



Employee Manual

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Introductory Statement

Section 100 – 110

Welcome,

On behalf of your colleagues, we welcome you to CentraCom (the “Company”), a division of LICT Corporation, and wish you every success here.

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

This Employee Handbook (the “Handbook”) creates the framework for your employment with the Company. The Handbook provides information about working conditions, employee benefits, and some of the policies affecting your employment with the Company. Please read it carefully and keep it handy for future reference.

No employee handbook can answer every question. Further, an employer must be able to respond flexibly to changing circumstances as they arise. For that reason, this Handbook does not promise specific treatment in any particular situation. The provisions of the Handbook do NOT constitute a contract of employment or create any contractual rights or obligations between the Company and its employees or any individual employee.

The policies contained in this Handbook or any other practice or policy of the Company, including compensation and benefits, are subject to changes and exceptions without prior notice, at the Company’s sole discretion. Status as an at-will employee, however, may only be modified as provided for in this Handbook (see Employment-At-Will). The Company will make all decisions regarding the application or interpretation of the Company’s policies and practices, in its sole discretion.

This Handbook supersedes all previous handbooks, policies, agreements, and representations, oral or written, if any, between the Company and its employees or any individual employee. This Handbook may not be amended or added to without the express written approval of the CEO and President of the Company. If you have any questions or concerns regarding the policies set forth herein or any previous policy, agreement, or representation, or if you desire additional information or clarification, please contact your supervisor or the Human Resources Director.

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

I. Branch Cox
CEO

Eddie L. Cox
President

100 INTRODUCTORY STATEMENT

This handbook is designed to acquaint you with Central Utah Telephone, Inc., Skyline Telecom, Bear Lake Communications, and Central Telcom Services, LLC, referenced in this manual as the Company, and to provide you with information about working conditions, employee benefits, and the policies affecting your employment. You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by the Company to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

101 EMPLOYMENT AT-WILL

Any and all employment with the Company is considered at-will. This means that employment with the Company is completely voluntary and for an indefinite term. As such, either the employee or the Company is free to terminate the employment relationship at any time for any or no reason, with or without notice or cause or advance notice.

An employee's status as an at-will employee may NOT be changed or modified (1) by any oral representation to the contrary, whether made during the application process or during employment, (2) by any practice or procedure followed by the Company or in the telecommunications industry, or (3) by any policy manual, employee handbook, or other document issued by the Company. Any exceptions to the at-will relationship must be set forth in a written agreement signed by the employee and the Board of Directors of the Company that specifically revokes the employment-at-will relationship.

No manager, supervisor, officer, or other employee or representative of the Company has the power or authority, either orally or in writing, to alter the employment-at-will relationship except as specifically set forth in this section.

102 EMPLOYEE RELATIONS

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. If employees have concerns about work conditions, compensation, or any other concerns, they are encouraged to voice these concerns openly and directly to their supervisors. If the employee does not feel comfortable speaking with the supervisor, employees are encouraged to speak directly with the Director of Human Resources or the President. If the employees concern remains unresolved, the employee is encouraged to speak with the CEO.

When employees inform the Company of concerns or problems, the Company will try to answer the concern or resolve the problem as soon as possible under the circumstances. We believe that discussing issues directly with one another will enable us to maintain the spirit of cooperation that has contributed to our continued success over the years. Nothing in this policy should be construed or understood to limit in any manner, restrain, coerce or otherwise frustrate employees in the exercise of their rights to engage in concerted activity for purposes of collective bargaining or other mutual aid or protection.

103 EQUAL EMPLOYMENT OPPORTUNITY

The Company is an equal opportunity employer in compliance with Title VII of the Civil Rights Act and does not discriminate against any employee or applicant on the basis of race, color, sex, religion, national origin, age, disability, genetic information, pregnancy or any other protected class status in accordance with the requirement of all federal, state, and local laws.

104 DISCRIMINATION/HARASSMENT POLICY

The Company is committed to providing a work environment that is free from discrimination or unlawful harassment based on race, color, sex, religion, national origin, age, disability, genetic information, pregnancy, or any other protected class status in accordance with the requirement of all federal, state, and local laws. Actions, words, jokes, or comments based on an individual's race, color, sex, religion, national origin, age, disability, genetic information, pregnancy or any other legally protected characteristic are serious violations of the Company's policies and will not be tolerated.

The Americans with Disabilities Act ("ADA") makes it unlawful to discriminate in employment against a qualified individual with a disability. The Company does not discriminate on the basis of disability in any fashion. The Human Resources Director of the Company has been designated to coordinate company compliance with the ADA. Information concerning the provisions of the ADA, and the rights provided thereunder, are available from the ADA coordinator.

All employees are required to act responsibly to help the Company maintain a workplace that is free of discrimination and harassment. Any applicant or employee who believes that he/she is the victim of discrimination or harassment is required to report the conduct immediately to the Human Resource Director. If the Human Resource Director is unavailable, please contact a supervisor, manager, or officer of the Company with your concerns. All such complaints will be treated confidentially as circumstances permit and will be investigated and resolved as promptly as possible. Employees can raise concerns and make reports without fear of reprisal.

Anyone found to be engaging in any type of unlawful discrimination or harassment will be subject to disciplinary action, up to and including termination of employment. Disciplinary procedures set forth herein are guidelines only. The Company reserves the right to depart from these procedures when, in the Company's sole discretion, it deems such departure desirable or necessary. Nothing in these procedures changes the at-will nature of employment at the Company.

A. Discrimination Based on Sex

It is unlawful to discriminate against or harass a person because of that person's sex. Harassment can include "sexual harassment" or unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature. Harassment does not have to be of a sexual nature, however, and can include offensive remarks about a person's sex. The company is committed to eradicate and prevent sexual harassment. Unwelcome sexual advances, requests for sexual favors, and all other verbal or physical conduct of a sexual nature, constitute sexual harassment when:

1. Submission to sexual activity is made either implicitly or explicitly as a term or requirement of an individual's employment; or

2. Promises of reward are made for sexual favors or employees receive threats, retaliation or punitive action for denying sexual favors; or
3. Submission to, or rejection of, the conduct affects decisions about an individual's employment; or
4. Unwelcome sexual advances, offensive teasing, sexually vulgar language, graphic sexual pictures or writings, intimidation or unwanted touching of a sexual nature interferes with work performance or creates an intimidating, hostile, or offensive working environment.

Both the victim and harasser can be either a woman or a man, and the victim and harasser can be of the same sex. The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or a customer. Harassment need not be of a sexual nature, and can include offensive remarks about another's sex.

The following are some examples of conduct that may be considered to be sexual harassment:

- ◆ Repeated, unwanted requests for dates
- ◆ Unwelcome sexual jokes or teasing
- ◆ Unwelcome discussion of sexual conduct
- ◆ Questions or comments about another's sex life
- ◆ Making sexually offensive statements
- ◆ Spreading sexual statements or rumors about an employee
- ◆ Visual display of lewd photographs
- ◆ Displaying vulgar statements
- ◆ Showing pornographic materials in the workplace
- ◆ Inappropriate sexual looks or gestures
- ◆ Touching that makes another uncomfortable
- ◆ Coercive implicit and explicit demands for sexual acts
- ◆ Making offensive comments about women or men in general

B. Harassment Based on Race, Color, Sex, Religion, National Origin, Age, Disability, Genetic Information, Pregnancy, or Other Legally Protected Characteristics

Other prohibited harassment includes, but is not limited to:

1. Slurs based on a person's race, national origin, age, religion, disability or pregnancy; or
2. Materials such as cartoons or e-mails, that disparage or make fun based on a person's race, national origin, age, religion, disability, or pregnancy; or
3. Any other offensive conduct regarding a person's race, national origin, age, religion, disability, or pregnancy.

