

PRIMARY RESOURCE NETWORK, INC

(An Equal Opportunity Employer)

EMPLOYEE HANDBOOK

TABLE OF CONTENTS

Section 1 - Employee HANDBOOK.....	1
HOW TO USE THIS HANDBOOK.....	2
ACKNOWLEDGMENT OF RECEIPT	4
ACKNOWLEDGMENT OF RECEIPT	5
Section 2 - Introductory Information	6
INTRODUCTION.....	7
THE PRN ORGANIZATION.....	8
Corporate Offices	8
Net Branch Program	8
HUMAN RESOURCE DIRECTOR	10
Section 3 - Essential Legal Provisions	11
AT-WILL EMPLOYMENT RELATIONSHIP	12
EQUAL EMPLOYMENT OPPORTUNITY IS OUR POLICY.....	13
Americans With Disabilities Act	13
IMMIGRATION LAW COMPLIANCE	14
Section 4 - Employment Policies and Practices.....	15
POLICY AGAINST HARASSMENT	16
EMPLOYMENT CLASSIFICATIONS	18
New Hire Employee (Trial Period).....	18
Regular Full-Time (RFT)	18
Regular Part-Time (RPT)	18
Straight Part-Time (SPT).....	19
On-Call	19
Temporary	19
Inactive Status	19
Rehired Employees.....	19
Exempt / Non-Exempt	20
JOB DUTIES	21
PERSONNEL RECORDS.....	22
Change of Personal Data	22

Right to Inspect Personnel File	22
Disclosure of Information Regarding Current or Former Employees	22
Requests for References	23
EMPLOYMENT OF RELATIVES	24
CONFLICT OF INTEREST	25
WORK SCHEDULES	27
ATTENDANCE	28
Tardiness	28
Absences	28
Permission to Leave During Working Hours	28
MEALS AND REST PERIODS	30
Lunch Period	30
Rest Period	30
TIMEKEEPING REQUIREMENTS	31
OVERTIME	32
PAYMENT OF WAGES	33
Pay Periods and Pay Days	33
Payroll Deductions	33
Advances	34
Garnishment of Wages	34
PERFORMANCE EVALUATIONS AND SALARY REVIEWS	35
PROMOTIONS AND TRANSFERS	37
DISCRETIONARY PROGRESSIVE DISCIPLINE	39
TERMINATION	40
Voluntary Termination	40
Severance Pay	40
Involuntary Termination	40
Return of PRN Property	41
Change Notice Form	41
Exit Interview	41
Benefits Available	41
References to Prospective Employers	41
PRN PROPRIETARY INFORMATION	42
Ownership and Copyrights of PRN Products	42
Trade Secrets	42
Confidentiality of PRN Information	43

ALCOHOL AND SUBSTANCE ABUSE.....	44
OPEN DOOR POLICY	46
Informal Problem Solving	46
Formal Problem Solving	46
Security from Harassment and Discrimination	46
Section 5 - Standards of Conduct.....	47
STANDARDS OF EMPLOYEE CONDUCT	48
Professional Physical Appearance	48
Housekeeping	48
Food and Beverages	48
Clients and Customer Relations	48
Conducting Personal Business	49
Prohibited Conduct.....	49
BUSINESS CONDUCT AND ETHICS	52
Favoritism	52
Gifts, Wagers and Gratuities	52
Media Contacts	52
Section 6 - Operational Considerations	53
PRN PROPERTY	54
EMPLOYEE PROPERTY	55
WORKPLACE SECURITY AND ANTI-VIOLENCE POLICY.....	56
ERGONOMICS.....	57
PARKING.....	58
NON-SMOKING OFFICE	59
USE OF ELECTRONIC MEDIA	60
OFF-DUTY USE OF FACILITIES	62
TELEPHONE	63
PRN Business	63
Personal Telephone Calls	63
BUILDING SECURITY & PERSONAL LOSS.....	64
DESK INSPECTION POLICY	65

HEALTH AND SAFETY POLICY.....	66
INJURY AT WORK (Workers Compensation Insurance)	67
TRAVEL EXPENSES	68
Section 7 - Benefits	69
EMPLOYEE BENEFITS	70
STATE DISABILITY, SOCIAL SECURITY,WORKERS' COMPENSATION,AND UNEMPLOYMENT INSURANCE	71
State Disability Insurance (SDI)	71
Social Security	71
Workers' Compensation	71
Unemployment Insurance -- Occupational Disability Leave	72
Unemployment Insurance	72
VACATION	73
Vacation Pay Rate	73
Vacation Eligibility	73
Accrual Policy	74
Vacation Scheduling	74
Vacation Advances	74
HOLIDAYS	76
SICK LEAVE	77
Compensation.....	77
Notice 77	
Not a Vested Benefit.....	77
Physician's Statement	78
Absenteeism and Sick Pay	78
LEAVES OF ABSENCE	79
Eligibility.....	79
Summary of Guidelines	79
Requests.....	79
Unpaid Status	79
Returning from Leave of Absence.....	79
Vacation and Sick Benefits	80
Holiday Benefits.....	80
Failure to Return Promptly.....	80
Misrepresentations	80
Health Insurance	80
Resignation While on Leave	80
Personal Leaves of Absence.....	81
General	81
Status of Employee Benefits During Personal Leave	81

Medical Leaves	81
Military Leaves	82
Bereavement Leaves	82
Jury Duty.....	83
Witness Duty.....	83
Other Leaves.....	83
ATTACHMENTS	84
PREGNANCY DISABILITY LEAVE.....	85
ACKNOWLEDGMENT OF RECEIPT	86

Section 1 - Employee HANDBOOK

HOW TO USE THIS HANDBOOK

This employee HANDBOOK is provided to answer common questions posed by employees. It is a summary of PRN' policies, benefits, and work rules and how they will affect you.

You are responsible for reading this employee HANDBOOK. Please read it carefully and learn its contents. If you have any questions about our policies and practices that are not answered by this HANDBOOK, please feel free to ask the Human Resource Director.

For those employees who do not have a formal written employment agreement with PRN, this HANDBOOK sets forth the entire agreement between you and PRN as to the duration of employment and the circumstances under which employment may be terminated. Nothing in this employee HANDBOOK or in any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee who is not employed pursuant to a formal written employment agreement.

For those employees who have a formal written employment agreement with PRN, this HANDBOOK and the employment agreement set forth the entire agreement between you and PRN, and to the extent there is any conflict between the terms of those documents, the employment agreement is controlling.

This HANDBOOK replaces all earlier PRN handbooks, and takes precedence over all memoranda and oral descriptions of PRN personnel policies, practices and procedures. To avoid confusion, please disregard and recycle any old manual and HANDBOOKS you may have. With the exception of its policy of at-will employment and those policies compelled by law, PRN may change the policies and procedures described in this HANDBOOK at any time without further notice.

PRN reserves the right to amend, supplement or rescind any provisions of this HANDBOOK as it solely deems appropriate in its sole and absolute discretion, with the exception of the at-will employment policy and those policies compelled by law. As the information is revised, updated pages will be distributed to you within a reasonable time. Please keep this HANDBOOK readily available, and insert the updated material promptly so that it is current at all times.

No oral statements or representations can in any way change or alter the provisions of this HANDBOOK.

Each employee will sign an acknowledgment of receipt of this HANDBOOK and any modifications. The acknowledgment of receipt is attached to the last page of this HANDBOOK. After you read the entire HANDBOOK, please sign the

acknowledgment, detach it, and return the acknowledgment to the Human Resource Director.

[See form to sign attached at back of HANDBOOK]

PRIMARY RESOURCE NETWORK INC.

EMPLOYEE HANDBOOK

ACKNOWLEDGMENT OF RECEIPT
Contract Employee

I have received a copy of the PRIMARY RESOURCE NETWORK INC. Employee HANDBOOK and understand that it contains important information on PRN general personnel policies and on my privileges and obligations as an employee. I acknowledge that I am expected to read, understand, and adhere to PRN policies and will familiarize myself with the material in the HANDBOOK.

I understand that I am governed by the contents of the HANDBOOK and that PRN may change, rescind or add to any policies, benefits or practices described in the HANDBOOK, other than the At-Will Employment Policy, from time to time in its sole and absolute discretion with or without prior notice. PRN will advise employees of material changes within a reasonable time.

Furthermore, I understand that my employment with PRN is pursuant to a written employment agreement, which, together with this HANDBOOK and other employment documents including the "D.B.A. Agreement," "Kickback Certification", form the terms of my employment with PRN.

EMPLOYEE'S SIGNATURE

DATE

EMPLOYEE'S NAME (TYPED OR PRINTED)

[See form to sign attached at back of HANDBOOK]

PRIMARY RESOURCE NETWORK INC.

EMPLOYEE HANDBOOK

**ACKNOWLEDGMENT OF RECEIPT
At-Will Employee**

I have received a copy of the PRIMARY RESOURCE NETWORK INC. Employee HANDBOOK and understand that it contains important information on PRN general personnel policies and on my privileges and obligations as an employee. I acknowledge that I am expected to read, understand, and adhere to PRN policies and will familiarize myself with the material in the HANDBOOK.

I understand that I am governed by the contents of the HANDBOOK and that PRN may change, rescind or add to any policies, benefits or practices described in the HANDBOOK, other than the At-Will Employment Policy, from time to time in its sole and absolute discretion with or without prior notice. PRN will advise employees of material changes within a reasonable time.

Furthermore, I understand that employment with PRN is not for a specified term and is at the mutual consent of the employee and PRN. Accordingly, either the employee or PRN can terminate the employment relationship at will, with or without cause, at any time.

I further understand and acknowledge that PRN reserves the right to change my hours, wages and working conditions at any time, and that transfers, demotions, suspensions and employee discipline may be affected or administered at the will and in the sole discretion of PRN at any time for any reason, with or without cause and with or without notice. I acknowledge that this represents an integrated agreement with respect to the at-will nature of my employment.

EMPLOYEE'S SIGNATURE

DATE

EMPLOYEE'S NAME (TYPED OR PRINTED)

Section 2 - Introductory Information

INTRODUCTION

Welcome! As an employee of PRIMARY RESOURCE NETWORK INC., you will find your employment to be both rewarding and challenging. PRIMARY RESOURCE NETWORK INC. is hereafter referred to as "PRN or "the Corporation."

In order that the offices of PRN may operate smoothly, certain policies have been adopted. These policies are not intended to restrict operations, but to promote good teamwork and an efficiently operated business office.

An Employee HANDBOOK is a reference tool to help you, the employee, as well as the Human Resource Director and the Board of Directors, understand the policies and procedures that have been established to maintain the goals of PRN.

It is a rational approach to standardize policy so that all employees can be treated fairly when they are affected by the policy and procedure statement within.

