

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1 - INTRODUCTION	4
Handbook.....	4
Corporate Headquarters.....	4
Dos Coyotes Border Café – History, Concept and Philosophy	4
SECTION 2 - POLICIES AND PROCEDURES.....	6
Employment-At-Will	6
Open Door Policy	7
SECTION 3 - DISCRIMINATION AND HARASSMENT	7
Equal Employment Opportunity	7
Harassment.....	8
Investigation	9
Reasonable Accommodation	10
Immigration Law Compliance	12
Employment of Relatives	13
SECTION 4 - WAGES.....	13
Conditions Of Employment.....	13
Employment Classifications	14
Payment Of Tips (Gratuity)	16
Meal Breaks	17
Rest Breaks	17
Overtime	18
Miscellaneous Pay	19
Training Manager.....	19
Transfers	19
Payroll Advances.....	20
Check Cashing	20
Wage Garnishments	20
Scheduling.....	20
SECTION 5 - LEAVE OF ABSENCES/TIME-OFF	21
General Rules.....	21
Pregnancy Disability Leave	22
Family And Medical Care Leave	24
Reinstatement On Return From Leave	27
Certification Requirements.....	30
Military Service Leave	31
Military Spousal Leave	31
Bereavement Leave	31
Jury And Witness Duty Leave.....	31
Civil Air Patrol	32
Volunteer Civil Service	32

TABLE OF CONTENTS (cont.)

	<u>Page</u>
Victim’s Leave For Judicial Proceedings Related To A Crime	32
Leave For Proceedings Involving Victim’s Rights	33
School Activities Leave.....	34
School Appearance Leave	34
Sick Leave.....	35
Organ And Bone Marrow Donor Leave.....	36
Alcohol And Drug Rehabilitation.....	36
Absence, Illness & Tardiness.....	37
 SECTION 6 - EMPLOYEE BENEFITS	 38
Holidays	38
Unemployment Insurance	38
State Disability Insurance.....	38
Workers’ Compensation Insurance.....	38
Voluntary And Other Deductions.....	39
Employee Group Deductions	39
Vacations Benefits for Managerial Employees	39
Profit Sharing Plan	40
Employee Meals.....	40
 SECTION 7 - MANAGEMENT	 41
Payroll and Personnel Records	41
Personnel Files.....	42
Reference Checks.....	43
Background Checks and Credit Reports.....	43
 SECTION 8 - COMPANY PROPERTY	 44
 SECTION 9 - EMPLOYEE CONDUCT	 44
Drug and Alcohol Testing.....	44
Physical Examinations.....	45
Company Testing/Searches	45
Prescription Drugs	45
Uniforms and Appearance	45
Hygiene	45
Uniform Specifications.....	46
Voicemail, Email and Computer Files.....	47
Social Media.....	49
Employee Misconduct	52
Alcohol and Drugs.....	53
Company or Business Events	54
Smoking	54
Restaurant Telephone Usage.....	54
Cell Phone Safety	54
Media Contact	55
Marketing and Promotion	55
Lost and Found	55

TABLE OF CONTENTS (cont.)

	<u>Page</u>
Personal Property	55
Telephone Courtesy	56
Outside Employment	56
SECTION 10 - SAFETY AND HEALTH	56
Security, Safety and Sanitation	56
Right to Observe and Search Employees	57
Safety	58
Use of Personal or Company Vehicles	60
SECTION 11 - OTHER POLICIES	61
Evaluation of Performance	61
Confidentiality and Non-Disclosure of Information	62
Fraternization	63
Identity Theft	63
Guest Complaints	63
Cash and Credit Card Control.....	64
RECEIPT and ACKNOWLEDGEMENT of EMPLOYEE HANDBOOK	65



Dos Coyotes Corporate Restaurants Employee Handbook

SECTION 1 - INTRODUCTION

Handbook

All businesses must have written policies, procedures and general rules of behavior to serve as guidelines, both for its employees and for Company management personnel who are responsible for its operations and administration. Dos Coyotes Corporate (the “Company”), an operator of **Dos Coyotes Border Café** restaurants in the Sacramento/Davis CA area, has issued this Handbook to explain the rights, responsibilities, policies, procedures, benefits, rules, regulations, and practices generally applicable to both the Company and its employees. Individual written employment contracts, approved in writing by the President, may supersede some of the provisions of this Handbook.

The Handbook is designed to familiarize you with the Company's major policies and to resolve common questions posed by employees. While the Handbook summarizes the Company's personnel policies, benefits and work rules, it cannot anticipate every situation or answer every question about your employment. Therefore, should any of your questions regarding policies and procedures not be answered to your satisfaction by referencing this Handbook, you should request clarification from your Supervisor, and if still unanswered, contact Company management.

Circumstances may require that the policies, practices and benefits described in the Handbook change from time to time. The Company has the right to amend, modify, rescind, delete, supplement or add to the provisions of this Handbook as it deems appropriate from time to time, in its sole and absolute discretion. Any such changes can be made only by way of official updates to this Handbook and/or in a separate written document, issued by an authorized member of the Company's executive management.

Everyone is working toward a common goal at Dos Coyotes: to provide the highest quality food and service. Feelings of respect and cooperation between employees and management are essential for our continued success. All employees should read this Handbook carefully, as well as all procedures, safety and other material issued by the Company and the Dos Coyotes franchise and operating companies.

It is every employee's responsibility and obligation to understand this Handbook and its policies. Please ask questions about anything you don't understand.

In order to familiarize team members with Dos Coyotes, a brief history of the brand, and an overview of the concept and philosophy (including the Dos Coyotes' Mission Statement), precede the synopsis of the policies, procedures, and benefits.

Corporate Headquarters

The Company's headquarters are located at 1784 Picasso Avenue Suite B, Davis CA 95616. The headquarters telephone number is (530) 753-0202.

Dos Coyotes Border Café – History, Concept and Philosophy

History of Doc Coyotes: Creating a “Peoples Restaurant”

Dos Coyotes is the result of two major inspirations: My love of Santa Fe and my childhood in Los Angeles. I grew up in a quiet corner of West LA, eating some of the most authentic Mexican food you can imagine. As soon as I was old enough, I started making my own. I'd hang out with my friends and cook quesadillas, burritos, carne asada, and marinated chicken. At first I was simply trying to recreate the traditional flavors I loved, but then I started



Dos Coyotes Corporate Restaurants **Employee Handbook**

experimenting, looking for unique ways to make them my own.

Around the same time, I took my first trip to Santa Fe and immediately fell in love with the people, the climate, the colors, the culture.... And the Cuisine. I felt a connection to Santa Fe chefs and how they played with the concept of Mexican food, creating the fusions and hybrids with other cultures that came to define "Southwestern cuisine."