C. Ways to Avoid Harassing Conduct

Often the best way to stop offensive conduct is to tell the person you object. We therefore encourage employees to do so.

Even if an employee has not been informed that his or her conduct is offensive, the employee is still subject to discipline, including discharge, for harassing anyone on Company time or premises. To help avoid the risk of violating the Anti-Harassment Policy, you should follow these guidelines:

A co-worker may consider touching to be unwelcome or offensive.

Jokes making fun of protected categories have no place in the work environment.

Compliments to other employees should be kept general. More specific compliments may be perceived as sexually suggestive.

Do not behave in a way that you would not want your spouse, significant other, or children to see.

You are strongly discouraged from seeking a romantic or amorous relationship with another employee. Under no circumstance may you repeatedly ask another employee to date, apply pressure to have a relationship, or retaliate in any way due to an employee's decision not to date or have a relationship.

Supervisors and managers are prohibited from seeking or having a romantic or amorous relationship with an employee in the direct chain of supervision.

D. Harassment Complaints

All employees who experience, witness, or become aware of incidents of sexual harassment at the Company must immediately report the harassment to his or her supervisor or to the Director of Human Resources or the Human Resource Assistant, who have been designated as initial contact persons for any such reports. A complaint or report of harassment may be made either orally or in writing. Failure to report unlawful harassment of which an employee has become aware may result in disciplinary action, up to and including termination. Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment should promptly advise the Director of Human Resources or the President or any member of management who will handle the matter in a timely and confidential manner.

Upon receiving a complaint or report of harassment, the Company will promptly conduct an investigation to gather all facts and take steps necessary to prevent harassment and retaliation. The grievant, the accused and any potential witnesses may be interviewed. Any report of sexual or other unlawful harassment will be handled confidentially, to the extent possible, with information disseminated on a strict need-to-know basis.

If it is determined that sexual harassment has occurred, the Company will take immediate and appropriate corrective action to end the harassment. Anyone determined by investigation to have been engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment. If the employee is dissatisfied with the outcome of a report or complaint, the employee should contact the President or CEO.

False reporting will result in appropriate sanctions, up to and including termination.

This policy is in effect at all times and in all places where the Company employees may interact.

105 IMMIGRATION LAW COMPLIANCE

It is Company policy to conform to the Immigration Reform and Control Act of 1986. We are required to verify the work authorization, identity, and citizenship of all employees and applicants for employment who are hired. Government Form I-9 must be completed on every new employee and the forms must be retained in the Human Resources Department.

106 CONFLICTS OF INTEREST

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

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

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

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

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

107 OUTSIDE EMPLOYMENT

An employee may hold a job with another organization as long as the employee satisfactorily performs his or her job responsibilities with the Company and so long as such employment is not with a competitor of the Company. All employees will be judged by the same performance standards and will be subject to the Company's scheduling demands, regardless of any existing outside work requirements.

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

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

108 NON-DISCLOSURE

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

- Call trace information
- Customer lists
- Customer preferences
- Customer records
- Financial information
- Insurance data
- Marketing strategies
- New materials research
- Pending projects and proposals
- Data base information

Any employee who improperly uses or discloses trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment, and legal action, even if he or she does not actually benefit from the disclosed information.

109 CODE OF ETHICS

As a subsidiary of LICT Corporation, each employee is required read and agree to abide by the LICT Corporation Code of Ethics. The Code of Ethics can also be found at www.lictcorp.com.

110 REPORTING VIOLATIONS OF LAW

As a subsidiary of LICT Corporation, the Company is committed to providing a workplace conducive to open discussion of its business practices. It is Company policy to comply with all applicable laws that protect employees against unlawful discrimination or retaliation as a result of lawfully reporting information regarding corporate fraud or other violations of federal or state law. All employees are encouraged to report any complaints regarding the Company's business practices including, but not limited to, violations of law, as well as issues relating to accounting matters, internal accounting controls or auditing matters. To file such a complaint, employees may call the Company's business practices complaint hotline at 1-877-888-0002. An operator will be available 24 hours a day, seven days a week to receive complaints. For a complete copy of the LICT Corporation Policy Regarding Reports of Actions that may be Violations of Law, please contact the Human Resources Director. The policy can also be found at www.lictcorp.com.

Employment Categories

Section 200 – 207

200 EMPLOYMENT CATEGORIES

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

Regular Full-Time Employee

A Regular Full-Time Employee is an employee who is regularly scheduled to work at least 40 hours per week. Regular Full-Time Employees currently are eligible for company benefits, in accordance with the terms, conditions, and limitations set forth in this Handbook or in any plan documents.

Regular Part-Time Employees

A Regular Part-Time Employee is an employee who is regularly scheduled to work less than 30 hours per week. Regular Part-Time Employees will be eligible for some benefits from the Company, following the Introductory Period:

1. Personal leave accrued at the rate of 5 part-time days per year for the first year and 10 part-time days per year for each following year (example: if working 20 hour week, employee would accrue at rate of 20 hours per year for first year and 40 hours each subsequent year)(subject to the same restrictions as Vacation Leave for Regular Full-Time Employees)
2. Local exchange telephone service (subject to the same restrictions as local exchange telephone service for Regular Full-Time Employees)
3. Cable Modem / DSL Service (subject to the same restrictions as Internet/DSL service for Regular Full-Time Employees)
4. Cable TV service (subject to the same restrictions as Cable TV service for Regular Full-Time Employees)

Regular Part-Time Employees are not eligible for any other Company benefits except as required by law. The decision to use part-time employees rests solely with the Company.*

Temporary Employees

A Temporary Employee is an employee who is hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified

in writing of a change. Temporary Employees are not eligible for Company benefits except as required by law. The decision to use Temporary employees rests solely with the Company.*

Casual Employees

A Casual Employee is an employee who has established an employment relationship with the Company but who is assigned to work on an intermittent and/or unpredictable basis. Casual Employees are not eligible for Company benefits except as required by law. The decision to use Casual Employees rests solely with the Company.*

*Part-Time, Temporary and Casual employees may be eligible to participate in the retirement program. Please contact the Plan Administrator for program eligibility requirements.

201 INTRODUCTORY PERIOD

Each new Regular Full-Time Employee will be subject to an Introductory Period. The Employee's Introductory Period will end on the 1st day of the month following completion of sixty (60) days of employment.. During this time, employees are able to learn about the Company, their job, and their new surroundings.

During this Introductory Period, the supervisor will observe the employee's job performance, attendance, attitude and overall interest in the job. During this period, the employee will not be eligible for holiday pay, vacation pay, sick pay or any other Company benefits except as required by law. At the end of the Introductory Period, the Company will make a decision concerning continued employment. Employees who satisfactorily complete the introductory period will be notified of their new employment classification.