PRN reserves the right at all times to sell, or assign, transfer or merge, or consolidate, or expand, or contract, or suspend, or dissolve, or liquidate any, or all, of the business of PRN.

As we grow and develop, we will review our practices and procedures. Consequently, PRN must reserve the right to amend, supplement, or rescind any provision of this HANDBOOK, except the at-will provisions, as it deems appropriate in its sole and absolute discretion. As a result, replacement pages or additional material may be prepared from time to time and we ask that you insert these changes as received and delete the outdated information. It is your responsibility to review this HANDBOOK as well as replacement pages or additional material we ask you to insert.

If you have questions regarding these policies of PRN, please discuss them with the Human Resource Director.

HUMAN RESOURCE DIRECTOR

It is the Human Resource Director's responsibility to provide employees with information and necessary assistance to understand PRN' human resources policies and to promote a positive work environment. The Human Resource Director is the best resource for you to obtain current information on Human Resource policies, personnel records, insurance, benefits, and job opportunities.

The Human Resource Director is responsible for maintaining complete and up-to-date personnel records for all current employees. It is, therefore, important that you notify the Human Resource Director promptly of any changes in your name, marital status, number of dependents, home address, and telephone number. In this manner, the benefit status and information for all employees can be kept current and accurate. Change notice form may be obtained from your supervisor.

All requests for employment verifications and employee references must be directed promptly to the Human Resource Director. Employees must not attempt to provide such information. The Human Resource Director will handle any inquiries or requests for verification in accordance with PRN policies.

Section 3 - Essential Legal Provisions

AT-WILL EMPLOYMENT RELATIONSHIP

TO THE FULLEST EXTENT PERMITTED BY LAW, employment at PRN is at-will and can be terminated at any time with or without cause and with or without notice by the employee or PRN. The "at-will" nature of your employment means that PRN maintains the absolute right to terminate, transfer, demote, suspend and administer employee discipline at any time, for any reason.

No one other than the Human Resource Director or Board of Directors of PRN can enter into an agreement for employment for a specified period of time or make any agreement contrary to the policy of at-will employment. Further, any such agreement must be in writing, approved by the Board of Directors, and signed by the Human Resource Director or his or her authorized agent.

EQUAL EMPLOYMENT OPPORTUNITY IS OUR POLICY

PRN is an equal employment opportunity employer and makes employment decisions on the basis of merit. PRN is committed to complying with all applicable laws providing equal employment opportunities and prohibiting unlawful discrimination in employment.

PRN does not discriminate against qualified applicants or employees with respect to any terms or conditions of employment based on race, color, national origin, ancestry, sexual orientation, age, religion, creed, physical or mental disability, medical condition, marital status, citizenship status, military service status, or any other characteristic protected by state or federal law or local ordinance.

Americans With Disabilities Act

If PRN is at any time an “employer” as defined under the Americans With Disabilities Act (“ADA”), to comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, PRN will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result. Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact the Human Resource Director and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job. PRN then will conduct an investigation to identify the barriers that make it difficult for the individual to have an equal opportunity to perform his or her job. PRN will identify possible accommodations, if any, that will help eliminate the limitation. If the accommodation is reasonable and will not impose an undue hardship, PRN will make the accommodation.

If you believe you have been subjected to any form of unlawful discrimination, provide a written complaint to your supervisor or the Human Resource Director. Your complaint should be specific and should include the names of the individuals involved and the names of any witnesses. PRN will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. If PRN determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense. Appropriate action also will be taken to deter any future discrimination. PRN will not retaliate against you for filing a complaint and will not knowingly permit retaliation by management employees or your co-workers.

IMMIGRATION LAW COMPLIANCE

All offers of employment are contingent on verification of your right to work in the United States, as required by the Immigration Reform and Control Act of 1986. Upon receiving a conditional offer of employment, you will be asked to provide original documents verifying your right to work and to sign a verification form required by federal law. If you cannot verify your right to work in the United States, PRN may be obliged to revoke the offer of employment. Pursuant to this law, all individuals who are offered employment will be required to submit documentary proof of their identity and employment authorization. Employees will also be required to complete and sign, under oath, Immigration and Naturalization Service Form I-9, which must be completed within three days of hiring. Form I-9 requires you to attest that you are authorized to work in the job for which you are hired and that the documents you submitted are genuine.

If you are authorized to work in this country for a limited period of time, before the expiration of that period you will be required to submit proof of your employment authorization and sign another Form I-9 in order to remain employed by PRN.

PRN will not discriminate based upon national origin or citizenship.

Section 4 - Employment Policies and Practices

POLICY AGAINST HARASSMENT

PRN is committed to providing a work environment that is free of unlawful harassment. In keeping with this commitment, PRN strictly prohibits sexual harassment, and harassment based on pregnancy, childbirth or related medical conditions, sex, race, color, religion, gender, age, mental or physical disability, medical condition, national origin or ancestry, marital status, veteran status, sexual orientation, or any other basis protected by federal, state or local law or ordinance or regulation. **All such harassment is unlawful.** PRN' anti-harassment policy applies to all persons involved in the operation of PRN and prohibits unlawful harassment by any employee of PRN, including supervisors and co-workers.

Prohibited unlawful harassment includes, but is not limited to, the following behavior:

1. Verbal conduct such as derogatory jokes or comments, epithets, slurs, negative stereotyping, and unwelcome sexual advances, invitations or remarks about an individual's body, color, physical characteristics, appearance, or talents, references to an employee as "honey", "doll," or "sweetheart," questions about a person's sexual practices, and patronizing remarks;
2. Physical conduct such as assault, unwanted touching, blocking normal movement or physical interference with work, unwelcome physical contact, staring at a person's body, and threatening, intimidating or hostile acts because of sex, race or any other protected basis;
3. Visual conduct such as derogatory and/or sexually-oriented, offensive or obscene photographs, calendars, posters, cards, cartoons, drawings and gestures, display of sexually suggestive or lewd objects, unwelcome notes or letters, and any other written or graphic material that denigrates or shows hostility or aversion toward an individual because of a protected characteristic, that is placed on walls, bulletin boards, or elsewhere on PRN' premises or circulated in the workplace;
4. Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors; and unwelcome sexual conduct that unreasonably interferes with an individual's job performance or creates an intimidating, hostile, or offensive working environment, even if it does not lead to tangible or economic job consequences.
5. Retaliation for having reported or threatened to report harassment.

Sexual harassment includes harassment of women by men, of men by women, and same-sex gender-based harassment.

If you believe that you have been unlawfully harassed, by any co-employee, supervisor or persons doing business with or for PRN, provide a written complaint as soon as possible after the incident to your supervisor or the Human Resource Director. Your complaint should include details of the incident or incidents, names of the individuals involved and names of any witnesses. Supervisors will refer all harassment complaint to the Human Resource Director. PRN will immediately undertake an effective, thorough and objective investigation of the harassment allegations.

If PRN determines that unlawful harassment has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by PRN to be responsible for unlawful harassment will be subject to appropriate disciplinary action, up to and including termination. An PRN representative will advise all parties concerned of the results of the investigation. Steps will be taken, as necessary, to prevent any further harassment.

PRN encourages all employees to report any incidents of harassment forbidden by this policy **immediately** so that complaints can be quickly and fairly resolved. You should also be aware that the Federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing investigate and prosecute complaints of prohibited harassment in employment. If you think you have been harassed or that you have been retaliated against for resisting or complaining, you may file a complaint with the appropriate agency. The nearest office is listed in the telephone book.

PRN will not retaliate against you for reporting incidents of harassment or perceived harassment, for making reports of harassment, or for participating in any investigation of incidents of harassment or perceived harassment. PRN will not tolerate or permit retaliation by management, employees or co-workers.

If you have any questions concerning this policy, please contact the Human Resource Director.

EMPLOYMENT CLASSIFICATIONS

In order to determine eligibility for various benefits, the following classifications have been established:

New Hire Employee (Trial Period)

The initial new hire employee trial period shall be up to 90 calendar days, beginning with the first day of employment.

During the trial period, the supervisor will have an opportunity to determine whether further employment with PRN is appropriate. The trial period also provides the employee with the opportunity to decide if he or she is satisfied with the position. The employee will not be eligible for employee benefits during the trial period. However, upon completion of the trial period, vacation benefits accrue from the date of hire, and employees are eligible to use those hours after completion of one year of service (refer to Vacation Policy).

The employment relationship may be terminated by the employee or PRN any time during or after the trial period with or without cause. Completion of the employee trial period does not guarantee or in any way entitle the employee to further employment with PRN.

DURING THE ENTIRE COURSE OF EMPLOYMENT, YOU WILL BE AN AT-WILL EMPLOYEE. Upon satisfactory completion of the trial period and the receipt of a satisfactory review, an employee may be considered for an increase in salary and/or benefits available to regular employees.

Regular Full-Time (RFT)

An employee who regularly works a minimum of 40 hours a week on a continuing basis, and who has completed the trial period, is considered a regular full-time employee.

Regular Part-Time (RPT)

An employee who regularly works less than 40 but more than 30 hours a week is considered a regular part-time employee once he or she successfully completes the trial period. Regular part-time employees are not eligible for any PRN-sponsored benefits other than vacation and applicable holiday benefits.

Straight Part-Time (SPT)

An employee who is regularly scheduled to work less than 30 hours each week and is not eligible for any PRN-sponsored benefits other than vacation and applicable holiday benefits.

On-Call

An employee who is not regularly scheduled, but works on an as-needed basis only. On-call employees are not eligible for any PRN-sponsored benefits.

Temporary

An employee who is hired on a temporary basis or for completion of a specific task or project. Temporary employees are not eligible for employee benefits except where mandated by applicable law. An employee will not automatically change from temporary to another classification merely by working in excess of the period originally expected and designated. An employee will change from temporary to regular status only if advised of such a change in writing, indicating the effective date on which the employee may be eligible for PRN-sponsored benefits.

Inactive Status

Employees who are on any type of leave of absence, work-related or non-work-related, that exceeds four months will be placed on inactive status. During the time the employee is on inactive status, no benefits [i.e. vacation, sick leave] will be earned and seniority will not continue to accrue.

Rehired Employees

Employees who have a break in service, other than an approved leave of absence, will be given credit for service completed before his or her prior separation from PRN for purposes of computing her or his length of service for PRN-sponsored benefits, provided the employee is rehired within sixty days of his or her termination date. An employee's enrollment in the group insurance program is canceled upon termination of employment, but if re-hired within six months, he or she may be eligible for reinstatement into the insurance program without waiting the 90 day period.

Exempt / Non-Exempt

In addition to the above, each employee has either an exempt or non-exempt status. This status is determined by the Human Resource Director for the position you hold. It refers to whether or not you are exempt or non-exempt from the overtime provisions of the Federal Fair Labor Standards Act and any applicable state laws (refer to Overtime Policy).