By the mid 80's I'd held a number of interesting jobs (including a gig as a laser light technician for the rock band WAR), but my love of food eventually led me into the restaurant business. I was managing the trendy Café Figaro in Los Angeles when I had the realization that --- in a city with thousands and thousands of restaurants, bistros, and eateries----- there wasn't a single place that combined great, unique food and an engaging atmosphere at a price the average family or college student could afford.

A "people's restaurant," as I referred to it. It just didn't exist. So I decided to build it.

I was refining the concept for what would eventually become Dos Coyotes, but was having trouble finding the perfect location. My sister, who was working on her PH.D at UC Davis at the time, called and said "Hey Bobby ----- I think I've got the spot you're looking for!"

The first Dos Coyotes opened in the Marketplace in North Davis on January 5th 1991. The menu was a little bit smaller than it is today. Our original tacos were ---- literally---- two warm corn tortillas, tender, flame-broiled steak or chicken, onions, cilantro, a charbroiled cebollita green onion and whatever salsa you liked. Simple. Pure. Delicious!

One of the first big changes we made was adding "seasonal specials." Our fixed menu was popular but it didn't give us the room to explore our potential to truly take advantage of the region's incredibly flavorful, diverse produce. The seasonal specials changed all that. They gave Executive Chef Mark Casale and I the freedom to experiment.... to create new items and give customers a vibrant, evolving culinary experience.

In the 25 plus years since we opened that first restaurant, Dos Coyotes has grown, but the core principles haven't changed ---- delicious food, engaging atmosphere and staff and exceptional value. That's why I started Dos Coyotes and why I go to work today. I love watching people walk through the door, enjoy our food and appreciate what we have to offer. That's why we're in business.

Concept and Philosophy

The Dos Coyotes Concept and Philosophy, though simple, is not easy to achieve. The stage is set in a whimsical, fun, and Southwestern environment (picture Santa Fe, New Mexico). The Food is fresh, unique, high quality, authentic southwestern, and delicious. Our generous portions are delivered quickly and priced very reasonably, creating a great value. But what really separates "Dos" is its people. "You" were hired because you demonstrated to your managers that you possessed the qualities to help ensure our guests have the best experience possible each time they visit a Dos Coyotes. We are in the "Guest Experience" business. From the kitchen to the front of the house, every encounter, recipe produced, or meal cooked is entirely about the total experience for our guests, and it starts with our people and their smiles.

We want our Team Members to work hard and have fun while focusing on each guest and their visit. We want to offer a path to personal growth and to the betterment of everyone's future within our company. We want to have pride in our food and the distinctive service we provide.

We want our Team Members to be Caring and Results Oriented, have a Strong Work Ethic, and possess the core values of Honesty, Integrity, Respect, and Commitment.



Dos Coyotes Corporate Restaurants **Employee Handbook**

We pride ourselves in the Southwestern Culture we create, from the colorful and distinctive artwork, to the exceptional cuisine we serve, and to the value we provide. This is the reason we are in business, and it is “You” who makes the difference in the experience we offer everyone who dines with us.

Thank You for joining us and being part of the Dos Coyotes team!

Dos Coyotes Mission Statement

Our mission at DOS COYOTES is to provide only the BEST products and service in the restaurant industry through a team of spirited, organized, thoroughly trained, and customer-focused professionals. Our highest priority is exceeding the expectation of our guests. To that end, we will encourage creativity, and innovation to enhance the abilities of our employees and expand the possibilities for our guests. We recognize that our guests are THE reason for our being! Our commitment to excellence requires the same concern, respect and caring attitude for our employees as they are expected to have for our ever-growing extended family, our guests. We will always uphold the highest ethical and moral standards, be a good corporate citizen, be environmentally responsible, and treat all people – our employees, business partners, and guests – with the utmost respect.

DOS COYOTES TEAM MEMBER EXPECTATIONS

Have Passion and an enthusiastic, “I Want to be Here” Attitude!

Be a Part of the Team and Help Out where Needed!

Provide Excellence and Take Pride in Your Work!

Greet, Smile at, and Interact with our guests; Make them your #1 Priority!

Anticipate the Needs of the Guests, fellow Team Members, and the Restaurant!

Make Great First and Last Impressions!

Be Courteous to others and Make a Positive Difference!

Provide the Best Possible Service and be Consistent each shift you work!

Have Fun!

SECTION 2 - POLICIES AND PROCEDURES

The Dos Coyotes Operations and Training Manuals include information which supplements and/or provides additional details regarding many of the topics discussed below, and also presents certain procedures not included herein.

Accordingly, pertinent information in those Manuals, as identified by restaurant and/or Company management, must be reviewed and understood by each employee.

Employment-At-Will

This Handbook contains the entire agreement between you and the Company as to the duration of your employment and the circumstances under which your employment may be terminated. Notwithstanding any disciplinary procedures



Dos Coyotes Corporate Restaurants **Employee Handbook**

or Company rules or regulations, your employment with the Company is voluntary and subject to termination by you or the Company at will, with or without cause or prior notice, at any time or for any reason. Nothing in these policies shall be interpreted to be in conflict with, eliminate and/or modify in any way the employment-at-will employment status.

Nothing contained in any other materials issued by the Company or its employees, nor any statement made by any employee of the Company shall require the Company to have "just" or "good cause" to terminate employment, or to change the terms and conditions of employment.

The Company can demote, transfer, suspend or otherwise discipline an employee in its sole and absolute discretion. Nothing in this Handbook, or any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued or indefinite employment or employment for a specific term, in a specific position, or at a specific rate of pay. In fact, this "employment-at-will" provision is considered to invalidate any such contrary term, provision or agreement. Accordingly, there is no agreement, express or implied, between you and the Company for any specific period of employment, for continuing or long-term employment, or for employment under certain conditions.

This policy of employment-at-will may not be modified by any officer or employee and shall not be modified in any publication or document. The only exception to this policy is a written employment agreement approved at the discretion of the President or the Board of Directors, whichever is applicable.

These personnel policies are not in any way intended to be a contract of employment or a legal document.

Open Door Policy

The Company strives to improve its policies, services and products that it provides to its guests, and its relations with employees. Employees are encouraged to bring suggestions for improvements in any of these areas to the attention of your Supervisor.

The Company is committed to maintaining a positive and pleasant environment in which to work, and believes in an open-door policy. You should see your Supervisor with questions or problems relating to your job. You can also meet with any management representative without regard to his or her position in the Company.