If, the employee is absent from work during the Introductory Period, the Company may, in its sole discretion, choose to extend the Introductory Period as necessary to give the employee a further opportunity to demonstrate an ability to do the job. If the Introductory Period is extended, the employee will be notified by the Company.

The shifting of an employee from introductory to regular status does not modify the Company's employment-at-will policy. The classification of an employee as a Regular Full-Time Employee does not create any obligation or expectation of continued employment or any specified term of employment. All employees, introductory and regular, remain at-will employees and either the employee or the Company may terminate the employment relationship at any time during or after the introductory period, with or without cause or advance notice.

202 EMPLOYMENT APPLICATIONS

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

203 ACCESS TO PERSONNEL FILES

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

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

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

The Company will use its best efforts to maintain the confidentiality of the employee's personnel file. The Company will provide only confirmation and dates of employment unless the Company is provided with a written authorization, release or waiver, in form satisfactory to the Company, or is required to provide such information pursuant to subpoena or court order.

204 PERSONNEL DATA CHANGES

It is the responsibility of each employee to promptly notify the Director of Human Resources of any changes in personnel data. Personal mailing addresses, telephone numbers, number and names of dependents, when dependents turn 19 years old, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports should be accurate and current at all times. Incomplete or outdated information may result in incorrect taxes being withheld from your paycheck, interrupted benefits for you and your family, and difficulty in notifying the appropriate person in the event of an emergency.

205 EMPLOYMENT REFERENCE CHECKS

To ensure that individuals who are employed by the Company are well qualified and have a strong potential to be productive and successful the Company reserves the right to check the employment references of all applicants.

The Management will respond in writing only to those reference check inquiries that are submitted in writing. Responses to such inquiries will confirm only dates of employment, wage rates, and position(s) held. It is the Company's policy generally to not release employment data without a written authorization and release signed by the individual who is the subject of the inquiry.

206 PERFORMANCE EVALUATION

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A formal written performance evaluation will usually be conducted at the end of an employee's initial period of hire, known as the introductory period. Additional formal

performance evaluations are usually conducted annually to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

The Company at its sole discretion may award merit-based pay adjustments in an effort to recognize truly superior employee performance. The decision to award such an adjustment is dependent upon numerous factors, including the information documented by this formal performance evaluation process.

207 SPOUSAL EMPLOYEES

The Company generally prohibits the employment of both a Husband and Wife at the same time.

Employee Benefits

Section 300 – 316

301 VACATION BENEFITS

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. After completing the Introductory Period, Regular Full-Time employees are eligible to earn and use vacation time as described in this policy.

The amount of paid vacation time employees receive each year increases with the length of employment as shown in the schedule on the following page.

VACATION EARNING SCHEDULE

Years of eligible service	Vacation days each year
After Introductory Period	3.75 days
After 1 year	10 days
After 5 years	15 days
After 10 years	18 days
After 15 years	20 days
After 20 years	25 days

Anniversary date for vacation accrual shall be the employee's official hire date. Example: if an employee was hired March 1, 2003, his or her official anniversary date would be March 1, 2004.

Once a Regular Full-Time employee has satisfied the Introductory Period, the employee will begin accruing paid vacation time according to the above schedule. Employees will receive a prorated portion of the year's vacation benefit with each pay period. At this time, employees can request use of earned vacation time accrued. Unearned vacation time cannot be used by the employee. No vacation time will be approved for any day on which an employee is not regularly scheduled to work. For example, if an employee regularly works Monday through Thursday, the employee cannot use vacation time for Friday, Saturday, or Sunday, because the employee is not regularly scheduled to work on those days.

If an employee does not have enough vacation time accrued to cover requested time off, the employee must obtain prior approval from the employee's supervisor and the President or CEO for leave without pay. Any time a Regular Full-Time Employee receives leave without pay, the employee will not accrue vacation time or sick leave time for the week in which the leave without pay was taken.

Vacation time may be accumulated by the employee for a maximum of 24 months at the employee's present rate per term of service. Any vacation time not used within the 24-month period will be

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

Fundamental consideration in the scheduling of vacation should be arranged so that the needs of the company and customers can still be met. The use of vacation time should be planned in advance and request for its use must be approved by the employee's supervisor. In the event an employee is required by the Company to work a previously scheduled vacation day or days during the week the vacation was scheduled, the employee will be paid their regular wage. Hourly employees may have the option of rescheduling the vacation or being paid vacation pay for the time that was scheduled off. Salaried employees do not have the option but may reschedule the vacation. All vacation pay is calculated at the straight time rate.

302 SICK LEAVE BENEFITS

The Company provides paid sick leave benefits to all regular full-time employees. Eligible employees may use sick leave benefits for an absence due to their own illness or injury or that of an immediate family member as approved by management. After completing the Introductory Period, Regular full-time employees will accrue sick leave benefits at the rate of twelve (12) days per year. Employees will receive a prorated portion of the year's sick leave benefit with each pay period. If no sick days are accrued and available, the employee will not be paid for sick leave. (NOTE: Please see the Company policy regarding FMLA leave for more information regarding medical leave without pay for employees and their family members). Any time a Regular Full-Time Employee receives leave without pay, the employee will not accrue vacation or sick leave time for the week in which the leave without pay was taken. Employees who require sick leave but have not accumulated sufficient sick leave benefits should speak with their Supervisor and the Human Resources Director.

Paid sick leave can be used in minimum increments of one-fourth (1/4) hour. Unused sick leave benefits will be allowed to accumulate until the employee has accrued a total of thirty (30) working days worth of sick leave benefits. If the employee's benefits reach this maximum, further accrual of sick leave benefits will be suspended until the employee has reduced the balance below the limit. Sick leave benefits will be calculated based on the employee's base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

Employees who are unable to report to work due to illness or injury should notify their direct supervisor before the scheduled start of their workday, or as soon thereafter as practicable. The direct supervisor must also be contacted on each additional day of absence. If an employee must leave work for any reason before the end of the day, the supervisor must be notified. If an employee fails to notify their direct supervisor when absent for two (2) consecutive work days, the Company will presume the employee has resigned, and the employee will be removed from the payroll at the end of the second work day.

If an employee is absent for three or more consecutive days due to illness or injury, a physician's statement may be requested verifying the illness and its beginning and expected ending dates. Such verification may be requested for other sick leave absences as well and may be required as a condition to receiving sick leave benefits.

As an additional condition of eligibility for sick leave benefits, an employee on an extended absence must apply for any other available compensation and benefits, such as workers' compensation. Sick leave benefits will be used to supplement any payments that an employee is eligible to receive from state disability insurance, workers' compensation or the Company provided disability insurance programs. The combination of any such disability payments and sick leave benefits cannot exceed the employee's normal weekly earnings.

Sick leave benefits are intended solely to provide income protection in the event of illness or injury, and may not be used for any other absence. Unused sick leave benefits will not be paid to employees while they are employed or upon termination of employment.

303 HOLIDAYS

The Company will grant holiday time off to all employees on the holidays listed below.