JOB DUTIES

During the trial period, your supervisor or the Human Resource Director will explain your job responsibilities and the performance standards expected of you. Be aware that your job responsibilities may change at any time during your employment. From time to time, you may be asked to work on special projects or to assist with other work necessary or important to the operation of PRN. Your cooperation and assistance in performing such additional work is expected.

PRN reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities.

PERSONNEL RECORDS

Change of Personal Data

PRN is required by law to keep current all employees' names and addresses. It is your responsibility to immediately advise your supervisor or the Human Resource Director in writing of any change in your personal data such as address, phone number, marital status, or number of dependents so that PRN records, including those on which your benefits are based, can be kept up to date.

Right to Inspect Personnel File

You have the right to inspect certain documents in your own personnel file, as provided by law, in the presence of an PRN representative at a mutually convenient and reasonable time and at reasonable intervals. This right applies to present and terminated employees, but not to applicants for employment nor to representatives of employees or former employees.

In order for you to view your own personnel file, you must submit a written request to the Human Resource Director at least 24 hours in advance.

In accordance with California law, an employee may inspect documents which have been used to determine the employee's qualifications for employment, promotion, additional compensation, termination, or other disciplinary action. You may make copies of all documents that you have previously signed. You may add your version of any disputed item to the file.

Disclosure of Information Regarding Current or Former Employees

PRN will attempt to restrict disclosure of your personnel file to only authorized individuals within PRN.

Employees should not provide any information regarding current or former employees, clients or customers to persons, firms, organizations or institutions who are not employed by or part of PRN. Any employee who receives a request for any information concerning a past or present employee, client or customer of PRN should, without engaging in any on or "off the record" conversation about the individual, refer the person making the request to the Human Resource Director. ONLY the Human Resource Director is authorized to provide information of any kind regarding current or former employees, clients or customers. Requests that should be referred to the Human Resource Director include, but are not limited to, requests for employment references and requests or comments regarding performance from any outside agency, firm, person, or organization.

Strict observance of this policy is required. Any violation of this policy may result

in disciplinary action up to and including termination.

Disclosure of personnel information to outside sources will be limited. However, PRN will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations and as otherwise legally required.

Requests for References

The Human Resource Director will normally verify, upon written request, only a former employee's dates of employment, position or positions held, and final rate of pay. A written disclosure authorization and release may be required before any further information is furnished.

EMPLOYMENT OF RELATIVES

Relatives of employees will not be eligible for employment with PRN where, in the opinion of the Human Resource Director, actual or potential problems may arise regarding supervision, safety, security or morale, or where potential conflicts of interest exist. "Relative" is defined to include an employee's parent, child, spouse, sibling, in-law and step relative.

CONFLICT OF INTEREST

While PRN does not seek to interfere with the off-duty and personal conduct of its employees, certain types of off-duty conduct may interfere with PRN' legitimate business interests. For this reason, employees should be aware of the following policies:

Employees are expected to conduct their personal affairs in a manner that does not adversely affect PRN' or their own integrity, reputation or credibility. Illegal or immoral off-duty conduct on the part of an employee that adversely affects PRN' legitimate business interests or the employee's ability to perform his or her job will not be tolerated.

While employed by PRN, employees are expected to devote their energies to their jobs with PRN. For this reason, second jobs are strongly discouraged.

Examples of the types of outside employment that are strictly prohibited include, but are not limited to, the following:

1. Employment that conflicts with an employee's work schedule, duties and responsibilities;
2. Employment that creates a conflict of interest or is incompatible with the employee's employment with PRN;
3. Employment that impairs or has a detrimental effect on the employee's work performance with PRN;
4. Employment that requires the employee to conduct work or related activities on PRN' property during PRN' working hours or using PRN' facilities and/or equipment;
5. Employment that directly or indirectly competes with the business or the interests of PRN.
6. Engaging in the business with companies or first that supply products and/or services to PRN without the prior written approval from PRN to do so.
7. Performing services in competition with PRN: Employees are not permitted to receive any compensation directly or indirectly for services performed in competition with PRN, including any business or personal opportunity of the type normally entered into by PRN, as well as any similar opportunity which PRN might feasibly consider pursuing.
8. Personal or romantic involvements: Situations of actual or potential conflict of interest are to be avoided by all employees. Personal or romantic involvement with a competitor, supplier or other employee of

PRN, which impairs an employee's ability to exercise good judgment on behalf of PRN, creates an actual or potential conflict of interest. Supervisor-subordinate romantic or personal relationships also can lead to supervisory problems, possible claims of sexual harassment and morale problems. These types of relationships should therefore be immediately and fully disclosed to the employee's immediate supervisor or the Human Resource Director for a determination as to whether a potential or actual conflict exists. If such determination is made, PRN may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts may subject the employee to disciplinary action.

Employees who wish to engage in outside employment that may create a real or apparent conflict of interest must submit a written request to PRN explaining the details of the outside employment. If the outside employment is authorized, PRN assumes no responsibility for the outside employment. PRN shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of outside employment. Authorization to engage in outside employment can be revoked at any time.

If you have a question about whether or not you have a conflict of interest, please bring it to the attention of the Human Resource Director immediately. Any doubt should be resolved in favor of disclosure and a request for specific guidance.

WORK SCHEDULES

PRN is normally open for business between the hours of 8:30 a.m. and at 5:00 p.m. Lunch period is from 12:00 noon to 1:00 p.m. All employees are expected to be at their desks or work stations at the start of their scheduled work shift, ready to perform their work. If it is necessary to change the normal work schedule, you will be informed and given as much notice as possible.

The workday (a consecutive 24-hour period) begins at 12:01 a.m. and ends at midnight. The work week begins on Sunday and ends on Saturday.

For non-exempt employees on a five-day workweek, the standard full-time workday is 8 hours and the standard workweek is 40 hours.

Your work schedule may vary depending upon your department and your individual job requirements. Various factors, such as workloads, operational efficiency, and staffing needs may require variations in your starting and quitting times and total hours worked each day or each week.

You may be required to work overtime or hours other than those normally scheduled whenever necessary.

You may not work more than eight hours in one day without prior supervisor approval. All overtime must be authorized in advance by your supervisor. Non-exempt employees are paid at one and one-half times their regular hourly rate for all hours worked in excess of eight in one day.

An exempt employee bases the workday on daily time requirements for current and anticipated workloads.

ATTENDANCE

Your job is important! That is why it is so important that you be at work and on time - your department and PRN require regular attendance and punctuality to run smoothly. Attendance and punctuality are conditions of employment and you should understand that absence or tardiness can lead to disciplinary action up to and including dismissal. Let your supervisor know of your expected absence or late arrival as soon as possible.

Tardiness

When tardiness is unavoidable, try to notify your supervisor of how late you will be ahead of time. If you are not able to report to work at all because of illness or emergency, telephone your supervisor directly within one-half hour after your scheduled working time. If you do not, your absence may be considered unexcused.

Non-exempt employees will be subject to deductions for tardiness in increments of 15 minutes [i.e., 8 minutes late - deduct 15 minutes; 18 minutes late - deduct 30 minutes], and deductions for unexcused absences.

Absences

In case of any sickness, pregnancy, military service, personal emergencies or other reason requiring absence, you must contact your supervisor immediately. Non-exempt employees will not be paid for unexcused absences. Exempt employees will be subject to deductions for unexcused absences of one or more complete days.

If you are absent 3 consecutive working days without contacting your supervisor, or if you fail to return to work after an authorized leave, or if you misrepresent the reason in apply for leave, you may be subject to disciplinary action, including discharge.

Permission to Leave During Working Hours

If it becomes necessary for an employee to leave PRN' premises during working hours, permission must be obtained from the Human Resource Director or Executive Assistant before the employee leaves. Working hours do not include the one hour meal period. Employees who leave the premises for personal business or business that is not a part of their job must punch out when they leave. They may also be asked to sign a statement verifying they have requested the opportunity to leave for personal reasons.

MEALS AND REST PERIODS

Lunch Period

Employees are entitled to a lunch period of one hour. The lunch period shall be taken between 12:00 noon and 1:00 p.m. Any variation of the lunch schedule must be approved by the supervisor or Human Resource Director.

Rest Period

Employees are entitled to two 15-minute breaks: one in the morning and one in the afternoon. Breaks cannot be saved, accumulated, or taken in conjunction with lunch. California law states that breaks must be taken in the middle of each 4 hour work period. Employees will inform co-workers before going on break. If you should be required to work overtime, you are entitled to a 15-minute break for every four (4) hours of overtime worked or a major fraction thereof.

TIMEKEEPING REQUIREMENTS

Time cards are used as a means of accurately recording hours worked and calculating pay for all employees. They record regular hours worked, meal periods, overtime, absences, and vacations. All exceptions to an 8-hour workday must be recorded on the timecard with a written explanation of the absence or tardiness.

All exempt and non-exempt employees are required to record all time worked on a time card for payroll purposes. Employees must record their own time at the start and at the end of each work period, when leaving the premises for personal reasons, including before and after the lunch break. Fifteen minute breaks need not be recorded. Employees also must record their time whenever they leave the building for any reason other than PRN' business.

Time cards must be signed by the employee and the supervisor.

Time cards must be promptly handed in to your supervisor three days before the end of the pay period next following. (Any delay may hold up the processing of your pay check.)

Before working any overtime, you must have prior written supervisory approval.

It is important that the time card is not lost, falsified or mutilated. If there is a mistake on the time card, an employee should inform the Human Resource Director or Executive Assistant and then make and initial the necessary corrections. The Human Resource Director or supervisor shall also initial any corrections. Any handwritten marks or changes on the time card must be initialed by a supervisor. If an employee's time card is missing from the rack, the employee should report this fact immediately to the Human Resource Director or supervisor and obtain assistance to locate the time card or to receive another time card.

IT IS STRICTLY FORBIDDEN TO PUNCH, MARK, OR TAMPER WITH ANOTHER EMPLOYEE'S TIMECARD, ALLOW ANOTHER EMPLOYEE TO PUNCH, MARK OR TAMPER WITH YOUR TIMECARD, OR ALTER A TIMECARD. THESE ACTS WILL NOT BE TOLERATED.

Disciplinary action will be taken against anyone who violates these rules.

OVERTIME

Please take note, prior written approval from your supervisor must be obtained before you work overtime.

Non-exempt employees, on a 5-day workweek, receive overtime pay for time worked in excess of 8 hours per day or 40 hours per work week. Effective January 1, 2000, non-exempt employees, on a 5-day workweek, receive overtime pay for time worked in excess of 8 hours per day.