While these procedures cannot result in every problem being resolved to your satisfaction, the Company values your input and you should feel free to raise issues of concern. The Company will listen to your concerns with respect and do its best to solve your problems. There will be no reprisal for any concerns or suggestions brought to the attention of the Company's management.

SECTION 3 - DISCRIMINATION AND HARASSMENT

Equal Employment Opportunity

The Company is an equal opportunity employer, seeking the best qualified individuals for each position, and therefore makes employment decisions on the basis of merit. We do not discriminate, nor do we permit our employees to discriminate against other employees or applicants because of race, color, religion, sex, sexual orientation, gender identity or expression, pregnancy, marital status, national origin, citizenship, veteran status,



Dos Coyotes Corporate Restaurants **Employee Handbook**

ancestry, age (40 or over), physical or mental disability, medical condition, genetic information or any other consideration made unlawful by applicable laws. Equal employment opportunity will be extended to all persons in all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, compensation,

Harassment

The Company will not tolerate any type of harassment against applicants for employment, employees, unpaid interns, volunteers, or independent contractors on the basis of race, color, religion, sex (including pregnancy, childbirth, breastfeeding, and/or related medical conditions), sexual orientation, gender, gender identity or expression, pregnancy, marital status, age (40 and above), national origin, ancestry, disability (physical and mental, including HIV and AIDS), medical condition, genetic characteristics, cancer, genetic information, military or veteran status, or any other category protected by state or federal law ("a protected category"). The Company also prohibits harassment based on the perception that an employee, applicant, unpaid intern, volunteer, or independent contractor has the characteristics of someone in a protected category, or is associated with a person who has or is perceived as having the characteristics of someone in a protected category.

Harassment includes expressly or impliedly conditioning a job benefit (or the absence of a job detriment) on sexual favors, or the creation of a hostile work environment through visual, verbal, or physical conduct. Prohibited conduct includes any of the following when related to a protected category: making slurs, innuendos, or potentially offensive comments or jokes; the display of potentially offensive cartoons, posters, or other materials; distributing potentially offensive pictures or words in written, pictorial, or electronic form; touching, or other unwanted attention; threats, intimidation, or other abusive behavior.

This policy applies at all Company locations, Company-sponsored social or other events, as well as activities at which you represent the Company.

Sexual harassment deserves particular mention. Unwelcome sexual advances, requests for sexual favors, and other unwelcome physical, verbal, or visual conduct based on sex are not allowed. This includes such things as sexual innuendoes, suggestive comments, sexually oriented teasing or practical jokes, display of sexually suggestive pictures or other materials, suggestive or insulting sounds, looks, or gestures, and any unwanted physical contact. Obviously, more severe forms of harassment, such as sexual assault, are also prohibited.

In addition, sexual harassment is defined by the Fair Employment and Housing Commission as unwanted sexual advances, or visual, verbal or physical conduct of a sexual nature. Sexual harassment includes gender harassment and harassment on the basis of pregnancy, childbirth, or related medical conditions, and also includes sexual harassment of an employee of the same gender as the harasser. This includes, but is not limited to, the following types of offensive behavior:

- Unwanted sexual advances
- Offering employment benefits in exchange for sexual favors



Dos Coyotes Corporate Restaurants **Employee Handbook**

- Making or threatening reprisals after a negative response to sexual advances
- An employee being fired or denied a job or an employment benefit because the employee refused to grant sexual favors or because he or she complained about the harassment
- Visual conduct, including leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons, or posters
- Verbal conduct, including making or using derogatory comments, epithets, slurs, and jokes
- Verbal sexual advances or propositions
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes, or invitations
- Physical conduct, including touching, assault, impeding or blocking movements
- Using nicknames or terms of endearment with a racial or sexual connotation
- An employee being exposed to a hostile work environment

Harassment of any kind to any person in or associated with a Dos Coyotes Border Café restaurant by a vendor, guest, or any other person will not be tolerated. Any such harassment must be immediately reported to the Manager-on-Duty or your Supervisor.

All Company employees are responsible for helping to ensure that the work environment is free from prohibited harassment. If you believe an employee or a nonemployee has subjected you to sexual or other harassment in violation of this policy, in most cases you should immediately inform the offending party that the conduct is unwelcome and tell him or her to stop the behavior. However, if you are uncomfortable doing so, or if after doing so the situation has not been satisfactorily resolved, you must immediately inform your Manager-on-Duty, your Supervisor or the Human Resources Manager or. You are not required to complain first to your immediate supervisor and are permitted to complain to any management employee or Human Resource representative.

The Company will not tolerate any retaliation against anyone who has expressed a good faith concern about harassment or who has participated in an investigation. Individuals who believe they have been subjected to retaliation should immediately inform the Human Resources Manager, their supervisor or an on-duty manager.

Investigation

All reasonable claims of discrimination or harassment, including an employee terminating his or her employment resulting from such claim, will be investigated by the Company, regardless whether the action occurred on or off Company premises. If an employee believes that he or she has been discriminated against or harassed by a co-worker, supervisor, agent, vendor or guest; has witnessed possible discrimination and/or harassment; and/or believes that the Company or another employee has violated any applicable law in the conduct of the Company's business, he or she has a duty to immediately bring the incident(s) to the attention of Company management.

All complaints of prohibited harassment and discrimination will be investigated thoroughly and promptly. The investigation will be kept as confidential as possible, although complete confidentiality cannot be guaranteed. The Company will take appropriate remedial action to stop any prohibited conduct and prevent similar conduct in the future.



Dos Coyotes Corporate Restaurants Employee Handbook

This can include employee discipline up to and including termination. At the conclusion of such investigation, a determination of whether reasonable grounds exist to believe that discrimination, harassment and/or a violation of Company policy has occurred. All employees are obligated to cooperate fully in the investigation process. Individuals involved will be advised of the determination if appropriate.

The company considers discrimination, harassment, and/or violation of Company policy to be a serious offense which will result in disciplinary action, up to and including termination against any offender, and/or to anyone who attempts to discourage or prevent another employee from bringing such charges to the attention of management. The Company will also take action to deter any future discrimination, harassment and/or violation of Company policy.

Employees should be assured that measures will be undertaken to protect those who complain about discrimination, harassment and/or a violation of law from any coercion, intimidation, or retaliation due to their reporting an incident or participating in an investigation concerning such an incident.

If any employee believes that the above procedure has not resolved a complaint of discrimination or harassment, he or she may contact the California Department of Fair Employment and Housing (DFEH) at (800) 884-1684, to determine the location of the branch of the DFEH that is nearest to the employee to file a claim within one (1) year of the date that the discrimination and/or harassment occurred. If that governmental entity finds that harassment or discrimination has occurred, it will either obtain a voluntary resolution of the issue or may take further action, including the filing of a lawsuit on behalf of the complaining employee.