1. New Years Day (January 1)
2. Martin Luther King, Jr. Day (third Monday in January)
3. Presidents' Day (third Monday in February)
4. Memorial Day (last Monday in May)
5. Independence Day (July 4)
6. Pioneer Day (July 24)
7. Labor Day (first Monday in September)
8. Thanksgiving (fourth Thursday in November)
9. Christmas (December 25)
10. Employee's Birthday (May be used up to two months after birthday, but not before)

The Company will grant paid holiday time off to all regular full-time employees. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) up to 8 hours. Worked holidays will be paid, but never at an overtime rate of pay. Overtime pay is based on a 40-hour workweek.

A recognized holiday that falls on a Saturday will be observed on the preceding Friday. A recognized holiday that falls on a Sunday will be observed on the following Monday or as specified by management.

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

304 INSURANCE COVERAGE

The Company provides Group Health, Dental, Vision, Long-Term Disability, Accidental Death and Dismemberment, and Dependent Life. All Regular Full-Time Employees may qualify for these benefits. Benefits will be available to employees on the first day of the month following the first 60 days of employment. For details, eligibility, or contribution requirements for these benefits, please contact the Human Resources Director.

305 BENEFITS CONTINUATION (COBRA)

In certain instances, most employers who sponsor group medical plans are required by federal law to offer employees and their families group rates for temporary extension of medical coverage (called continuation coverage or COBRA), where coverage under the plan would otherwise end.

At the time you enroll in the plan and again when coverage would normally cease, the Company's benefit administrator will provide additional information regarding continuation coverage. If you would like additional information regarding COBRA regulations, please direct your questions to the Human Resource Director.

306 401(K) RETIREMENT

The Company provides a 401(k) retirement plan for qualifying employees. Please contact the plan administrator or Human Resources Director for information regarding eligibility.

307 WORKERS' COMPENSATION INSURANCE

The Company provides a comprehensive workers' compensation insurance program at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment.

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

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

Abuse of the Workers Compensation system can cause a severe negative economic effect to this Company and, in turn, your co-workers. The Company therefore actively polices all claims suspected to be fraudulent. The Company will pursue all available legal action against any employee found to have engaged in fraudulent conduct. Filing a false or fraudulent workers compensation claim is also a violation of Company policy, and will result in immediate termination

308 BEREAVEMENT LEAVE

In the event of a death in a regular full-time employee's immediate family, the employee will be allowed time-off with pay from the day of the death through the day of the burial, or three days, whichever is less. It is the employee's responsibility to make arrangements with his/her supervisor for the time off at the earliest possible date, so that scheduling accommodations can be made. Paid leave is reserved for the death of immediate family members:

Spouse	Parent
Child/Step Child	Parent-in-Law
Foster Child	Grandparent
Brother	Grandparent-in-Law
Sister	Grandchild
Brother-in-Law	Sister-in-Law

Leave for attendance at the funeral of a non-immediate family member or person with a close relationship may be granted with or without pay. The employee's supervisor will make determination after consultation with the President.

309 TIME OFF TO VOTE

The Company encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees are able to find time to vote either before or after their regular work schedule. If employees are unable to vote in an election during their non-working hours, the Company will grant up to 1 hour of paid time off to vote.

Employees should request time off to vote from their supervisor at least two working days prior to the Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift; whichever provides the least disruption to the normal work schedule.

310 JURY DUTY

The Company encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees in an eligible classification may request up to two weeks of paid jury duty leave over any one-year period. However, any compensation for jury duty, except mileage reimbursement, paid to the employee must be surrendered to the Company in order for the employee to receive this benefit.

Jury duty pay will be calculated on the employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence. Regular full-time employees qualify for paid jury duty.

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

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

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

The Company will continue to provide health insurance benefits for the full term of the jury duty absence.

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

311 WITNESS DUTY

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

Employees will be granted a maximum of forty (40) hours of paid time off to appear in court as a witness at the request of a party other than the Company. Employees will be paid at their base rate and are free to use any remaining paid leave benefits (e.g., vacation leave) to receive compensation for any period of witness duty absence that would otherwise be unpaid. However, any compensation for witness duty, except mileage reimbursement, paid to the employee must be surrendered to the Company in order for the employee to receive this benefit.

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

312 LOCAL EXCHANGE TELEPHONE SERVICE

The Company will provide Regular Full-Time employees local exchange telephone service, or an equivalent amount (currently \$55.00) for employees outside of the Company's local serving area, including EAS and local messages, as long as the employee subscribes to the Company sponsored long distance service. The Company may also, from time to time, offer other services as a benefit to employees as determined by management. The Company reserves the right to require that an employee's monthly telephone bill be payroll deducted in order to qualify for this benefit.

313 CABLE MODEM / DSL SERVICE

All employees who have met the requirements of Regular Full-Time employment are eligible for the Company provided Cable Modem or DSL service as a benefit to their employment if they live in a Company exchange where such service is available.

Cable Modem / DSL Service:

- 1 free installation fee
- Free one-time modem charge
- Free monthly equipment charge
- Free 12 Mbps Package

Any additional bandwidth charges desired by the employee will be at the advertised rates. Technical personnel will be allowed higher bandwidth speeds for testing purposes. Technical personnel living outside of the Company's local serving area will be credited for their Internet service as determined by their supervisor and the President. All charges will be payroll deducted.

314 CABLE TV SERVICE

All employees who have met the requirements of Regular Full-Time employment are eligible for the Company provided Cable TV service as a benefit to their employment if they live in a Company exchange where such service is available.

Cable TV Service:

- Free Cable TV hookup
- Free Digital Advantage Package
- 1 Free Dual DVR Cable Box

Any additional cable boxes desired by the employee and Premium Movie Channels will be at the advertised rates.

315 VOLUNTEER SERVICE BENEFIT

The Company offers financial assistance on behalf of Regular Full-Time employees who have a child involved in volunteer service. The company will donate \$100 per month directly to the volunteer service organization, subject to the following limitations:

1. The child must be unmarried, unemancipated and be age 18 or over, but under age 25;
2. The child must be a full time participant in a community, social or religious service program sponsored by an organization which has been granted exempt status under IRS Code Section 501(c)(3)
3. The child's permanent home of record is with either the employee or an ex-spouse or relative, even though he/she may temporarily live away from the permanent home of record;
4. The child is eligible to be claimed as a Dependent on the employees Federal tax return;
5. The financial assistance shall not last longer than two (2) years.

316 FITNESS EQUIPMENT

The Company has provided fitness equipment and facilities for the benefit of employees and their guests. However, employees and their guests must sign a Release of Liability form prior to using the fitness equipment. Please contact the Human Resources department for Release of Liability forms and any questions regarding the facilities.

Timekeeping

Section 400 – 407

401 WORK SCHEDULES

Work schedules for employees vary throughout our organization. Supervisors will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

All employees are subject to call-out on emergency basis or as needed. Cable repairs, facility repairs, switching and transmission changes, cable locations or anything unforeseen that is important to the welfare of the Company may require an employee to report to work other than at his or her regularly scheduled time.

402 OVERTIME

Overtime is defined as more than 40 hours actually worked in a workweek beginning Sunday at 12:00 am and ending Saturday at 11:59 pm.

Non-exempt employees will be paid at the rate of one and one-half times their regular hourly rate of pay for all time worked in excess of 40 hours in any one work week.

Overtime compensation is paid to all employees in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked. Time off taken for vacation leave, sick leave, bereavement leave, jury leave, witness leave, travel time and holidays, or any other paid time off, cannot be used to receive overtime compensation, and shall not be used to determine the number of hours worked by an employee for purposes of overtime calculations.