If you are non-exempt, you are paid for overtime at one and a half times the regular hourly rate. Non-exempt employees who work more than 12 hours in one day or more than 8 hours on the seventh working day in a work week are paid at two times their regular hourly rate for the excess hours.

Non-exempt employees are entitled to overtime pay whenever they perform overtime work. PRN does not permit employees to take time off in lieu of receiving overtime pay. Accordingly, employees should not request the opportunity to make-up time for time missed if the make-up time will result in overtime work. Any time off that is scheduled or approved by the supervisor or Human Resource Director will be without pay. Employees have the option of requesting the time missed be deducted from any vacation to which he or she is then entitled.

Exempt employees are paid a fixed salary that is intended to cover all the compensation to which they are entitled. Because they are exempt, such employees are not entitled to additional compensation for extra hours worked or time off in lieu of additional compensation. PRN does not maintain any compensatory time off plan or arrangement.

Exempt employees are not covered by the overtime provision and do not receive overtime pay.

PAYMENT OF WAGES

Pay Periods and Pay Days

The pay periods are as shown below:

<u>Pay Periods</u>	<u>Payday</u>
1st through 15 th	15 th day of month
16th through last day of month	1 st day of month

Your pay check will be distributed to you before the end of the payday.

If a payday falls on a Saturday, Sunday, or holiday, paychecks will be issued on the preceding workday.

Unless approved by the Human Resource Director, paychecks are not distributed prior to the regularly scheduled payday unless you will be on vacation. If that situation occurs, you may receive your paycheck on the last day you will be in the office prior to your vacation.

If you have any questions regarding your paycheck, notify your supervisor immediately .

Payroll Deductions

Federal and California law require PRN to withhold the following taxes from your wages:

- Federal Income Tax
- State Income Tax
- Social Security (FICA)
- State Disability Insurance (SDI)

After completing the appropriate qualification period, eligible employees may expressly and voluntarily authorize in writing these additional deductions:

- Insurance premiums for dependents

No other deductions will be made without express authorization from the Human Resource Director.

Advances

PRN does not permit advances against paychecks.

Garnishment of Wages

Employees are responsible for their own debts. Garnishments cause considerable paperwork and expense for PRN. Although a wage garnishment can happen to anyone, PRN strongly encourages employees to work out a financial problem before this situation occurs.

PERFORMANCE EVALUATIONS AND SALARY REVIEWS

All permanent full time salaried employees will receive written and oral progress performance reviews at regular intervals. The initial performance review will be conducted no later than six months after the hire date, and the second and subsequent evaluations will occur every six months thereafter. The initial 90 days of employment is the trial period and considered probationary.

Salary adjustments for management and supervisors will be considered at twelve month intervals. If exceptional performance warrants, salary increases may be considered at other times.

Each supervisor is responsible for conducting a performance review with each employee in his or her department. The Human Resource Director is responsible for advising the appropriate supervisor when a performance review of an employee is due.

Upon transfer from one department to another, an evaluation will be performed by the supervisor. This review will not change the employee's salary increase consideration date unless a merit raise is given with the transfer.

The performance review is an opportunity for both the supervisor and the employee to communicate and discuss strengths and shortcomings in job performance and determine special talents, skills and capabilities.

In reviewing your salary, these factors are taken into account:

1. Your level of responsibility;
2. Your specific duties and how well you perform them;
3. How well you function overall as an employee;
4. How your salary compares with others in similar positions within PRN, the community, and the industry; and,
5. Financial position of PRN.

Salary increases are not automatic. An employee should not expect a salary increase with each review.

All salary information is confidential and should not be discussed with anyone other than the Human Resource Director.

Positive performance evaluations do not guarantee increases in salary or promotions and do not change an employee's at-will employment status. Salary increases are not granted automatically.

PROMOTIONS AND TRANSFERS

It is PRN' policy, whenever practical, to promote employees from within PRN. If you are interested in any open position and feel you are qualified, you may contact the Human Resource Director.

In order for you to be considered for any job change, you must have had a good rating on your last performance review and have been in your present position for at least six months.

PRN is committed to filling vacant positions with the most qualified individuals. Employees are encouraged to perform their responsibilities to the best of their ability. Where PRN determines that two or more candidates for a position are equally qualified, preference will be given to existing employees who have demonstrated their ability to perform their present duties in a satisfactory manner.

CONFIDENTIALITY OF COMPENSATION

Your compensation is a personal matter between you and PRN. PRN has a responsibility to keep personal information about its employees confidential and expects you as an employee to maintain that confidentiality by not discussing your compensation and benefits with other employees. These subjects are a matter of contractual agreement between PRN and you. PRN has a strict policy that these subjects are kept private. Any breach of this confidentiality by an employee will be deemed a serious matter and may subject the employee to disciplinary action including reprimand, suspension, or termination, at the PRN' discretion.

DISCRETIONARY PROGRESSIVE DISCIPLINE

It is important that all employees perform to the best of their abilities at all times. There will be occasions, however, where employees perform at an unsatisfactory level, violate a policy, or commit an act that is inappropriate. As previously noted, employment may be terminated at will by the employee or PRN at anytime with or without cause and without following any systems of discipline or warnings. Nevertheless, PRN may choose to exercise its discretion to utilize forms of discipline that are less severe than termination in certain cases. Examples of less severe forms of discipline include verbal warnings, written warnings, probationary action, and demotion.

Although one or more of these steps may be taken in connection with a particular employee, no formal order or system is necessary. An employee may, of course, resign at any time. PRN may also terminate the employment relationship, at any time, without following any particular series of steps whenever it determines, in its own discretion, that such action should occur.

TERMINATION

The following policies apply to all employees who do not have formal written employment agreements.

Voluntary Termination

If you decide to leave PRN, you are encouraged to provide as much advance written notice to your supervisor of your decision to resign as possible under the circumstances so an orderly transition of your responsibilities can be arranged.

Although employees have the same right as PRN to terminate the employment relationship at will, at any time, PRN would appreciate at least two (2) weeks' notice of an intention to resign whenever it is possible to do so. However, circumstances may exist where PRN may exercise its right to accept a resignation immediately and to choose an earlier final date of employment. PRN reserves the right to accept a resignation and recognize the termination date as any date it chooses between the date the resignation is submitted and the date designated by the employee as the last day of employment. Whether the date designated by the employee or a date selected by PRN becomes the employee's last day of work, the employee's personnel records will normally reflect the fact that the employee resigned voluntarily.

Severance Pay

PRN does not maintain a formal severance pay policy or a pay-in-lieu of notice policy, or provide severance pay to employees who separate from its employ for any reason. Severance pay should, therefore, not be expected. Accordingly, if PRN accelerates the employee's last day of active work to a date prior to that designated by the employee in the employee's resignation notice, the employee will only receive compensation until and including the employee's last day of actual work. However, PRN does reserve the right to make exceptions to this policy and provide compensation in excess of that which it owes, as it determines appropriate in its sole and absolute discretion.

Involuntary Termination

Employment is at-will and can be terminated at any time with or without cause, by the employee or by PRN. The at-will employment status is not subject to modification. No employee or representative of PRN other than the Human Resource Director has any authority to enter into any agreement for employment for any specified period of time or to make any agreement that is contrary to the employment-at-will policy. Further, the Human Resource Director of PRN may not alter the at-will nature of the employment relationship unless done so specifically in a written agreement signed by both the Human Resource Director and the employee.

Return of PRN Property

When you leave PRN, you must return all items issued to you by PRN such as credit cards, keys, manuals and HANDBOOKs and to make arrangements for clearing any outstanding debts with PRN

Change Notice Form

The employee's supervisor is responsible for preparing an employee change notice and termination form. The form is submitted to personnel for proper preparation of payroll and any other accrued benefits and then filing in personnel records.

Exit Interview

Ordinarily, the Human Resource Director will conduct an exit interview and give out the final paycheck. (Employees resigning with less than 72 hours prior notice will receive their check within 72 hours from the time notice was given.) The exit interview allows employees to communicate their views on their work with PRN and the job requirements, operations, and training needs. It also provides the employee an opportunity to discuss issues concerning benefits and insurance. You may be asked to sign an exit interview form that states that you received your final paycheck and that you have returned all other PRN property.

Benefits Available

The Human Resource Director will provide you with information regarding any conversion or continuation rights to your insured benefits. When you leave PRN, you or your dependents may have the right to continue your group medical benefits temporarily under the federal statute commonly called COBRA.

References to Prospective Employers

It is PRN' policy that references provided to any prospective employers will consist only of verifying your dates of employment, your last or present job title, and the fact of your employment. With your written consent, PRN may also release the amount of your salary.

PRN PROPRIETARY INFORMATION

Ownership and Copyrights of PRN Products

Any material developed, created, or adapted during PRN work hours or with PRN facilities and resources (except specifically approved personal work) constitutes a "work for hire" and is the sole and exclusive property of PRN. Employees must cooperate with PRN and do all that is necessary to protect PRN' interests in and copyrights of such materials. All employees are required to safeguard the confidentiality of any PRN information and may not use it to further their private interests without prior written permission from the Human Resource Director.

Trade Secrets

PRN and the employee acknowledge and agree that prior to and during employment, and in the course of the discharge of employee's duties hereunder, employee may have access to and become acquainted with information concerning the operation and processes of PRN, including without limitation, computer programs, financial, personnel, sales, scientific, and other information that is owned by PRN and may be regularly used in the operation of PRN' business, and that such information constitutes PRN' trade secrets.

The employee specifically agrees that employee shall not misuse, misappropriate, or disclose any such trade secrets, directly or indirectly, to any other person or entity or use them in any way during the employment terms, except as is required in the course of the employment hereunder.

Employee acknowledges and agrees that the sale or unauthorized use or disclosure of any of PRN' trade secrets obtained by employee during or prior to the course of employment, including information concerning PRN' current or any future and proposed work, services, or products, the facts that any such work, services, or products are planned, under consideration, or in production, as well as any descriptions thereof, constitute unfair competition. Employee promises and agrees not to engage in any unfair competition with PRN during or after employment.

Employee further agrees that all files, records, documents, drawings, specifications, equipment, and similar items relating to PRN' business, whether prepared by employee or others, are and shall remain exclusively the property of PRN and that they shall be removed from the premises of PRN only with the express prior written consent of PRN' Board of Directors or Human Resource Director.

In consideration of potential and actual access to Trade Secrets prior to and during employment, an employee will not, directly or indirectly engage in or have any interest in any person, firm, corporation, or business (whether as an employee, officer, director, agent, security holder, competitor, consultant or

otherwise that engages in any activity in the Counties of Riverside, San Bernardino, Orange, Los Angeles, San Diego, Santa Barbara, Ventura and Kern, California, which activity is the same as, similar to, or competitive with any activity engaged in by PRN (at the time of employee's termination) or any successor or successors thereof in any of these Counties. Furthermore, during employment, PRN shall not induce or attempt to induce any employee of PRN to discontinue employment with PRN.