Reasonable Accommodation

The Company will provide reasonable accommodations as indicated, and subject to the explanation and limitations, below:

Accommodation	Explanation/Limitations
Disability	<ul style="list-style-type: none"> • Reasonable accommodation for the known physical or mental disabilities of an otherwise qualified applicant for employment or employee. • Applicant or employee who requires accommodation in order to perform the essential functions of a job should make a request by contacting the designated supervisory or management employee. • The Company should be advised of what accommodations he or she believes are needed in order to perform the job. • The Company will engage in a process with the employee to determine effective, reasonable accommodations, if any. • If such an accommodation is possible, <u>reasonable</u>, will not impose undue hardship upon the Company, and/or would not constitute a direct threat to the employee's safety or the safety of other employees, the Company will make the accommodation. • No accommodation will be made that requires the use, for medicinal purposes, of otherwise illegal drugs.



Dos Coyotes Corporate Restaurants
Employee Handbook

	<ul style="list-style-type: none"> • The Company reserves the right, by advising the employee in writing, to require an employee to undergo a medical examination to determine fitness for duty, at the Company's expense, if the Company suspects that the employee may not be able to perform the essential duties of the job or may not be able to do so without risk of harm to him/herself or others. The Company reserves the right to suspend employment pending the results of the examination.
Pregnancy	<ul style="list-style-type: none"> • May be requested with presentation of a doctor's certification in writing that the accommodation request is upon the doctor's advice. • Accommodation may include, but is not limited to, a transfer to a less strenuous or hazardous position. If such a transfer can be reasonably accommodated, a pregnant employee will be transferred for the duration of her pregnancy. • The Company will not undertake to create additional employment that the Company would not otherwise have created to meet its own business needs, nor will the Company be required to discharge any employee, transfer any employee with more seniority than the pregnant employee, or to promote any employee who is not qualified to perform the job. • Upon transfer, an employee will receive the salary and benefits which are regularly provided to employees in the position to which the employee has transferred.
Lactation	<ul style="list-style-type: none"> • Employees who wish to express breast milk at work may request a reasonable accommodation to do so, which may include increased break time and privacy. • The Company does not discriminate against employees for breastfeeding and/or expressing breast milk at work.
Service Animals	<ul style="list-style-type: none"> • Federal and state laws require that our disabled patrons be able to make use of a service animal to assist them in using our facilities. • A service animal may only be a dog or, under very limited circumstances, a specially trained miniature horse. • Service animals need NOT have a yellow or other distinguishing vest identifying them as a service animal; they may appear like any other animal. To be a service animal, the patron need only identify the dog as a service animal. • The guest does not have to carry proof or documentation to support their animal's qualifications as a service animal. An employee should not question the patron about the legitimacy of the service animal, nor how the animal is of use to the patron; it is sufficient that the patron calls the animal a service animal. Based on that alone, the guest should be allowed access with the service animal.



Dos Coyotes Corporate Restaurants **Employee Handbook**

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| | <ul style="list-style-type: none">• If an employee becomes concerned about a service animal, or if the animal becomes disruptive in anyway or causes a problem with any other guest, alert the Manager-On-Duty immediately. |
|--|---|

Immigration Law Compliance

All offers of hire and continued employment are conditioned on furnishing satisfactory evidence of identity and legal authority to work in the United States.

The Company is committed to full compliance with the federal immigration laws. Therefore, the Company is required to verify the identity and legal ability to work of all individuals before they can begin work. In keeping with this obligation, each applicant must produce documentation that shows his or her identity and legal authority to work. Each applicant must also attest to his or her legal authority to work and identity on an I-9 Form provided by the federal government. This verification form will be distributed by the Company and must be completed as soon as possible after an offer of employment is made. In no event can the form be completed and returned to the Company more than three (3) business days after an individual is hired.

If an employee has provided right-to-work documentation that has an expiration date, updated documentation must be given to the Company before this expiration date.

The Company takes reasonable steps to ensure that it is only employing persons authorized to work in the United States. To that end, if the Company receives a "No Match" letter from the Social Security Administration, advising the Company that an employee's name does not match their Social Security Number, the Company will take reasonable steps to ensure that this discrepancy is corrected.

Understanding that mistakes are sometimes made, including data entry errors, and employee names may change due to marriage, divorce, or other legal name change, the Company will provide an affected employee with a copy of the Social Security Administration's "No Match" letter. The Company will request that the employee verify that the name and number on the document matches his/her Social Security number and legal name. The Company will not and does not ask the employee to again produce his/her documents authorizing him/her to work in the United States. If a data entry error occurred, then the Company will correct the error.

However, if the issue is not a data entry error, the Company will provide the employee with 30 days to resolve any inaccuracy or discrepancy with the Social Security Administration. The employee will be required to present proof from the Social Security Administration that he/she has resolved the inaccuracy or discrepancy. The Company shall have the sole discretion to determine whether the information provided has or has not resolved the issue.

If an employee requires more than 30 days to obtain proof that he/she has resolved the inaccuracy or discrepancy, the Company may, in its sole discretion, provide the employee with additional time. However, in no event will any employee be provided more than 60 total days from the date the employee receives the "No Match" letter to obtain Proof.

If an employee fails to provide evidence within the applicable time period, the Company will consider that it has constructive notice of the employee's failure to have a proper, matching Social Security number and is currently subjecting the Company to possible fines by the Internal Revenue Service because of the employee's failure to provide



Dos Coyotes Corporate Restaurants **Employee Handbook**

a matching Social Security number. The Company reserves the right to terminate any employee who cannot timely provide evidence satisfactory to the Company. Nothing in this policy shall alter an employee's "at-will" status, even if the employee is currently attempting to obtain the required evidence.

Employment of Relatives

The Company permits the employment of qualified relatives of employees as long as such employment does not involve a supervisory relationship or otherwise pose supervision, safety, security, or morale problems. Employment of relatives will not be permitted if it creates a conflict of interest. For purposes of this policy, "relative" is a spouse, domestic partner, child, parent, sibling, grandparent, grandchild, aunt, uncle, first cousin, or corresponding in-law or "step" relation. The Company will exercise sound business judgment in the placement of related employees in accordance with the following guidelines:

- Individuals who are related by blood or marriage are permitted to work in the same location, provided no direct reporting or supervisory/management relationship exists. That is, no employee is permitted to work within the "chain of command" of a relative such that one relative's work responsibilities, salary, or career progress could be influenced by the other relative. This policy may be waived by the Company within reasonable discretion.
- Employees who marry or enter into a legally recognized domestic partnership while employed are treated in accordance with these guidelines. If a conflict arises as a result of the marriage, or domestic partner relationship, The Company will determine whether transfers are available and/or if an accommodation can be made.
- In addition, The Company recognizes that at times, employees and their "close friends" or "significant others" may be assigned to positions that create a coworker or supervisor-subordinate relationship. The Company will endeavor to avoid the creation of a conflict or the appearance of a conflict of interest, avoid favoritism or the appearance of favoritism, and decrease the likelihood of sexual harassment in the workplace.