Overtime is never at the employee's discretion. It shall only be incurred at the request of the Company through the employee's supervisor. Supervisors shall ensure that no unauthorized overtime hours are worked. All assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

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

403 MEAL PERIODS

All full-time regular employees are provided with one meal period not to exceed 60 minutes in length each workday. Supervisors will schedule meal periods to accommodate operating requirements.

Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

404 TRAVEL TIME

Travel time is defined as the time, outside of the regular business day of 8 AM to 5 PM that it takes to travel to or from an approved workshop, mandatory company meeting, seminar, convention or other type of training that extends beyond one day. Every effort should be made to travel within the normal business day. When work demands or flight schedules make it impossible to travel within that time frame, travel time will be paid at normal straight-time wage. All travel time must be approved in advance by an employee's supervisor. Travel between company offices or that takes place in one day, is considered time worked and does not come under this definition. Travel time after the regular business day to non-mandatory company activities is not paid for by the Company and employees are not to use Company vehicles for such travel, unless approved by their supervisor.

405 TRAINING TIME

Training time will be considered time worked and will count towards the normal 40-hour workweek.

406 EMERGENCY CLOSINGS

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

When operations are officially closed due to emergency conditions, the time off from scheduled work will be unpaid. However, with supervisory approval, employees may use available paid leave time, such as unused vacation benefits. Employees in essential operations may be asked to work on a day when operations are officially closed. In these circumstances, employees who work will receive regular pay.

407 EMERGENCY SITUATIONS

Since telephone service is vital to the interests of the Company service area, employees may be called upon to work in crisis situations or under hazardous conditions. In times of emergency, affected employees will be expected to report to work upon notification by the Company or designated supervisor. Any employee working under hazardous conditions who feels that such conditions may be life threatening or result in serious injury to themselves or others should be the sole judge of whether to continue working or seek shelter.

Examples of emergency situations may include: when the telephone plant may be in substandard condition as a result of an accident or storm; when service must be restored because a member of the subscriber's household suffers an illness requiring a doctor or other outside help; and when telephone service is crucial for the protection of a subscriber's life or property. The Company cannot anticipate all situations, and these detailed above are only to serve as examples. The Company reserves the right to determine an emergency for any reason(s) it deems sufficient.

Employment Termination

Section 500 – 502

500 EMPLOYMENT TERMINATION

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

Resignation

Voluntary employment termination initiated by an employee.

Discharge

Involuntary employment termination initiated by the organization.

Layoff

Involuntary employment termination initiated by the organization for nondisciplinary reasons.

Retirement

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

Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination will be paid except for sick leave benefits. Some benefits may be continued at the employee's expense if the employee so chooses.

501 RESIGNATION

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

Prior to an employee's departure, an exit interview will be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

502 RETURN OF PROPERTY

Employees are responsible for all property, materials, or written information issued to them or in their possession or control. Employees must return to the Company all property immediately upon request or upon termination of employment. Where permitted by applicable laws, the Company may withhold

from the employee's check or final paycheck the cost of any items that are not returned when required. The Company may also take all action deemed appropriate to recover or protect its property.

Paydays

Section 600 – 609

600 PAYDAYS

All employees are paid biweekly every other Friday. Each paycheck will include earnings for all work performed through the end of the previous payroll period. Time sheets for each week are due by 11:00 a.m. Monday morning or the following work day by 11:00 a.m. in the event of a legal holiday.

In the event that a regularly scheduled payday falls on a legal holiday, employees will be paid on the day preceding the legal holiday. Employees will have pay directly deposited into their bank accounts and are to provide advance written authorization to the Company. Employees will receive an itemized statement of wages when the Company makes direct deposits.

601 PAY ADVANCES

The Company does not provide pay advances on unearned wages to employees.

602 ADMINISTRATIVE PAY CORRECTIONS

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

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

603 PAY DEDUCTIONS AND SETOFFS

The law requires that the Company make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. The Company also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." Changes to these deductions will only be made when an employee completes the appropriate W-4 form.

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

Pay offsets are pay deductions taken by the Company, usually to help pay off a debt or obligation to the Company or others. Absent exceptional circumstances, employees may only change pay deductions once every quarter.

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

604 BUSINESS/TRAINING TRAVEL & EXPENSES

The Company will pay employees according to Utah State and/or Federal wage guidelines for their business/training travel.

The Company will reimburse employees for reasonable business travel expenses incurred while on assignments away from the normal work location. The employee's supervisor and President or CEO must approve all business travel in advance.

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

Per Diem will be utilized for over-night, out-of-state travel.

Meal reimbursement will be utilized for overnight travel within the state. Meals which are provided free of charge will not be reimbursed.

Expenses that generally will be reimbursed include the following:

- Airfare or train fare for travel in coach or economy class or the lowest available fare.
- Car rental fees, only for compact or midsize cars.
- Fares for shuttle or airport bus service, where available; costs of public transportation for other ground travel.
- Taxi fares, only when there is no less expensive alternative.
- Mileage costs, calculated at the federal rate, for use of personal cars, only when less expensive transportation is not available.
- Cost of standard accommodations in low to mid-priced hotels, motels, or similar lodgings.
- Charges for telephone calls, fax, and similar services required for business purposes.

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

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

With prior approval, family members or friends may accompany employees on business travel when the presence of a companion will not interfere with successful completion of business objectives. However, see “Use of Equipment and Vehicles” for exceptions. Generally, employees are also permitted to combine personal travel with business travel as long as time away from work is approved. Additional expenses arising from such non-business travel are the responsibility of the employee.

When travel is completed, employees should submit completed travel expense reports within seven days. Receipts for all individual expenses should accompany reports.

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

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

605 COMPANY-ISSUED CREDIT CARD

The Company may issue company credit cards to certain employees for use in their jobs. Use of company-issued credit cards is a privilege, which the Company may withdraw at any time and for any reason. Any credit card the Company issues to an employee must be used for business purposes only, in conjunction with the employee's job duties. Employees with such credit cards shall not use them for any non-business purpose. Employees must pay for personal purchases with their own funds or personal credit cards.

The Company will not regard expenses for one's own business-related use, such as lodging and meals while on company-approved business trips, as personal purchases, as long as such expenses are consistent with the Company's Business/Training Travel and Expenses policy. The employee is responsible for all charges made to the card. The employee will be held liable for any unauthorized items appearing on the credit card statement. Supervisors will review and approve their department's employee's credit card statements monthly.

Cardholders are required to sign the "Corporate Credit Card Agreement" indicating they accept these terms. Individuals who do not adhere to these policies and procedures risk disciplinary action, up to and including termination of employment.

606 COMPANY-ISSUED GAS CARD

The Company may issue company gas cards to certain employees for use in their jobs. Use of company-issued gas cards is a privilege, which the Company may withdraw at any time and for any reason. Any gas card the Company issues to an Employee must be used for business purposes only, in conjunction with the Employee's job duties. Employees with such gas cards shall not use them for any non-business purpose. Employees must pay for personal purchases with their own funds or personal credit cards.

The Employee is responsible for all charges made to the card. The Employee will be held liable for any unauthorized items appearing on the credit card statement.