Confidentiality of PRN Information

Each employee is responsible for safeguarding confidential information obtained during employment. Employees are not allowed to give out confidential information to unauthorized persons. Questionable inquiries are to be referred to the supervisor or Human Resource Director. Dissemination of PRN corporate, branch, client, or customer information without authorization to do so may subject the employee to disciplinary action, including dismissal.

Employees are at no time allowed to give legal advice, as it is against California law. If you receive such a request from a client or customer, refer them to your supervisor. All other requests are to be referred to the Human Resource Director or his/her designee.

ALCOHOL AND SUBSTANCE ABUSE

PRN maintains a strong commitment to provide a safe, efficient and productive work environment. Use of these substances whether on or off the job can adversely affect an employee's work performance, efficiency, safety and health and therefore seriously impair the employee's value to PRN. In addition, the use or possession these substances on the job constitutes a potential danger to the welfare and safety of other employees and exposes PRN to the risks of property damage or injury to other persons.

Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect an employee's job performance and seriously impair the employee's value to PRN.

Therefore, the following rules and standards of conduct apply to all employees either on PRN property or during the work day (including meals and rest periods). The following are strictly prohibited by PRN:

1. Unauthorized possession, use, distribution, sale or purchase of alcohol on PRN premises, while engaged in PRN business, or while at an PRN function, or while on the job;
2. Driving an PRN vehicle while under the influence of alcohol.
3. Distribution, sale or purchase of an illegal or controlled substance on PRN premises, while engaged in PRN business, or while at an PRN function, or while on the job;
4. Possession or use of an illegal or controlled substance or being under the influence of an illegal or controlled substance while on the job;
5. Use of alcohol on or off PRN premises that adversely affects the individual's work performance, his/her own or others' safety at work, or PRN' regard or reputation in the community;
6. Possession, use, or sale of illegal or controlled drugs on or off PRN premises that adversely affects the individual's work performance, his/her own or other's safety at work, or PRN' regard or reputation in the community.

Violation of the above rules and standards of conduct will not be tolerated. PRN also may bring the matter to the attention of appropriate law enforcement authorities.

In order to enforce this policy, PRN reserves the right to conduct searches of PRN property or employees and/or their personal property, and to implement other measures necessary to deter and detect abuse of this policy.

An employee's conviction on a charge of illegal sale or possession of any controlled substance while off PRN property will not be tolerated because such conduct, even though off duty, reflects adversely on PRN. In addition, PRN must keep people who sell or possess controlled substances off PRN' premises in order to keep the controlled substances themselves off the premises.

Any employee who is using prescription or over-the-counter drugs that may impair the employee's ability to safely perform the job, or affect the safety or well-being of others, must notify a supervisor of such use immediately before starting or resuming work.

PRN will encourage and reasonably accommodate employees with chemical dependencies (alcohol or drug) to seek treatment and/or rehabilitation. To this end, employees desiring such assistance should request a treatment or rehabilitation leave. PRN is not obligated, however, to continue to employ any person whose performance of essential job duties is impaired because of drug or alcohol use, nor is PRN obligated to re-employ any person who has participated in treatment and/or rehabilitation if that person's job performance remains impaired as a result of dependency. Additionally, employees who are given the opportunity to seek treatment and/or rehabilitation, but fail to successfully overcome their dependency or problem, will not automatically be given a second opportunity to seek treatment and/or rehabilitation. This policy on treatment and rehabilitation is not intended to affect PRN' treatment of employees who violate the regulations described above. Rather, rehabilitation is an option for an employee who acknowledges a chemical dependency and voluntarily seeks treatment to end that dependency.

When considering the Employee Conduct and Work Rules and the Alcohol and Substance Abuse Policy, it should be remembered that employment is for an unspecified term and is at the mutual consent of the employee and PRN. Consequently, the employment relationship can be terminated at any time by the employee or PRN, with or without cause or advance notice.

OPEN DOOR POLICY

Suggestions for improving PRN are always welcome. At some time, you may have a complaint, suggestion or question about your job, your working conditions or the treatment you are receiving. Your good-faith complaints, questions and suggestions also are of concern to PRN. We ask that you take your concerns first to your supervisor, then follow these steps:

Informal Problem Solving

Within a week of the occurrence, bring the situation to the attention of the Human Resource Director who will investigate and provide a solution or explanation. It is recommended that you bring the matter to the Human Resource Director as soon as possible after the occurrence.

Formal Problem Solving

If the problem is not resolved, you may submit a request to the Board of Directors of PRN. It will investigate and provide a final decision to you within 10 working days, unless it is determined that additional time is required under the circumstances.

This procedure, which we believe is important for both you and PRN, cannot result in every problem being resolved to your satisfaction. However, PRN values your input and you should feel free to raise issues of concern, in good faith, without the fear of retaliation.

Security from Harassment and Discrimination

The above problem-solving avenues should address most situations. If, however, you are experiencing a problem that you feel would be difficult to discuss with the Human Resource Director (for example, perceived sexual harassment or discrimination), you should report the matter to the Personnel Committee immediately.

It is PRN's intention to be fair and impartial in order to establish the smoothest working relationships possible. No employee will be discriminated or retaliated against, or in any way penalized for using this procedure.

Section 5 - Standards of Conduct

STANDARDS OF EMPLOYEE CONDUCT

Whenever people are required to work together for any purpose, they need certain guidelines to govern their personal conduct and relations. These guidelines help ensure that all employees will enjoy a pleasant and cooperative work environment. PRN believes compliance with these common sense rules to be an important responsibility of every employee. Consequently, violation of these rules may result in disciplinary action, up to and including immediate dismissal.

Professional Physical Appearance

Maintaining a high standard of professionalism is a large part of the success of PRN. As an PRN employee, you represent PRN to its clients, customers and to the public. Therefore, it is important that all employees utilize good judgment in determining their dress and appearance and dress appropriately for the nature of our business and the type of work performed. Everyone should have a neat appearance and appropriate attire for his/her type of work. Clothing should be clean and tasteful. Avoid clothing that can create a safety hazard. Your supervisor may issue more specific guidelines.

Employees who are inappropriately dressed will be sent home and directed to return to work in proper attire. Such employees will not be compensated for the time away from work.

Housekeeping

PRN is subject to unexpected visits from clients, customers, corporate officers, and guests. It is essential that the office be kept neat and clean at all times. All employees are expected to keep their work areas clean and organized. Common areas such as lunch rooms, locker rooms and restrooms should be kept clean by those using them. Please clean up after meals. Dispose of trash properly.

Food and Beverages

All food and beverage consumption is limited to the employee lounge. This will minimize the chance that furniture, machines, and important papers will be marred or destroyed at work stations. Alcoholic beverages are not to be consumed on PRN premises. (See Alcohol and Substance Abuse Policy.)

Clients and Customer Relations

The one primary purpose of PRN is to serve its clients and customers. To accomplish this, communication to and from clients and customers must take absolute priority. Employees are expected to be polite, courteous, prompt and attentive to every client or customer. When a situation arises where the employee does not feel comfortable or capable of handling the problem, the

supervisor or Human Resource Director should be called immediately.

Communications should be responded to within 72 hours.

Through your conduct, show your desire to assist the client or customer in obtaining the help he or she needs. If you are unable to help, find someone who can.

Never argue. If a problem develops or if a client remains dissatisfied, ask your supervisor or the Human Resource Director to intervene.

If you receive a verbal or written communication and the issue does not fall within your realm of responsibility, please see that the appropriate person receives the communication as quickly as possible.

Employees are expected to be polite, courteous, prompt and attentive to every client. When a situation arises where the employee does not feel comfortable or capable of handling the problem, the supervisor or Human Resource Director should be called immediately.

Conducting Personal Business

Employees are to conduct only PRN business while at work. Employees may not conduct personal business or business for another employer during their scheduled working hours.

Prohibited Conduct

The following conduct is prohibited and will not be tolerated by PRN. This list of prohibited conduct is illustrative only; other types of conduct injurious to security, personal safety, employee welfare and PRN' operations also may be prohibited:

1. Falsifying, altering, or making a material omission on employment applications, forms, records, or reports, or other PRN records.
2. Recording the work time of another employee or allowing any other employee to record your work time, or allowing falsification of any time card, either your own or another employee's.
3. Fighting or provoking a fight on PRN time or on PRN premises; or practical jokes, "horseplay" or any other action that is dangerous to others, to PRN property, or participating in, causing, or creating a disruption of any kind during working hours on PRN property.
4. Unauthorized use, possession or removal of any PRN property or the property of any other employee, client or customer.
5. Theft, deliberate or careless damage or destruction of any PRN

property or records, or materials, or the property of another employee or customer.

6. Unauthorized use of PRN equipment, time, materials, or facilities.
7. Disclosing confidential PRN or personnel information. (If you are unsure about whether particular material is confidential, consult with your supervisor or manager before disclosing the information to another person.)
8. Unlawful harassment.
9. Engaging in criminal conduct whether or not related to job performance.
10. Insubordination, including but not limited to improper conduct toward a supervisor, failure or refusal to obey the orders or instructions or perform tasks assigned by a supervisor or member of management, or the use of abusive or threatening language toward a supervisor or member of management.
11. Using abusive language at any time on PRN premises.
12. Absence for three (3) or more consecutive scheduled workdays without notice to the supervisor.
13. Failure to obtain permission to leave work for any reason during normal working hours.
14. Failure to observe working schedule, including rest and lunch periods.
17. Failure to provide a physician's certificate when requested to do so.
18. Sleeping or malingering on the job; excessive absences and/or tardiness.
19. Bringing on PRN property at any time or bringing to PRN events any dangerous or unauthorized objects or materials, such as explosives, firearms, weapons, or other similar items.
20. Making or accepting excessive personal telephone calls during working hours, except in cases of emergency or extreme circumstances.
21. Wearing extreme, unprofessional or inappropriate styles of dress or hair while working.
22. Violation of any safety, health, security or PRN policy, rule or procedure.
23. Committing a fraudulent act or a breach of trust under any circumstances.

24. Use of alcohol or other prohibited drugs on PRN premises or during work hours. (See Alcohol and Substance Abuse Policy.)
25. Unsatisfactory performance.

This statement of prohibited conduct does not alter PRN' policy of at-will employment. Either you or PRN remain free to terminate the employment relationship at any time, with or without reason or advance notice.

BUSINESS CONDUCT AND ETHICS

Favoritism

All clients and customers are to be treated equally and favors should never be extended to anyone. Granting of special favors to anyone may subject the employee to disciplinary action, including dismissal.