This policy applies to all categories of employment, including regular, temporary, and part-time classifications.

SECTION 4 - WAGES

Conditions Of Employment

Food Handler Card

The California Food Handler Card law establishes a statewide standard for safe food handling in California's restaurants. The law ensures that all foodservice employees gain and exhibit basic food safety knowledge by passing an accredited test. All food handlers who are hired before June 1, 2011 must obtain a California Food Handler Card from an accredited source by July 1, 2011. Workers hired after June 1, 2011 must have a California Food Handler's Card within 30 days of hire. A California Food Handler Card is valid for three years, and food facility operators are required to maintain records of current certification for each employee. Local health departments will enforce the mandate during the inspection process.

The California Food Handler Card is recognized throughout the state, though three counties – Riverside, San Bernardino, and San Diego have existing local food handler card requirements that are not affected by the state law.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Safe Serve Certification

All Managers working in a Dos Coyotes restaurant must be Serve Safe Certified as soon as possible after employment. Dos Coyotes will pay for the certification, which will be conducted at different times during the year.

Age Requirements

The minimum age for restaurant positions is:

General Manager	<u>Twenty-one</u> (21) years old
Assistant Manager	<u>Twenty-one</u> (21) years old
Kitchen Manager	<u>Twenty-one</u> (21) years old
Line Cook	<u>Sixteen</u> (16) years old
Prep Cook	<u>Sixteen</u> (16) years old
Dishwasher	<u>Sixteen</u> (16) years old
Cashier	<u>Sixteen</u> (16) years old

Work Permits

All employees under Eighteen (18) years of age must have a work permit in order to be employed by the Company. Hours worked and duties performed by minors will be in strict compliance with all applicable laws.

Employment Classifications

Employment Status

Regular Full-Time Employees

Those employees who are hired to work on a regular basis for thirty (30) or more hours per week are deemed to be full-time.

Regular Part-Time Employees

Those employees who are hired to work on a regular basis for less than thirty (30) hours per week are deemed to be part-time.

Temporary or Seasonal Employees

Those employees who are hired to work on a temporary or seasonal basis, or for the completion of a specific task or project are deemed to be either temporary or seasonal employees. A temporary or seasonal employee will not automatically change to another status merely by working in excess of the time expected or designated; a change in status, if any, must be recorded in writing.

Exempt vs. Non-Exempt Employees

Exempt Employees



Dos Coyotes Corporate Restaurants **Employee Handbook**

Those employees who are not subject to the provisions of federal and state law requiring the payment of overtime are deemed to be Exempt. Exempt employees include salaried professional, executive and administrative employees.

Non-Exempt Employees

Those employees who are subject to the provisions of federal and state law requiring the payment of overtime are deemed to be Non-Exempt. Non-Exempt employees must never perform any work for the Company, whether on or off premises, unless they are being paid for the time worked, at the appropriate hourly rate.

Classification by Position

General Manager	Salaried – Exempt
Assistant Manager	Salaried (or Hourly) – Non-Exempt
Kitchen Manager	Salaried (or Hourly) – Non-Exempt
Line Cook	Hourly – Non-Exempt
Prep Cook	Hourly – Non-Exempt
Dishwasher	Hourly – Non-Exempt
Cashier	Hourly – Non-Exempt

Independent Contractors

An independent contractor is any person who is classified by the Company as such, as evidenced by the Company's failure to withhold taxes from his or her compensation. Independent contractors are not employees of the Company. Even if the person is later reclassified by an action of a court or administrative agency as an employee of the Company, he or she is not eligible for any Company-sponsored benefits on a retroactive basis.

Clocking In

Please be prompt for all of your shifts. Never clock in or begin working more than 5 minutes before your shift begins. Your compensation is based on the exact hours and minutes worked. Please remember to clock in and out so the payroll process stays simple and you're paid for the time you've worked. If you forget to clock in or out on a frequent basis, this will be grounds for termination.

Pay Periods

The Company's work week begins on Monday and ends on the following Sunday. Pay periods are two (2) weeks long.

Pay Days/Payment Methods

Payday is generally the Friday after the end of the pay period. Payment of wages may be made by check and/or direct deposit, at the sole discretion of the Company. Checks may be picked up between 2:00 P.M. and 5:00 P.M., and after 8:00 P.M. However, if you arrive to pick up your check during periods of high volume, be aware that you will be asked to wait until business subsides.

Before receiving your paycheck, you will be required to sign a document indicating your receipt of the check and verifying that the hours and wages paid are correct, or indicating any discrepancy. Unless otherwise approved by the General Manager, you must pick up your check; other employees, friends or relatives will not be given your check.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Payment Of Tips (Gratuity)

Customers may tip employees using either of two methods: 1) Depositing cash tips in the tip jars located at each P.O.S. register, or 2) Adding a tip on a credit card. Tips are distributed to Cashier's only utilizing the two methods described below:

1. Cash tips left in the tip jar are distributed by the cashiers at the end of each shift, to all cashiers working that shift. The Company has no involvement in the distribution of these cash tips.
2. Charge tips added to credit card payments will be accumulated and distributed bi-weekly, for each two week pay period:
 - a. For each bi-weekly pay period, tips will be apportioned between all Lead Cashiers and Cashiers on register or register training, who have passed the menu test and have worked during the pay period. No managers or back office employees (cooks and dishwashers) may participate.
 - b. A tip rate per eligible hour worked will be calculated by dividing total charge tips during the two-week pay period by the number of hours worked by eligible employees during the pay period.
 - c. Each eligible employee will be paid an amount equal to the tip rate per eligible hour worked multiplied by the number of hours the employee worked during the pay period. Therefore, the total of all tips paid out for the pay period will equal the total of all charge tips for the period.
 - d. All employees who receive tips will initial the designated column on the tip spreadsheet to acknowledge the amount that will be paid.
 - e. Tips will be distributed bi-weekly and will appear on the employee's check; all applicable taxes will be deducted based on the employee's total Gross Income for the pay-period, including tips.