Employees who are issued company gas cards are required to sign the "Corporate Gas Card Agreement" indicating they accept these terms. Individuals who do not adhere to these policies and procedures risk disciplinary action, up to and including termination of employment.

607 FAMILY AND MEDICAL LEAVE

The Company is governed by the Family and Medical Leave Act. The Company's family and medical leave policy is available to employees with at least 12 months of service and who have worked at least 1,250 hours within the preceding 12-month period. If eligible, an employee may be able to take up to 12 weeks of unpaid leave during any 12-month period (based on a 12-month rolling calendar) for the following reasons:

The birth of a child or to care for a child within the first 12 months after birth;

The placement of a child with the employee for adoption or foster care within the first 12 months of placement;

To care for an immediate family member who has a serious health condition; or

For a serious health condition that makes the employee unable to perform the functions of his/her position.

For a qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a military member on covered active duty.

To care for a covered service member with a serious injury or illness if the employee is the spouse, son, daughter, parent, or next of kin of the service member.

When requesting leave, the employee must provide the Company with at least 30 days of advance notice whenever possible. Medical certification will be required if the leave request is for the employee's own serious health condition or to care for another's serious health condition. Failure to provide the requested medical certification in a timely manner may result in denial of the leave until it is provided. Because the Company wishes to ensure the well-being of all employees, any employees returning from FMLA leave for his/her own serious health condition will need to provide a Fitness for Duty statement signed by his/her treating physician. An employee failing to provide a Fitness for Duty statement will not be permitted to resume work until it is provided. Qualifying FMLA leave will not be counted as an absence under the organization's attendance policy.

The Company, at its expense, may require an examination by a second health care provider designated by the Company if there is a reasonable question regarding the medical certification provided by the employee.

The Company will maintain health care benefits for the employee while on FMLA leave, but the employee is responsible for paying the normal monthly contribution, if any. If the employee elects not to return to work at the end of the leave period, the employee will be required to reimburse the organization for the cost of premiums paid for maintaining coverage during the leave period. All other benefits cease to accrue during the unpaid portion of the leave.

Employees must use any accumulated sick or vacation time to the extent available during this leave period, unless such leave is covered under Workers' Compensation or disability insurance, in which case the employee may only use accumulated leave time for the purpose of satisfying any waiting period. Absences in excess of these accumulated days will be treated as leave without pay. Upon return from leave, the employee will be restored to his/her original or an equivalent position. If an employee fails to return at the end of FMLA leave, the employee will be considered to have voluntarily resigned his/her position with the Company.

If the employee and his/her spouse both work for the Company, they are both eligible for leave. In cases other than the employee's own serious health condition, the total leave period for the employee and the employee spouse may be limited to 12 weeks total (combined).

It may be medically necessary for some employees to use intermittent FMLA leave. The Company will work with employees to arrange reduced work schedules or leaves of absence in order to care for a family member's serious medical condition or their own serious medical condition. Leave because of the birth or adoption of a child must be completed within the 12-month period beginning on the date of birth or placement of the child. It may not be taken intermittently without special permission from Human Resources.

If an employee requests an extension of leave beyond the 12-week period because of his/her own serious medical condition, the employee must submit medical certification of a continued serious health condition in advance of the request. The Company will review such requests on a case-by-case basis in order to determine whether it can reasonably accommodate such a request. Reinstatement is not guaranteed when granted extended leave beyond the requirements of the FMLA, and will depend upon the business needs of the Company.

When state and local laws offer more protection or benefits, the protection or benefits provided by those laws will apply.

608 PERSONAL LEAVE

The Company provides leaves of absence without pay to eligible employees who wish to take time off from work duties to fulfill personal obligations. Regular full-time employees are eligible to request personal leave as described in this policy.

As soon as eligible employees become aware of the need for a personal leave of absence, they should request a leave from their supervisor.

Personal leave may be granted for a period of up to 30 calendar days every one-year, but cannot be combined with Family and Medical Leave.

Requests for personal leave will be evaluated based on a number of factors, including anticipated workload requirements and staffing considerations during the proposed period of absence.

Subject to the terms, conditions, and limitations of the applicable plans, the Company will provide health insurance benefits until the end of the first full month of approved personal leave. At that time, employees will become responsible for the full costs of these benefits if they wish coverage to

continue. When the employee returns from personal leave, the Company according to the applicable plans will again provide benefits.

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

When a personal leave ends, every reasonable effort will be made to return the employee to the same position, if it is available, or to a similar available position for which the employee is qualified. However, the Company cannot guarantee reinstatement in all cases.

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

609 MILITARY LEAVE

A military leave of absence will be granted to employees, except those occupying temporary positions, to attend scheduled drills or training or if called to active duty with the U.S. armed services.

Although this leave is normally unpaid, the Company will pay the employee the equivalent of 20 hours worked per week for the first 2 months of leave over one week. For leave lasting longer than 2 months, the company will pay the employee the equivalent of 10 hours per week for an additional 10 months. Leave greater than one year will be unpaid. However, employees may use any available paid time off for the absence in lieu of the paid leave described above. Subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible, health insurance benefits will be provided by the Company until the end of the first full month after military leave begins. At that time, employees will become responsible for the full costs of these benefits if they wish coverage to continue. When the employee returns from military leave, benefits will again be provided by the Company according to the applicable plans.

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

Employees on two-week active duty training assignments or inactive duty training drills are required to return to work for the first regularly scheduled shift after the end of training, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with all applicable state and federal laws.

Every reasonable effort will be made to return eligible employees to their previous position or a comparable one. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service, such as the rate of vacation accrual and job seniority rights.

Employee Conduct

Section 700 – 715

700 EMPLOYEE CONDUCT AND WORK RULES

To ensure orderly operations and provide the best possible work environment, the Company expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records
- Working under the influence of alcohol or illegal drugs
- Smoking in the work place or company vehicles
- Possession, distribution, sale, transfer or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- Insubordination or other disrespectful conduct
Attitude not conducive to constructive work
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- Excessive absenteeism or any absence without notice
- Unauthorized absence from workstation during the workday
- Actions that result in complaints from customers, suppliers, or manufacturers that affect the Company's reputation or business. Failure to follow work rules or procedures
- Failure to complete assigned work in a timely manner
- Wasting time, loafing, loitering
- Leaving the work area during working hours without permission
- Negligence or carelessness
- Unauthorized or improper use of property or machinery
- Refusal to accept assigned overtime
- Working overtime without permission
- Unsatisfactory work performance or conduct

- Disclosure of confidential or proprietary information

The foregoing list is not intended an exclusive list of those activities or conduct which may result in disciplinary action. The Company reserves the right to take disciplinary action or not take disciplinary action for other infractions of workplace rules or for other misconduct. The Company reserves the right to depart from past disciplinary practices in its sole discretion, when it deems such departure desirable.

Disciplinary action may include, but is not limited to oral or written warnings, reprimands, negative performance appraisals, reassignment, demotions, and suspensions without pay or termination.

Employment with the Company is at the mutual consent of the Company and the employee, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice. Nothing contained in this section, or any other section, shall constitute, nor be construed as, a modification of the “at will” employment relationship between the Company and the employee.