Gifts, Wagers and Gratuities

Employees shall not make wagers or bets with, or accept a gratuity from, any client, customer, vendor, supplier or other person doing business with PRN, as it may give the appearance of influence regarding their business decision, transaction or service. Please discuss expenses paid by such persons for business meals or trips with the Human Resource Director in advance.

Media Contacts

Employees may be approached for interviews or comments by the news media. Only contact people designated by the Human Resource Director may comment on PRN policy or events that have an impact on PRN.

Section 6 - Operational Considerations

PRN PROPERTY

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Lockers, desks, vehicles and other property are PRN property and must be maintained according to PRN rules and regulations. They must be kept clean and are to be used only for work-related purposes. PRN reserves the right to inspect all PRN property to ensure compliance with its rules and regulations, without notice to the employee and/or in the employee's absence.

Prior authorization must be obtained before any PRN property may be removed from the premises.

Voice mail and/or Electronic mail (E-mail) are to be used for business purposes only. PRN reserves the right to listen to voice mail messages and to access E-mail messages to ensure compliance with this rule, without notice to the employee and/or in the employee's absence.

It may be necessary to assign and/or change "passwords" and personal codes for the voice mail, E-mail, or computer. These items are to be used for PRN business and they remain the property of PRN. PRN may keep a record of all passwords/codes used and/or may be able to override any such password system.

EMPLOYEE PROPERTY

For security reasons, employees should not leave personal belongings of value in the workplace. Personal items are subject to inspection and search, with or without notice, with or without the employee's prior consent.

An employee's personal property, including but not limited to, lockers, packages, purses and backpacks, may be inspected upon reasonable suspicion of unauthorized possession of PRN property.

Terminated employees should remove any personal items at the time they leave PRN. Personal items left in the workplace by previous employees are subject to disposal if not claimed at the time of the employee's termination.

WORKPLACE SECURITY AND ANTI-VIOLENCE POLICY

PRN is committed to providing a workplace that is free from violence. In keeping with this commitment, PRN has established a "zero tolerance" policy for actual or threatened violence against co-workers, PRN clients, customers, visitors, or any other persons who are either on PRN premises or have contact with PRN employees in the course of their duties.

Security and safety in the workplace are every employee's responsibility. It is, therefore, essential that every employee understand the importance of workplace safety and security.

The following security considerations are offered to help maintain a secure workplace. Be aware of persons loitering for no apparent reason (e.g., in parking areas, walkways, entrances/exits and service areas). Report to your supervisor any suspicious persons or activities in or around the facilities, or when keys, security passes or identifications are lost or misplaced. Secure your desk at the end of the day or when called away from your work area for an extended length of time and do not leave valuable and/or personal articles in or around your work station that may be accessible.

ERGONOMICS

PRN may be subject to Cal/OSHA ergonomics standards for minimizing workplace Repetitive Motion Injuries (RMIs). PRN will take all steps to reduce exposure to ergonomic hazards by means of engineering controls, administrative controls and employee training. This PRN encourages safe and proper work procedures and requires that all employees follow safety instructions and guidelines.

PRN believes that reducing ergonomic risk is a key factor in maintaining an environment of personal safety and well-being, and is essential to our business. We are committed to providing appropriate resources to create a risk-free environment.

If you have any questions about ergonomics, please contact the Human Resource Director.

PARKING

Employee vehicles may be parked in designated areas, if space permits. If space is unavailable, employees must park off of PRN property. Employees may not use parking areas specifically designated for customers, vendors, PRN vehicles or management vehicles. PRN is not responsible for any loss or damage to employee vehicles or contents while parked on PRN property.

NON-SMOKING OFFICE

PRN is committed to a policy of good health and a safe workplace.

In keeping with this philosophy, it is important that the workplace and office environment reflect PRN' concern for good health. Smoking is, therefore, not permitted inside PRN offices or work areas.

Employees who wish to smoke must limit their smoking to break and meal periods.

Smoking is only permitted outside of the work premises or offices.

USE OF ELECTRONIC MEDIA

PRN uses various forms of electronic communication including, but not limited to computers (personal, lap-top), electronic-mail (E-mail), telephones (cellular, cordless), voice-mail, fax machines, and all online services paid for by PRN (Internet, World Wide Web). All electronic communications, including all software and hardware, remain the sole property of PRN and are to be used only for PRN business and not for any personal use.

Electronic communication/media may not be used in any manner that would be discriminatory, harassing or obscene, or for any other purpose which is illegal, against PRN policy or not in the best interest of PRN.

Employees who misuse electronic communications and engage in defamation, copyright or trademark infringement, misappropriation of trade secrets, discrimination, harassment or related actions will be subject to immediate termination.

Employees may not install personal software in PRN computer systems. All electronic information created by any employee using any means of electronic communication is the property of PRN and remains the property of PRN. Personal passwords may be used for purposes of security, but the use of a personal password does not affect PRN' ownership of the electronic information.

PRN will override all personal passwords if it becomes necessary to do so for any reason.

PRN reserves the right to access and review electronic files, messages, mail, etc., and to monitor the use of electronic communications as is necessary to ensure that there is no misuse or violation of PRN policy or any law.

Employees are not permitted to access the electronic communications of other employees or third parties unless directed to do so by PRN management.

Employees who use cell phones, cordless phones, portable computers and fax communications should not use these methods for communicating confidential or sensitive information or any trade secrets.

Access to the Internet, Web sites and other types of PRN-paid computer access are to be used for PRN-related business only. Any information about PRN, its products or services, or other types of information that will appear in the electronic media about PRN must be approved by the Human Resource Director before the information is placed on an electronic information source.

Questions about access to electronic communications or issues relating to security should be addressed to the Human Resource Director.

OFF-DUTY USE OF FACILITIES

Employees are prohibited from being on PRN premises or making use of PRN facilities while not on duty. Employees are expressly prohibited from using PRN facilities, PRN property or PRN equipment for personal use.

TELEPHONE

PRN is a customer oriented business. One of the most important customer services PRN provides IS ACCESS to you and your fellow employees via the telephone. Therefore, these telephone policies are very important.

PRN Business

The use of PRN telephone is limited to official PRN business except in case of an emergency. Good telephone manners are important and mainly a matter of habit. The voice on the telephone is often the only contact with PRN the caller remembers. Here are some basic rules to follow:

1. Answer politely and PROMPTLY, announcing PRN name; the phone should not ring more than four times before being answered.
2. Be considerate and polite if the call must be referred to someone else.
3. Give concise and accurate information, BUT DO NOT ATTEMPT TO PROVIDE INFORMATION YOU ARE NOT QUALIFIED OR ABLE TO GIVE.
4. Hang up carefully.

Personal Telephone Calls

Personal telephone calls should not be made during working hours. PRN telephones should not be used for personal calls. Local telephone calls should be made during breaks and lunch periods and should be limited in time and frequency as a courtesy to other staff members. No personal long distance or toll calls are to be charged to PRN' phone.

BUILDING SECURITY & PERSONAL LOSS

Office buildings within the area are sometimes subject to thefts and petty burglaries. PRN has instituted a security system limiting entry to the building, however, this system is only engaged during certain hours.

PRN will assist you in the protection of your personal belongings whenever possible. However, it is your responsibility to see that these belongings are safely locked up. When in the office, you should safekeep purses, wallets, and other valuables. It is suggested that things of value not be brought to work.

When traveling for PRN on business, such as Directors' meetings, conventions, and seminars, you are responsible for the safekeeping of your own personal belongings. Cash advances, once in your possession, are considered personal belongings and are, therefore, your responsibility.

It is your responsibility to assure that your parked car is left in a safe place. If you are traveling on PRN business and must leave your car unattended overnight, you are responsible for its security.

DESK INSPECTION POLICY

PRN provides desks for the convenience and use of its employees at PRN' expense for their use during work. Although desks are made available for the convenience of employees while at work, employees should remember that all desks remain the sole property of PRN. Moreover, PRN reserves the right to open and inspect desks, as well as any contents, effects, or articles that are in desks with or without advance notice. Such an inspection may be conducted during, before, or after working hours by the Human Resource Director.

HEALTH AND SAFETY POLICY

PRN is committed to maintaining a healthy and safe work environment by protecting the physical and emotional health and well-being of all employees in the work place. It is the policy of PRN to comply with the laws, rules and regulations of Federal, State and local governments regarding safe practices.

To achieve this objective, PRN maintains an accident prevention program to promote optimum performance--with safety. It is the responsibility of each employee to obey safety rules, pursue safe work procedures and report all unsafe practices or conditions.

In keeping with the commitment to safety, PRN has established an injury and illness Prevention Program. Employees may review the injury and illness Prevention Program by contacting the Human Resource Director.

Please report immediately to your supervisor any unsafe or hazardous condition in the workplace.

PRN employees who are diagnosed with a life-threatening illness may continue to work as long as (a) the employee can perform the essential functions of his/her position, with or without reasonable accommodation; (b) the employees illness does not actually endanger the health or safety of other employees or customers; and (c) the employee's decision to continue to work does not pose a direct threat to the employee

In most circumstances, an employee may not refuse to work because the employee is afraid of contracting a life-threatening illness from a co-worker. An employee shall never harass or otherwise discriminate against a co-worker who has a life-threatening illness.

INJURY AT WORK (Workers Compensation Insurance)

If you are injured while working for PRN, you are entitled to workers' compensation insurance benefits which are paid for by PRN through its insurance carrier. These benefits are determined by State law and vary according to the nature of the injury.

Any injury must be reported immediately to your supervisor. The Human Resource Director must also be advised within 24 hours so that the required reports are completed and filed with the State of California. At this time, the Human Resource Director or designee will also give you detailed information about our Worker's Compensation Insurance Coverage. If it is necessary for you to be seen by a doctor, you may return to work upon providing a written doctor's release statement.

Failure to report your injury when it occurs may prevent you from receiving all benefits available under the workers' compensation insurance program. Claim forms are available from the Human Resource Director.

TRAVEL EXPENSES

It is PRN' policy to reimburse those employees who travel for PRN for travel expenses actually incurred due to PRN business. You must request prior approval from the Human Resource Director for travel expenses. If you are using your own car when traveling for PRN, mileage will be reimbursed at a rate specified by IRS guidelines. You are reimbursed only for mileage in excess of that which you would normally travel to and from the office. You also will be reimbursed for parking and other tolls and fees paid during your business travel. You will not be reimbursed, however, for traffic violations, damage to your car or loss of any personal articles.

When extended travel is required, all hotel accommodation costs and reasonable food expenses will be covered by PRN. Tips in the amount of 15 percent are covered for all meals. Service of bellboys, baggage room assistants, and airport porters should be tipped on the basis of 50 cents per article, or a minimum of \$1.00

Air travel is required as a time-saving factor unless it is in PRN' best interest to use other forms of transportation. You must receive prior approval from the Human Resource Director before any arrangements can be made.