Time Records

The POS system is used as a means of accurately recording hours worked. It records regular hours worked, meal period breaks, and overtime. Accordingly, non-exempt employees should record the time they begin and end work each day, as well as the beginning and end of each meal period. Employees should not clock in more than five (5) minutes prior to the scheduled start of their shift or return from lunch, and should not clock out more than five (5) minutes after the scheduled end of their shift or beginning of their lunch break. For payroll purposes, your time will be rounded to the nearest tenth of an hour.

Employees must also record their time whenever they leave the premises for any reason other than Company business. It is strictly forbidden to clock in for another employee or to falsify employee time records. Disciplinary action will be taken against anyone who violates this rule.

If you forget to clock in or clock out, this means that the Manager will have to do an adjustment to account for the change. You, the employee, must authorize this adjustment.

Pay Accuracy

It is the Company's goal to ensure that all employees are properly paid for all of their work. Therefore, it is every employee's responsibility to examine his or her paycheck and paycheck stub to ensure that he/she is being properly paid



Dos Coyotes Corporate Restaurants **Employee Handbook**

for all work time and that the paycheck and pay stub are accurate. If an employee believes that he/she is not being properly paid for all his/her work, the employee must immediately inform Human Resources.

Additionally, no Supervisor or Manager can permit an employee to work "off the clock." If your Supervisor or Manager asks you to work "off the clock," you must immediately bring this issue to Human Resources. No employees are permitted to work "off the clock" at any time. For the purposes of this policy, "off the clock" work is where an employee works for the Company but does not accurately record his/her time in the Company's approved time record.

Supervisors or Managers are only authorized to change an employee's time record to accurately reflect the employee's actual work hours. If you believe that a Supervisor or Manager has modified your time record to inaccurately reflect an employee's work hours, again, you must immediately inform Human Resources of the alleged inaccuracy, in writing.

Supervisors and Managers are not permitted to require employees to sign any agreement or other statement of hours that falsely represents an employee's time. Supervisors and Managers who do so are subject to discipline, up to and including termination.

It will be presumed that the Company is accurately compensating an employee, unless the employee timely brings a complaint pursuant to this policy.

Payroll Deductions

State and federal laws require the Company to make the proper deductions on your behalf. Amounts withheld vary according to your earnings, employment status, your marital status, and the number of your exemptions. See the General Manager if you wish to change your claimed exemptions, name or address.

Meal Breaks

All California nonexempt employees are required to take an unpaid uninterrupted meal break of at least thirty (30) minutes for every five hours of work. Your regular meal break will be made a part of your schedule by your Manager and all employees are required to take their meal break as assigned. Failure to take an assigned meal break may be grounds for disciplinary action.

In the event the employee works more than five (5) hours and less than six (6) hours in a day, employees may waive the meal period break, but only if the waiver is in writing and if the employee obtains approval from his or her Manager, on an "Agreement for Waiver of Meal Period" form, which will be provided to you upon request.

Employees that work more than ten (10) hours and less than twelve (12) hours in a day are entitled to two fully relieved thirty (30) minute meal periods. Employees may waive the second meal period break if the first meal period was not waived, but only if the waiver is in writing and if the employee obtains approval from his or her Manager, on an "Agreement for Waiver of Meal Period" form.

Rest Breaks

All California non-exempt employees are authorized and instructed to take an uninterrupted ten (10) minute rest break if they work more than three and one half (3.5) hours; two ten (10) minute rest breaks if they work more than six (6) hours and a third after ten (10) hours. The rest period will be counted as time worked. Break times are dictated by



Dos Coyotes Corporate Restaurants **Employee Handbook**

the volume of business. It is each employee's obligation to determine an appropriate time, as close to the middle of each four (4) hour period as possible to take his or her break(s). Consult your Manager prior to taking a rest break. Failure to take rest breaks may be grounds for disciplinary action. If you have any questions about scheduling your rest break, you should contact your Manager.

The rest break must be taken in designated non-working areas or at approved break tables. An employee on a meal period or rest break should not visit with or interrupt working employees. You may not add your rest breaks to your meal period so that you can take a longer meal period. The law requires that you actually take your meal period and rest breaks. Don't ask to work through your meal period or breaks so that you can either come in late or leave early.

If for any reason you are not able to take your rest breaks or meal period break, you must advise your supervisor, manager or anyone charged with reviewing and approving your time, in writing, within the same or next payroll period; it will otherwise be presumed that you have taken your required breaks. We expect that employees will continue to comply with our meal period and rest breaks policies. Employees not complying with the policy (e.g. employees who take a short or late meal period or rest break, skip a meal period or rest break, or fail to accurately record their work time and meal periods) will be subject to discipline, up to and including termination of employment.

Managers have been instructed to ensure that all non-exempt employees are allowed to schedule and take their meal and rest breaks. If your Manager is not permitting, dissuading or discouraging you from taking your meal and rest breaks, or if you have any questions regarding this policy that you do not believe are being adequately responded to by your Managers, you should contact the human resources representative in the corporate office.

Overtime

Non-Exempt Employees

Due to operational demands and workloads, the Company may require an employee to work beyond his or her normal shift. The Company will attempt to distribute overtime evenly and to accommodate individual schedules; however, when overtime is required, refusal to work overtime may result in discipline up to and including termination. Although an employee will be given advance notice where feasible, this is not always possible.

A non-exempt employee must have prior approval from his or her Supervisor before any overtime can be worked.

The Company will pay overtime at the rate of one and one-half (1½) times an employee's regular rate of pay to non-exempt employees for hours worked over forty (40) hours in a work week or eight (8) in a workday. In addition, the Company will pay one and one-half (1½) times an employee's regular rate of pay to non-exempt employees for the first eight (8) hours worked by the employee on his or her seventh (7th) consecutive day of work in a work week.

The Company will pay overtime at the rate of two (2) times a non-exempt employee's regular rate of pay to hourly employees for hours worked over twelve (12) in a workday. The Company will pay overtime at the rate of two (2) times an employee's regular rate of pay to hourly employees for hours worked over eight (8) by the employee on his or her seventh (7th) consecutive day of work in a work week. (Specified overtime pay rates apply to California; operators in other jurisdictions should check the applicable requirements and modify this provision, accordingly.)



Dos Coyotes Corporate Restaurants **Employee Handbook**

Holiday, vacation, and sick leave hours paid but not worked are not included in calculating overtime.

Non-approved overtime will be paid, but may result in discipline, up to and including termination.

Exempt Employees

May have to work hours beyond their normal schedule, but will not be paid overtime.