701 NON-FRATERNIZATION

While the Company encourages amicable relationships between members of management and their subordinates, it recognizes that involvement in a romantic relationship may compromise or create a perception that compromises a member of management’s ability to perform his/her job. Any involvement of a romantic nature between an officer, director, manager, supervisor, or agent of the organization and anyone he/she supervises, either directly or indirectly, is prohibited. Violation of this policy will lead to corrective action up to, and including, termination of the management individual involved in the relationship.

702 SECURITY INSPECTIONS

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

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

The Company likewise wishes to discourage theft or unauthorized possession of the property of employees, the Company visitors, and customers.

To facilitate enforcement of this policy, the Company or its representative may inspect not only vehicles, desks and lockers but also persons entering and/or leaving the premises and any packages or other belongings. Any employee who wishes to avoid inspection of any articles or materials should not bring such items onto the Company’s premises.

703 DRUG AND ALCOHOL USE

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

Employees are prohibited from the use, sale, possession, transfer, purchase, or being under the influence of alcohol or drugs on company premises, during working hours, during on-call status, in Company vehicles, or while conducting business-related activities.

The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

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

Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their supervisor or the Director of Human Resources to receive assistance or referrals to appropriate resources in the community.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program through the Company's health insurance benefit coverage. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all the Company policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause the Company any undue hardship.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify the Company of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five days of the conviction.

In order to enforce this policy, the Company may ask that any employee submit to a medical examination and/or a drug and alcohol test pursuant to the Company's drug and alcohol testing policy. Refusal to submit to the above may result in termination of employment. Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor without fear of reprisal.

704 DRUG TESTING

The Company is committed to providing a safe, efficient, and productive work environment for all employees. Using or being under the influence of drugs on the job may pose serious safety and health risks.

To help ensure a safe and healthful working environment, job applicants will be asked to provide body substance samples (such as urine and/or blood) to determine the illicit or illegal use of drugs, subject to applicable state and federal laws. Testing may also occur after hiring for:

1. Investigation of possible individual employee impairment;

2. Investigation of accidents in the workplace or incidents of workplace theft;
3. Maintenance of safety for employees or the general public; or
4. Maintenance of productivity, quality of products or services, or security of property or information

Upon receipt of a verified or confirmed positive drug or alcohol test result that indicates a violation of the employer's written policy, or upon the refusal of an employee or prospective employee to provide a sample, an employer may use that test result or refusal as the basis for disciplinary or rehabilitative actions, which may include the following:

1. A requirement that the employee enroll in an employer-approved rehabilitation, treatment, or counseling program, which may include additional drug or alcohol testing, as a condition of continued employment;
2. Suspension of the employee with or without pay for a period of time;
3. Termination of employment;
4. Refusal to hire a prospective employee; or
5. Other disciplinary measures

All information regarding drug screen results will be kept strictly confidential. This information will be kept separately in the employee's confidential medical file in the Human Resources Department. Under no circumstances will the results of any candidate's drug screen be discussed with the hiring manager or any one else except for those individuals in the Human Resources Department authorized to deal with this confidential information.

705 SMOKING

In keeping with the Company's intent to provide a safe and healthful work environment, and in accordance with the Utah Indoor Clean Air Act, smoking is prohibited in its entirety in all buildings and Company vehicles by employees, customers, visitors, vendors, or anyone else. Smoking is also prohibited within 25 feet of all building entrances. Violations of this policy may result in discipline procedures, up to and including termination of employment.

Employees who are interested in a list of smoking cessation resources should contact the Human Resources Director.

706 ATTENDANCE AND PUNCTUALITY

Regular, predictable attendance and punctuality are essential job functions of all jobs at the Company. Absenteeism and tardiness place a burden on other employees and on the Company. Employees are required to report to work on time and be present at work.

If an employee will be late or absent from work for any reason, the employee must notify their supervisor before starting time, or as soon as practicable in the event of an emergency. Failure to call in or excessive absence or tardiness, even if approved, may lead to disciplinary action, up to and including termination of employment. The Company may require a doctor's certificate to verify any absence.

707 DRESS AND APPEARANCE CODE

The Company expects all employees to have a neat, clean, well-groomed appearance at all times during normal business hours. Dress and appearance are a significant factor in making a favorable impression on the public and your co-workers.

Due to their functions, separate standards have been established for the Construction Crew, Outside Plant Technicians (see procedure C below), Central Office Technicians, the Mapping Department, Warehousemen, and Maintenance/Janitors (see procedure D below).

Employees who fail to observe these standards will be subject to disciplinary action, up to and including termination.

All employees, with the exceptions noted above, are expected to observe the Company's Dress and Appearance Code at all times during normal business hours. Your good taste and judgment in appearance is requested. Our objective is to present a professional image in a professional business environment.

A. Examples of unacceptable dress for men/women are as follows (this should not be considered an exclusive list):

- Denim pants (denim dresses, skirts, vests are acceptable);
- Tennis Shoes;
- Sweatshirts or T-shirts;
- Shorts;
- Dresses/skirts shorter than two inches (2") below the bottom of fingertips with arms extended down;
- Halter tops or halter dresses without a jacket;
- Spaghetti strap dresses without a jacket;
- Tube or tank tops without a jacket;
- Sleeveless blouses/shirts;
- Plunging necklines or midriff tops; and
- Tight or revealing clothing.

NOTE: Please use discretion with sheer clothing

B. Tattoos, nose rings, tongue rings, and other body piercing jewelry must not be visible while at work. Pierced earrings are allowed.

C. Due to their specific duties, the Construction Crew and Outside Plant Technicians are required to wear company issued shirts or t-shirts with the company logo, and are permitted to wear

denim pants. Other than these exceptions, the Construction Crew and Outside Plant Technicians are required to follow the same standards as all other employees.

- D. Due to their specific duties, Central Office Technicians, the Mapping Department, Warehousemen, and Maintenance/Janitors are permitted to wear t-shirts with the company logo, denim pants and tennis shoes. Other than these exceptions, Central Office Technicians, the Mapping Department, Warehousemen, and Maintenance/Janitors are required to follow the same standards as all other employees.
- E. Casual dress will be allowed when scheduled by management. Casual dress is defined as denim pants (no worn denim or cut-offs), tennis shoes, t-shirts without writing or pictures, and t-shirts with the company logo (no tank or tube tops without a jacket).
- F. The Company reserves the right to determine whether an employee is dressed in the appropriate, professional manner and to send the employee home to change clothing, if necessary.

708 USE OF PHONE AND MAIL SYSTEMS

Employees may be required to reimburse the Company for any charges resulting from their personal use of the telephone.

The use of the Company-paid postage for personal correspondence is not permitted.

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

709 CELLPHONES, COMPUTERS AND E-MAIL

The Company cellphones and computers are provided for the conduct of official Company business only. Use of the Company cellphones, computers and computer systems, including but not limited to email and Internet access, for personal business or non-work related reasons is strictly prohibited. Use of the Internet or email to view or disseminate material that is sexual or pornographic in nature is strictly prohibited.

Employees may not use cellphones, computers, or any other handheld electronic communication device while operating a vehicle. Employees must comply with Utah Code Ann. § 41-6a-1716 regarding distracted driving, as well as all other laws and regulations concerning the use of technology while operating a vehicle.

All emails sent from Company cellphones and computers must comply with the statutory requirements of Utah's Unsolicited Commercial and Sexually Explicit Email Act, codified at §13-36-101 et. seq.