Standard forms are available for requesting cash advances and for reporting all travel expenses. When completing the expense report, you should indicate what the expense was, where and when it took place, and how much it cost. You should also state the business purpose of the expense, as well as the names and organizations of all persons present.

In order to obtain reimbursement for travel by an employee using his or her personal car, a mileage log and receipt for parking, tolls, or fees paid must be presented to the Human Resource Director as soon as practical after the expenses are incurred.

The employee must return any advances in excess of what the employee spent and substantiated. If excess funds are not returned, they will be considered part of gross income and will be subject to withholding tax and will be reported on the employee's W-2.

Section 7 - Benefits

EMPLOYEE BENEFITS

If you satisfy certain eligibility requirements, you may participate in those portions of PRN' benefit program for which you qualify. PRN expects to continue the benefits plans, but reserves the right to change, amend or discontinue them at any time without notice.

The various features of the program may include:

- Health Insurance Plan
[Group insurance plan, 50% of cost paid by PRN for salaried full time employees only, not their dependents; coverage effective 90 days from 1st of the month following the date of hire]
- State Disability, Social Security, Workers' Compensation and Unemployment Insurance
- Vacation
- Holidays
- Leaves of Absence

For purposes of brevity and simplicity, the summaries in this Employee HANDBOOK do not contain full statements of each of the terms, conditions, and limitations of the plans. Consequently, if there is any real or apparent conflict between the brief summaries contained in this Employee HANDBOOK and the terms, conditions or limitations of the official plan documents, the provisions of the official plan documents will control. Employees are, therefore, encouraged to review those documents for more detailed information concerning the plans.

Eligibility requirements and further information regarding these benefit programs is available from the Human Resource Director.

STATE DISABILITY, SOCIAL SECURITY, WORKERS' COMPENSATION, AND UNEMPLOYMENT INSURANCE

These are benefits that have been legislated for your protection. If you are injured or become ill, it is important that you apply for benefits for which you may qualify. It is your responsibility to file for these benefits.

State Disability Insurance (SDI)

You are entitled to disability income benefits from the SDI program if you become disabled. SDI benefits, based on your earnings, begin on the eighth day of disability, or on the first day if you are hospitalized. If your disability continues for 21 days and you are not hospitalized, SDI will provide benefits for your first 7 days of disability. You will need to file for these benefits with the state. Your physician's office and most hospitals have claim forms for this.

Social Security

Social Security, also known as the Federal Insurance Contribution Act (FICA), provides income continuation benefits after 12 months of disability. You can get the necessary forms from any local Social Security Administration Office. The benefit provided is funded by the contributions you make through FICA taxes and the equal contributions PRN makes on your behalf. The amount of your Social Security benefit is based on your earnings history, the nature of your disability, and the number of your dependents.

Workers' Compensation

The PRN carries Workers' Compensation Insurance as required by state law. This insurance protects you if you are injured while performing your work duties. As indicated in the notice given to you when you began work, PRN is in full compliance with the law requiring insurance coverage to protect its employees who may be injured or become ill in the course of doing their job. The insurance provides medical, surgical, and other benefits including wage-loss protection at no cost to you.

If you are injured on the job, you must report the injury to the Human Resource Director or Executive Assistant IMMEDIATELY.

PRN or its insurance carrier may not be liable for the payment of workers' compensation benefits for any injury which arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity which is not part of the employee's work-related duties.

Unemployment Insurance -- Occupational Disability Leave

You are entitled to take a leave of absence for the duration of any disability due

to an occupational illness or injury. When on occupational disability, you must be examined by a health care provider and certified to be disabled from returning to your employment. During your leave, you will receive workers' compensation insurance benefits in accordance with California law.

Your leave of absence will end as soon as your health care provider certifies that you are able to perform safely all of the essential functions of your job, with or without reasonable accommodation. If PRN receives medical evidence satisfactory to it that you will be permanently unable to resume safely all of the essential functions of your job, with or without reasonable accommodation, and if reassignment to a vacant position is not possible, your employment may be terminated.

Please contact the Human Resource Director if you have any questions about Workers' Compensation Insurance.

Unemployment Insurance

If your employment terminates, you may be eligible to receive unemployment insurance. In most cases, you must file a claim in order to collect this benefit. Should such a situation arise, you should inquire about unemployment insurance at the time of your separation from service. We will be happy to explain your benefits under the law.

VACATION

Vacation Pay Rate

Vacation time off is paid on the basis of your base hourly rate, excluding premiums and overtime compensation if any.

Vacation Eligibility

Salaried regular full-time employees who complete their trial period, accrue vacation benefits from their date of hire. However, employees in this classification must complete twelve months of uninterrupted employment before they are eligible to use vacation benefits.

Employees who do not complete their trial period are not eligible for vacation benefits.

Employees do not earn vacation benefits while on a leave of absence exceeding six weeks.

All accrued but unused vacation to a maximum of 15 days will be paid out at the termination of the employment relationship based on the employee's daily accrual or vesting up to and including the final day of work at the employee's final rate of pay. All accrued but unused vacation over 15 days will be forfeited if not used within the year it maximizes.

In computing the length of continuous service of employees who quit or are terminated and later rehired, no credit will be given for any period of service prior to rehire unless the employee is rehired within sixty days from his or her termination date.

All eligible employees accrue vacation according to the following schedule:

<u>Continuous Service</u>	<u>Accrued Monthly</u>	<u>Accrued After 12 Months</u>
1 through 4 years	.8333 days	10 days
5 through 7 years	1 day	12 days
8 through 10 years	1.25 days	15 days
10 and more years	1.6666 days	20 days

Accrual Policy

An employee who has completed one full year of service will be expected to take his or her vacation prior to reaching the next anniversary of his or her hire date. Vacation time not taken prior to an employee's anniversary date based on the press of PRN business, may be carried over to the next year upon written management approval.

Vacation Scheduling

The scheduling of your vacation is based on PRN' operational needs and the requests for vacation and leave of absence of other employees. All vacation requests must be in writing and receive written approval from the Human Resource Director before you may take time off for vacation. Efforts will be made to accommodate your request to take vacation at a specific time. If there is a conflict of interest for time off, the person with more seniority will be given preference.

Vacation accruals may be adjusted for periods of leave of absence, breaks in service not in excess of sixty days, or employment status change. Employees on leave of absence do not accrue vacation during their leave.

Although salaries regular full-time employees earn vacation benefits from their first day of employment, they will be ineligible to use these hours until they complete one year of service.

You must receive written approval from the Human Resource Director before you may take time off for vacation. Although efforts will be made to accommodate your request to take vacation at a specific time, the Human Resource Director is required to consider the needs of PRN when evaluating vacation requests.

Vacation seniority is hereby defined as continuous years of employment with PRN and shall be compensated at the rate of the employee at the time the vacation is taken.

Vacation Advances

PRN may decide to advance unearned vacation time if it is feasible to do so. However, if the employee resigns or is terminated before the vacation advanced has been fully earned, the employee will have been overpaid for his services. PRN will reconcile the overpayment and the employee must make arrangements for repayment of any balances owing PRN.

Because employees are not entitled to use vacation benefits until they complete their trial period, employees who quit or are fired prior to completing their trial period, are not entitled to vacation benefits. Accordingly, such employees will not have earned and will not be entitled to receive any vacation benefits upon termination of employment. Employees who have completed their trial period and who have therefore begun to participate in the vacation plan will be entitled to receive all vested vacation benefits upon termination of their employment. All such unused benefits will be paid promptly on termination of employment with the employee's final paycheck.

HOLIDAYS

PRN provides the following paid holidays each calendar year to eligible employees:

- New Year's Day
- Presidents' Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

When a holiday falls on a Saturday, it will be observed the preceding Friday. When it falls on a Sunday, it will be observed the following Monday.

Specific dates of holiday observance will be announced at the beginning of each year.

Regular full-time, regular part-time, and straight part-time employees who have satisfied their trial period are eligible for holiday benefits. Regular full-time employees receive full pay for each holiday. Regular part-time and straight part-time employees receive pay for the number of hours they would normally have worked, if the holiday falls on one of their regularly scheduled workdays.

Employees who have not satisfied their trial period, temporary employees, employees who are hired, re-hired, or reinstated during the remainder of a work week following a holiday, and any other employee not specifically classified to receive holiday pay are ineligible for holiday benefits.

To receive pay for a holiday, you must be in a paid status (i.e., workday, on vacation, or on paid sick leave supported by medical verification) immediately before and after the holiday.

SICK LEAVE

Salaried full time non-management employees are eligible for sick leave after 60 days of service. PRN will pay regular straight time loss from work equal to six days per year, accruing at one-half day per month. This policy does not apply to work related injury (see Workers' Compensation policy).

Salaried full time management employees are eligible for sick leave after 60 days of service. PRN will pay regular straight time loss from work equal to 12 days per year, accruing at one day per month.

An employee whose employment terminates and who is rehired within 60 days will not lose his or her sick days accrued prior to the termination date.

Compensation

Time off due to sickness or injury, even if compensated, will not be considered hours worked for overtime purposes.

Notice

If an employee becomes sick during the day, the Human Resource Director or supervisor must be notified before the employee leaves the work site, except in case of an emergency. Failure to follow these procedures may result in treatment of the day as an unexcused absence and may result in disciplinary action as well.

If you are sick you must contact your supervisor at least within 30 minutes of the beginning of your shift. If you become ill while at work, you must notify your supervisor before leaving. Absences of 3 days or more may require a doctor's note. (An absence of 6 days or more is considered a Medical Leave of Absence and requires a doctor's note releasing you to return to work.) If you are hospitalized or out sick for more than seven calendar days for an injury or illness that is unrelated to work, you should apply for State Disability Insurance (SDI) benefits (work related illness or injury, you may be entitled to Workers' Compensation benefits).

Not a Vested Benefit

Sick pay is not a vested benefit. Your unused sick leave is not carried forward from one year to the next, and you will not be paid for unused sick leave.

When an employee is terminated or resigns he/she will not be compensated for any unused portion of earned sick leave. Regular part-time employees will not be entitled to sick leave allowance. You must complete 90 days of service before you are able to use your sick leave and you may use only the hours that have accrued in your sick leave fund.

Sick leave is a form of insurance that is accumulated in order to provide a

cushion for incapacitation due to illness. It is to be used only when actually required to recover from illness or injury; sick leave is not for "personal" absences. Time off for medical and dental appointments will be treated as sick leave. Abuse or misuse of your sick leave privilege will not be tolerated by PRN.