Miscellaneous Pay

Reporting Pay

Each workday an employee is required to report to work, but is not put to work or is furnished with less than half of his or her usual or scheduled day's work, the Company will pay you for one half (1/2) of your regularly scheduled workday, but in no event for less than two hours nor more than four hours, at his or her regular rate of pay. The Company will not pay you for reporting to work under the following circumstances:

1. When operations cannot begin or continue due to threats to employees or property, or when civil authorities recommend that work not begin or continue; or
2. When public utilities fail to supply electricity, water, or gas, or there is a failure in the public utilities, or sewer system; or
3. When the interruption of work is caused by an Act of God or other cause not within the employer's control, for example, an earthquake.
4. When employees leave on their own volition and are not deprived by the employer of the opportunity to work the minimum reporting hours;
5. If the employee is not fit to work; or
6. If the employee has not reported to work on time and is fired or sent home as a disciplinary action.

The reporting time pay provisions do not apply to employees on paid standby status.

Call-In Pay

The Company will pay you a minimum of two (2) hours pay if you are required to report to work on a day other than a regularly scheduled workday.

Split-Shift Pay

Employees who work a schedule interrupted by an unpaid non-working period (other than a meal or rest period) may be entitled to a split-shift premium of one (1) extra hour at minimum wage for every day the employee works that schedule. Your Supervisor will inform you if you are entitled to a split-shift premium.

Training Manager

An increased base salary may be considered for a manager responsible for overseeing the training of employees, at the discretion of Company management.

Transfers

Employees may request a transfer to a new restaurant or an existing Dos Coyotes. Transfers are not automatically approved. An employee must be in good standing at his or her current location, the supervisor must confirm appropriate



Dos Coyotes Corporate Restaurants **Employee Handbook**

and satisfactory performance, and determine that the transfer will not adversely affect the transferring restaurant. If an employee wishes to transfer to a new or existing location, he or she must request the transfer from the GM of the current restaurant. That GM will notify the GM of the transferee restaurant, who will approve or disapprove the transfer request based on an evaluation of the employee (which may include an interview), and the availability of a suitable position.

Payroll Advances

The Company does not make advances against future earnings or vacation.

Check Cashing

The Company does not accept checks from guests, unless approved in advance, nor does it cash personal checks for employees. Company paychecks are to be cashed outside the restaurant to enable us to keep a full supply of operating cash. No exceptions will be made to this policy.

Wage Garnishments

Employees are responsible for their own debts. Garnishments cause considerable paper work and expense for the Company. Although we understand that a wage garnishment can happen to anyone, the Company strongly encourages you to work out a financial problem before this situation occurs.

Scheduling

Schedules are made in advance. On your application you listed your availability. You will be expected to be available to work based on this availability. In the event that your availability changes, you must get approval from your General Manager before the new availability will be considered for scheduling. The work performance of each employee will be an important factor in preparation of the schedule. Your General Manager will make every effort to honor your new schedule. However, the needs of the restaurant will be the primary factor considered.

In the event that your schedule is dramatically altered, your General Manager may ask you to work your original availability. Weekends at our restaurants are very busy. You will be expected to be available for weekends unless you were hired with the knowledge that you cannot work these days. Company policy generally requires that all employees work at least three (3) shifts per work week. In the event that special circumstances require you to work less, you must have written permission from your General Manager.

Various factors, such as workloads, operational efficiency and staffing needs may require variations in your starting and quitting times, and total hours worked each day or each week. The Company reserves the right to assign you to jobs other than your usual assignments when required. In addition, you may be required to work overtime or hours other than those normally scheduled whenever necessary

Exchanging work schedules with other employees is discouraged. However, if it is necessary to exchange schedules, notify your Supervisor, who may authorize an exchange if possible. Work schedule changes will not be authorized for mere convenience or if the exchange will result in disruption or interference with normal operations or will result in excessive overtime. No schedule change will be allowed without approval of your Supervisor. If you cannot work a shift, and your inability to work is not approved as sick leave or leave under another policy in this handbook, you must first find a suitable replacement and then discuss the arrangement with your Supervisor. You must document the day, date, and time for this arrangement, signed by your replacement.



Dos Coyotes Corporate Restaurants **Employee Handbook**

You will work as scheduled unless changes are authorized by a Manager. It is the responsibility of each employee to be aware of his/her schedule as posted, and any posted or announced schedule changes. You should write down your schedule each time that it is posted or revised. Failure to appear for a scheduled shift is grounds for dismissal.

SECTION 5 - LEAVE OF ABSENCES/TIME-OFF

This section discusses some of the general rules related to Leaves of Absence and describes the Leaves provided by the Company. Some of the information included in this section may be based on Federal laws or the laws of the state of California.

The Company has prepared a Leave of Absence Supplement to this Employee Handbook, which provides additional information related to each type of Leave. Any employee considering requesting a Leave of Absence, and/or wanting additional information related to any or all of the Leaves should request a copy of the Handbook Supplement from the Manager-On-Duty. Copies are also available from the Dos Coyotes corporate office.

The following types of information included in the Supplement for all or specific Leave of Absence categories are:

- Procedure for Requesting the Leave
- Length of the Leave
- Eligibility
- Reasons for Leave
- Qualifying Exigencies
- Second Medical Opinion
- Intermittent Leave
- Compensation and Benefits paid or accrued during and/or after the Leave
- Use of Vacation or Accrued Sick Leave (if any) – Requirement and/or Permitted
- Requirements/benefits when returning from Leave
- Other considerations.
-

Time Off

- Time off for employees is provided in order to have time away from work, either for health reasons, personal purposes, holiday, or vacation. You may not perform any work for the restaurant or the Company during such Time Off, unless you agree to perform such work, and are properly compensated.

General Rules

Non-Retaliation

No action will be taken against any employee in any manner for requesting or taking any of the leaves of absence provided for in this Section of the Handbook.

Accrual of Benefits

Vacation days, holidays and sick leave do not accrue during any period of a leave of absence, except that an employee returning from a military or bone marrow/organ donation leave of absence, or any other leave outlined by applicable law, will be reinstated with full benefits.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Legal Eligibility

Employees must meet respective eligibility requirements to enjoy leave of absence benefits and protections. **Simply because the Company lists a policy for a specific type of leave, employees may not be eligible for such a leave unless the Company employs a specific number of people.** Nonetheless, Company policy, if applicable to all employees, may grant such a leave regardless of its legal obligation to do so.

Working Elsewhere While On Leave

Employees may not apply for unemployment benefits while on leave.

Failure to Return After a Leave

Failure to return from leave of absence by the scheduled time may result in termination.