Specifically, no text, message or email sent from a Company cellphone or computer may contain sexual content, promote sexual material, or contain a link to sexually explicit material. Sexually explicit material is defined as material that contains nudity, references to sexual conduct, sexual excitement, or

sadomasochistic abuse. If you receive an unsolicited text, message email of a sexually explicit nature, please notify your supervisor immediately.

Additionally, all unsolicited text, messages, and emails sent for the purpose of promoting the sale, lease or exchange of goods, services or real property shall be considered "Commercial emails" for purposes of the Utah's Unsolicited Commercial and Sexually Explicit Email Act, and must strictly comply with the requirements of the act. No employee may send any unsolicited commercial text, message, or emails without the prior written consent of the Company.

EMPLOYEES HAVE NO RIGHT OF PRIVACY WITH RESPECT TO THE USE OF THE COMPANY'S CELLPHONES AND COMPUTER SOFTWARE OR SYSTEMS. Employees' cellphone use, computer use, and emails may be monitored by the Company to enforce this provision.

All Employees must utilize the appropriate Company procedures to minimize the risk of contracting any computer virus.

No employee may access information on the Internet or through any Company system which will result in any cost or charge to the Company without the express permission of the President or through a purchase order.

Employees may not copy, download, or utilize items and information protected by trademark, patent or copyright laws in violation of those laws.

Use of computers for non-business purposes or any of the others listed above is subject to disciplinary action, up to and including, immediate termination.

Employees who do not adhere to these policies risk disciplinary action, up to and including termination of employment.

710 USE OF EQUIPMENT AND VEHICLES

Company vehicles will be provided only in connection with, and for use in the Company's trade or business. When vehicles are in operation, all vehicle and traffic rules and regulations will be obeyed. Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, employees are expected to exercise care, obey all rules and regulations, perform required maintenance, and follow all operating instructions, safety standards, and guidelines. Please notify the supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or in need of repair.

Employees that are required to operate a vehicle for company purposes must maintain a valid driver's license at all times. Furthermore, employees that operate company vehicles must qualify for insurance with the Company's liability carrier, which will require a review of the employee's driving record. Failure to maintain a valid driver's license or qualify for liability coverage may result in termination. Employees must notify their supervisors at once if their driver's license has been suspended or revoked for any reason.

The Company operates the following classes of vehicles:

1. **Assigned Personal Use Vehicles**

These vehicles, usually (but not always) reserved for supervisors, are assigned by management individually and may be utilized for personal use. However, any and all personal use of a Company vehicle must be recorded. Personal use of a Company vehicle is considered a taxable benefit and the employee will be credited with the benefit as per IRS regulations. Personal Use Vehicles may be used for personal reasons to travel out of state only with preapproval from the CEO and President on each occurrence.

2. **Assigned Work Use Vehicles**

These vehicles are assigned to an individual employee, but are not for personal use. These vehicles must remain in their proper location on Company property during non-work hours or at a secure location that is preapproved by the Company.

3. **Company Pool Vehicles**

These vehicles are not assigned to any particular employee and may be used by any employee for Company business only. Use of these vehicles must be scheduled in advance.

4. **Company Work Use Vehicles**

These vehicles and equipment are for work use and are not assigned to any particular employee (e.g. ladder trucks). Use of these vehicles should be coordinated with the employee's supervisor.

Only employees or authorized personnel will be allowed to operate company vehicles, including Assigned Personal Use Vehicles.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment.

When extended travel is required, employees may transport family members in Company vehicles under the following guidelines:

1. When travel is required for a supervisor:

- a. Supervisors are allowed to take family members in company vehicles, even if other employees are traveling to the same event.
- b. Subject to approval from the CEO or President.

2. When travel is required for a non-manager employee

- a. Employees are allowed to take family members in company vehicles ONLY if no other employee is traveling to the same event.
- b. If another employee is traveling to the same event, the employees must travel together in the company vehicle.
- c. However, at any time an employee may choose to take his/her own vehicle at his/her own expense.

Notwithstanding the foregoing, all travel is subject to approval from the employee's supervisor.

711 SALE OF COMPANY VEHICLES

Once a vehicle has been in service at least three years, has more than 50,000 miles and management has decided to retire or trade-in the vehicle, the vehicle will be offered for sale to all full-time employees of the Company.

Employees can purchase a vehicle for the current market price, as established by the Company's management. If more than one employee wishes to buy a vehicle, a drawing will be held to select the person who may purchase the vehicle. Employees can purchase one vehicle per year.

In all cases the company has the right to decide when and if a vehicle will be offered for purchase by employees. The Company will review this procedure from time-to-time, and has the right to change or even eliminate this program.

712 SAFETY

Every accident or injury that occurs on the job, however minor, must be reported to a Supervisor immediately.

Safety is every employee's responsibility. Please take precautions to use materials and equipment with care and do your part to keep the work site free from hazards. In addition to causing personal injury, accidents result in downtime and reduced profitability. All work areas on the job site are to be kept clear of any debris.

To assist in providing a safe and healthy work environment for employees, customers, and visitors, the Company has established a workplace safety program. This program is a top priority for the Company. The Safety Committee has responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all. Please refer to the Company Safety Manual for more details.

713 BACKGROUND CHECKS

The position an individual applies for and the information he/she gives during the interview process will determine which contingencies may apply to an offer of employment. All employees applying for any position with the Company will be subject to reference checks with former employer and/or managers. Unless required by law, reference checks will not be shared with the potential employee. Individuals who claim to have certain educational credentials, either in writing or in an interview, are subject to verification.

Any individual offered a position that has responsibility for initiating or affecting financial transactions will be required to submit to a credit check. These responsibilities could include among other things, collecting or handling cash or checks, writing checks or approving them, access to a direct money stream, or being a fiduciary to the organization.

Any potential employees who will be driving a company vehicle or driving their personal vehicles on company business more than 5,000 miles each year will be subject to an inspection of their Motor

Vehicle Records annually. Depending on the job requirements, some employees may have to comply with the Department of Transportation requirements for a Commercial Drivers License.

For positions that require employees to enter the homes of clients/customers, the employees will be subject to a criminal background check. Only individuals in Human Resources, who are authorized to do so, may initiate or receive a criminal background check.

Information gained from any of the above background checks will be held in confidence and shared with management individuals only on a need-to-know basis.

714 SOLICITATION

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

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

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

- Affirmative action statement
- Employee announcements
- Internal memoranda
- Job openings
- Organization announcements
- Payday notice
- Workers' compensation insurance information
- State disability insurance/unemployment
- Insurance information

If employees have a message of interest to the workplace, they may submit it to their supervisor for approval. The supervisor will post all approved messages.

715 VISITORS IN THE WORKPLACE

To provide for the safety and security of employees and the facilities at the Company, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All visitors should enter the Company at the main entrance. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on Company premises, employees should immediately notify their supervisor or, if necessary, direct the individual to the main entrance.

Further Information

Section 800

800 ADDITIONAL INFORMATION

Good communications are an important part of a Company's relationship with its employees. We encourage you to express your feelings and voice your ideas about our operations, and we will likewise keep you informed of developments and changes as they occur.

If you have a question that is not answered in this handbook or if you would like further information, please speak with your Supervisor or Human Resources Director. They will address your concerns or will direct you to someone who can