Physician's Statement

PRN is concerned about the well-being of its employees. In keeping with this concern, employees should not return to work following an extended absence necessitated by an illness or injury without their doctor's approval. Employees who are absent from work for three or more days due to an illness or injury must therefore provide a satisfactory doctor's statement before returning to work and resuming their duties. The doctor's statement must verify that the employee is able to return to work without presenting an immediate and significant risk to the employee's health or safety or to the health or safety of others. PRN will make reasonable accommodations for disabled individuals where it would not result in an undue hardship to do so and is consistent with its legal obligations.

Absenteeism and Sick Pay

Employees should not automatically assume that absenteeism is permissible merely because they have sufficient sick pay benefits available to cover all or a portion of their time off. PRN may determine that absenteeism is excessive if, based on all the facts and circumstances, it is found disruptive to PRN, co-workers and clients. Each case must be evaluated based on the surrounding facts and circumstances. Absenteeism that is determined to be excessive may lead to disciplinary action up to and including the possibility of immediate termination.

LEAVES OF ABSENCE

The following types of unpaid leaves of absence are available for eligible employees under PRN' policies: personal leaves; medical leaves; military leaves; and other leaves required by State and Federal law.

Eligibility

Employees are eligible for unpaid leave of absence after completion of the 90 day trial period. The maximum length of leave is 6 weeks, with a possible extension at PRN' discretion, or more as required by State or Federal law.

Summary of Guidelines

A summary of the guidelines applicable to leaves of absence is provided below.

Requests

Requests must be submitted in writing and must be approved in writing by the Human Resource Director before expiration of the approved leave.

Unpaid Status

All leaves of absence are provided on an unpaid basis, but employees may use previously accrued vacation or sick pay depending on the type of leave.

Returning from Leave of Absence

When an employee is placed on a leave of absence, an effort will be made to hold the employee's position open for the period of the approved leave. However, due to business needs, there will be times when positions cannot be held open. Accordingly, it is not possible to guarantee reinstatement.

If an employee's former position is unavailable when the employee is ready to return in a timely manner from an approved leave, every effort will be made to place the employee in a comparable position for which the employee is qualified. If such a position is not available, the employee will be offered the next suitable position for which the employee is qualified that becomes available. In addition, PRN will attempt to reasonably accommodate employees who are released for partial or modified duty. An employee who does not accept a position offered by PRN will be considered to have voluntarily terminated employment, effective the day such refusal is made.

Vacation and Sick Benefits

The period that an employee is on leave of absence is not considered time worked for the purposes of determining eligibility for or the amount of certain benefits, such as vacation and sick benefits. When an employee returns from a leave of absence, the eligibility and accrual dates for such benefits will be

adjusted forward to reflect the period of the leave.

Holiday Benefits

If a paid holiday falls during the period an employee is on leave of absence, the employee will not be eligible for holiday pay.

Failure to Return Promptly

An employee who fails for any reason to return to work promptly upon the expiration of an approved leave of absence and has not obtained an extension from the Human Resource Director, shall be deemed to have voluntarily terminated his or her employment.

Misrepresentations

Misrepresenting reasons for applying for a leave of absence may result in disciplinary action, possibly including termination.

Health Insurance

Employees enrollment in the group insurance program is canceled upon termination of employment. If a person is re-hired within six months from the date of termination, he or she is eligible for reinstatement into the insurance program without the waiting for a 90 day trial period. For specific coverage details, please see your supervisor.

Resignation While on Leave

If an employee accepts other employment or fails to return to work on the next normal work day following the expiration of the approved leave of absence, the employee will be considered to have voluntarily resigned.

Personal Leaves of Absence

General

Regular full-time employees who have been continuously employed with PRN for at least one (1) year may request a personal leave of absence without pay for a reasonable period of time up to thirty (30) calendar days. The leave may be extended for a reasonable period of time of up to thirty (30) calendar days due to special circumstances, as determined on an individual basis by the Human Resource Director. Requests for leaves of absence will be considered on the basis of the employee's length of service, performance, responsibility level, the reason for the request, whether other individuals are already out on leave, and the expected impact of the leave on PRN.

Status of Employee Benefits During Personal Leave

PRN does not pay for group health insurance premiums during any portion of a personal leave of absence. Accordingly, the premiums for such coverage are the complete responsibility of the employee. In order to keep the insurance in force, premiums for the entire period of the leave must be paid in a timely manner. Since premiums are normally due by the first day of each month, premiums for a month will be considered untimely if received more than thirty (30) days after this date. Failure pay premiums in a timely manner will result in immediate termination of coverage and a ninety (90) day waiting period from the date of return from the leave for reinstatement of benefits.

All general rules as stated at the beginning of this section will be applied to personal leaves.

Medical Leaves

Employees who are temporarily unable to perform their usual and customary work due to a personal illness or injury, including a pregnancy-related disability, will be granted a medical leave of absence of up to four months. Medical leaves of absence will be granted on the basis of a physician's written statement that an employee is no longer able to work due to a medical disability. [See Pregnancy Disability Leave notice of rights attached to back of HANDBOOK.]

An employee who plans to take a medical leave must provide PRN reasonable notice of the date the leave will commence, the estimated duration of the leave, and the date on which it is expected that the employee will be able to return to work. When an unplanned medical situation or emergency occurs that does not allow the employee to provide advance notification of the need for a medical leave, the employee must notify the Human Resource Director of the situation within three (3) working days of an absence. If an employee is absent more than three (3) working days without notifying the Human Resource Director, the employee will be considered to have voluntarily resigned.

The maximum length of leave that will be granted for any medical disability is four (4) months. Employees returning to work after any disability leave must have a written release from a physician verifying that they are able to return to work without presenting an immediate and significant risk to their health or safety of others.

Employees enrollment in the group insurance program is canceled upon termination of employment. If a person is re-hired within six months from the date of termination, he or she is eligible for reinstatement into the insurance program without the waiting for a 90 day trial period. For specific coverage details, please see your supervisor.

PRN will continue to pay group insurance premiums for the first thirty (30) days of an approved medical leave of absence. If an employee is on leave for a period in excess of thirty (30) days, it is the employee's responsibility to pay the premiums for the balance of the leave. An employee must arrange for all payments of insurance premiums before going on leave. Failure to do so will

result in immediate termination of benefits on the 31st day of the leave and a ninety (90) day waiting period from the date of return from the leave for the reinstatement of benefits.

All general rules as stated above at the beginning of this section will be applied to disability leaves.

Military Leaves

Employees who enter the Armed Forces of the United States will be granted leaves of absence in accordance with Federal and State laws governing such leaves.

Bereavement Leaves

Employees are eligible for paid bereavement leave immediately upon employment. In the event of the death in your immediate family (spouse, child, parents, sibling, grandparents, parents-in-law, step-parents). PRN will grant the employee a maximum of three consecutive calendar days off to attend the funeral and take care of personal matters and arrangements.

Limited time off without pay may be granted by PRN to attend the funeral of individuals not within the definition of the employee's immediate family as set forth in this policy.

Jury Duty

Jury duty leave will be unpaid for all non-exempt employees and for leave in excess of five (5) days per year for regular employees. However, in no case will the salary of an exempt employee be reduced for any week in which the employee works and also misses time to serve on a jury.

Witness Duty

Employees who are required by law to appear in Court or at another legal proceeding will be provided time off for that purpose. Deductions will not be made from the salary of an exempt employee for absences caused by attendance as a witness. Non-exempt employees will not be compensated for time off to serve as a witness.

Other Leaves

PRN will allow other types of leave as required by State and Federal law.

ATTACHMENTS

PRIMARY RESOURCE NETWORK INC.

PREGNANCY DISABILITY LEAVE

Under the California Fair Employment and Housing Act (FEHA), if you are disabled by pregnancy, childbirth or related medical conditions, you are eligible to take a pregnancy disability leave (PDL). If you are affected by pregnancy or a related medical condition, you also are eligible to transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, if this transfer is medically advisable.

- The PDL is for any period(s) of actual disability caused by your pregnancy, childbirth or related medical conditions up to four months (or 88 workdays for a full-time employee) per pregnancy.
 - The PDL does not need to be taken in one continuous period of time but can be taken on an as-needed basis.
 - Time off needed for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth all would be covered by your PDL.
 - Generally, we are required to treat your pregnancy disability the same as we treat other disabilities of similarly situated employees. This affects whether your leave will be paid or unpaid.
 - ✓ You may be required to obtain a certification from your health care provider of your pregnancy disability or the medical advisability for a transfer. The certification should include:
 - 1) the date on which you became disabled due to the pregnancy or the date of the medical advisability for the transfer;
 - 2) the probable duration of the period(s) of disability or the period(s) for the advisability of the transfer; and
 - 3) a statement that, due to the disability, you are unable to work at all or to perform any one or more of the essential functions of your position without undue risk to yourself, the successful completion of your pregnancy or to the other persons or a statement that, due to your pregnancy, the transfer is medically advisable.
 - At your option, you can use any accrued vacation or other accrued time off as a part of your pregnancy disability leave before taking the remainder of your leave as an unpaid leave. We may require that you use up any available sick leave during your leave. You also may be eligible for state disability insurance for the unpaid portion of your leave.
 - Taking a pregnancy disability leave may impact certain of your benefits and your seniority date. If you want more information regarding your eligibility for a leave, the impact of the leave on your seniority and benefits, and our policy for other disabilities, please contact the PRN Human Resource Director.
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PRIMARY RESOURCE NETWORK INC.

EMPLOYEE HANDBOOK

ACKNOWLEDGMENT OF RECEIPT

I have received a copy of the PRIMARY RESOURCE NETWORK INC. Employee HANDBOOK and understand that it contains important information on PRN' general personnel policies and on my privileges and obligations as an employee. I acknowledge that I am expected to read, understand, and adhere to PRN policies and will familiarize myself with the material in the HANDBOOK.

I understand that I am governed by the contents of the HANDBOOK and that PRN may change, rescind or add to any policies, benefits or practices described in the HANDBOOK, other than the At-Will Employment Policy, from time to time in its sole and absolute discretion with or without prior notice. PRN will advise employees of material changes within a reasonable time.

Furthermore, I understand that employment with PRN is not for a specified term and is at the mutual consent of the employee and PRN. Accordingly, either the employee or PRN can terminate the employment relationship at will, with or without cause, at any time.

I further understand and acknowledge that PRN reserves the right to change my hours, wages and working conditions at any time, and that transfers, demotions, suspensions and employee discipline may be affected or administered at the will and in the sole discretion of PRN at any time for any reason, with or without cause and with or without notice. I acknowledge that this represents an integrated agreement with respect to the at-will nature of my employment.

EMPLOYEE'S SIGNATURE

DATE

EMPLOYEE'S NAME (TYPED OR PRINTED)