities.

VIII. TERMINATION AND TRANSFER

A. TERMINATION OF EMPLOYMENT

Employment with Chait & Company (formerly C2G) is a relationship that exists solely as long as both the firm and the employee determine it is to their individual advantage. The employee is

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free to leave the firm at any time, as is the firm free to determine that the continued relationship is not in its best interests. Chait & Company (formerly C2G) reserves the right to change the status of or terminate any employee at any time, with or without cause or with or without notice. Chait & Company (formerly C2G) also reserves the right to lay-off or terminate employees if or when a position no longer exists or there is an economic need to reduce the work force. The above provision may be modified only in writing, signed by an officer of the firm.

I, _____, understand that my employment can be terminated at any time, with or without cause, and with or without notice, at the option of either the firm or myself.

SIGNATURE: _____

DATE: _____

Introductory Employees

An introductory period is a training and get-acquainted period, completion of which does not guarantee continued employment. Employees who have not completed the introductory period may be dismissed with or without cause, for any reason, and without notice or pay in lieu of notice.

Following completion of that period, you still may resign and the company has the right to terminate employment at any time, with or without cause.

Non-introductory Employees

Employees who have passed their introductory period may resign, or be dismissed with or without cause by the firm. The firm will have the option of giving the employee two to ten (2-10) days' notice of termination or pay in lieu of notice.

Regardless of the above, in the event the firm considers that the employee has engaged in either gross negligence or willful misconduct, the firm has the right to terminate the employee without giving either notice or pay in lieu of notice.

Voluntary Termination

Should any employee desire to leave the firm voluntarily, the employee should provide at least two to ten (2-10) days' notice of termination. Chait & Company (formerly C2G) reserves the right to provide pay in lieu of notice to an employee who decides to voluntarily terminate employment.

B. TEMPORARY PLACEMENT

During periods of fluctuating workload, the firm may enter into agreements to exchange employees with other architectural firms. The matter of an employee exchange will be discussed by all parties concerned before such an exchange occurs. During the term of the exchange, the individuals will remain on the payroll of the lending employer and all benefits continue to accrue, as stated in AIA Document G813 (1974 edition).

Occasionally, to meet unique commitments, the firm will employ temporary and/or part-time personnel for periods of six (6) months or less. In all cases, conditions of employment about tenure will be clearly indicated to new staff.

C. TENURE

Continued association with the firm requires that the employee render honest, efficient and loyal service. Efforts will be made to transfer conscientious and reliable personnel who are unsuited for the work to which they are assigned.

Anyone, regardless of length of service, may be discharged at any time without notice for reasons including, but not limited to, any actions reflecting adversely on the reputation of the firm.

IX. TERMS AND CONDITIONS TO AGREEMENT

This document intends to inform all employees of certain terms and conditions that affect their employment with Chait & Company (formerly C2G). These terms and conditions are not exclusive. Additional terms and conditions may be required whenever at the discretion of the firm.

I, _____, have read and fully understand the Chait & Company (formerly C2G) Personnel Practices attached hereto, and I agree to and understand each and all terms and conditions stated in Personnel Practices as terms and conditions of my employment in the firm.

SIGNATURE: _____

DATE: _____