Following a Leave

An employee who returns to work following a leave of absence resulting from an injury or illness may be required to take a physical examination to:

- Determine if the employee is an "individual with a disability" for purposes of the Americans with Disabilities Act and any other applicable federal or state law.
- To determine if the employee can perform the essential functions of the job to which he or she is returning, with or without reasonable accommodation and without posing a direct threat to the health or safety of others.
- To identify an effective accommodation that would enable the employee to perform the essential functions of the job. Any physical examination required by the Company is provided by the Company, at no cost to an employee.

Pregnancy Disability Leave

If you are pregnant, have a related medical condition, or are recovering from childbirth, please review this policy. Any employee planning to take pregnancy disability leave should advise the personnel department as early as possible. The individual should make an appointment with the personnel manager to discuss the following conditions:

- Duration of pregnancy disability leave will be determined by the advice of the employee's physician, but employees disabled by pregnancy may take up to four months of leave per pregnancy (the working days you normally would work in one-third of a year or 17 1/3 weeks). Part-time employees are entitled to leave on a pro rata basis. The four months of leave includes any period of time for actual disability caused by the employee's pregnancy, childbirth or related medical condition. This includes leave for severe morning sickness and for prenatal care, doctor-ordered bed rest, as well as other reasons. Your healthcare provider determines how much time you need for your disability;
- Dos Coyotes will also reasonably accommodate medical needs related to pregnancy, childbirth, or related conditions or temporarily transfer you to a less strenuous or hazardous position (where one is available) or duties if medically needed because of your pregnancy;
- Employees who need to take pregnancy disability must inform Dos Coyotes when a leave is expected to begin and how long it will likely last. If the need for a leave, reasonable accommodation or transfer is foreseeable (such as the expected birth of a child or a planned medical treatment for yourself), employees must provide at least 30 days advance notice before the pregnancy disability leave or



Dos Coyotes Corporate Restaurants **Employee Handbook**

transfer is to begin. Employees must consult with the personnel manager regarding the scheduling of any planned medical treatment or supervision in order to minimize disruption to the operations of the Company. Any such scheduling is subject to the approval of the employee's health care provider;

- For emergencies or events that are unforeseeable, we need you to notify the Dos Coyotes, at least verbally, as soon as practical after you learn of the need for the leave;
- Failure to comply with these notice requirements may result in delay of leave, reasonable accommodation, or transfer;
- Pregnancy leave usually begins when ordered by the employee's physician. The employee must provide Dos Coyotes with a written certification from a health care provider for need of PDL, reasonable accommodation or transfer. The certification must be returned no later than 15 calendar days after it is requested by the Company. Failure to do so may, in some circumstances, delay PDL leave, reasonable accommodation or transfer. Please see the personnel department for a medical certification form to give to your health provider;
- Leave returns will be allowed only when the employee's physician sends a release;
- An employee must use accrued sick time (if otherwise eligible to take the time) during a pregnancy disability leave. An employee will be allowed to use accrued vacation or personal time (if otherwise eligible to take the time) during a pregnancy disability leave; and
- Leave does not need to be taken in one continuous period of time and may be taken intermittently, as needed. Leave may be taken in increments of one hour. If intermittent leave or leave on a reduced work schedule is medically advisable the employee may, in some instances, be required to transfer temporarily to an available alternative position that meets the employee's needs. The alternative position need not consist of equivalent duties, but must have the equivalent rate of pay and benefits. The employee must be qualified for the position. The position must better accommodate the employee's leave requirements than her regular job. Transfer to an alternative position can include altering an existing job to better accommodate the employee's need for intermittent leave or a reduced work schedule.

Upon submission of a medical certification that an employee is able to return to work from a pregnancy disability leave, an employee will be reinstated to her same position held at the time the leave began or, in certain instances, to a comparable position, if available. There are limited exceptions to this policy. An employee returning from a pregnancy disability leave has no greater right to reinstatement than if the employee had been continuously employed.

Employees on pregnancy disability leave will be allowed to continue to participate in group health insurance coverage for up to a maximum of four months of disability leave (if such insurance was provided before the leave was taken) at the level and under the conditions that coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. In some instances, an employer can recover from an employee premiums paid to maintain health coverage if the employee fails to return following pregnancy disability leave. PDL may impact other benefits or a seniority date. Please contact the personnel department for more information.



Dos Coyotes Corporate Restaurants Employee Handbook

Family And Medical Care Leave

The Company will provide family and medical care leave for eligible employees, as required by state and federal law, including leaves under the federal Family and Medical Leave Act of 1973 (FMLA) (which includes Military Caregiver Leave, also known as Covered Servicemember Leave), the California Family Rights Act (CFRA), and the Paid Family Care Leave Act (PFCLA). An individual who is entitled to leave under the FMLA and the CFRA must take Family Temporary Disability Insurance (FTDI) leave concurrently with leave taken under the FMLA and the CFRA.

DEFINITIONS

In implementing this policy, the following definitions will apply.

- “12-Month Period” means a rolling 12-month period measured backward from the date leave is taken and continuous with each additional leave day taken.
- “Child” means a child under 18 years of age, or 18 years of age or older who is incapable of self-care because of a mental or physical disability. An employee’s child is one for whom the employee has actual day-to-day responsibility for care and includes a biological, adopted, or foster child, a step-child, a legal ward, a son or daughter of a domestic partner, or a son or daughter to whom the employee stands in loco parentis (in place of a parent).
- “Parent” means the biological, foster, or adoptive parent of an employee or an individual who stands or stood in loco parentis (in place of a parent) to an employee when the employee was a child. This term does not include parents-in-law.
- “Spouse” means a husband or wife as defined or recognized under California state law for purposes of marriage.
- “Domestic Partner” means a partner as defined in Section 297 of the Family Code.
- “Family Member” means a Child, Parent, Spouse, or Domestic Partner as defined in this family care and medical leave policy.
- “Serious Health Condition” means an illness, injury impairment, or physical or mental condition that involves:
 - Inpatient care (*i.e.*, an overnight stay) in a hospital, hospice, or residential medical care facility, including any period of incapacity (*i.e.*, inability to work or perform other regular daily activities because of the serious health condition, treatment involved, or recovery therefrom); or
 - Continuing treatment by a health care provider (*i.e.*, a serious health condition involving continuing treatment by a Health Care Provider as defined under federal or state law).
- “Health Care Provider” has the same meaning as defined under the FMLA and CFRA.

Reasons For Leave

Leave is only permitted for the following reasons:

- (1) The birth of a child or to care for a newborn of an employee or the employee’s domestic partner;
- (2) The placement of a child with an employee in connection with the adoption or foster care of the child by the employee or the employee’s domestic partner;



Dos Coyotes Corporate Restaurants **Employee Handbook**

- (3) To care for a child of the employee, spouse, or domestic partner who has a serious health condition;
- (4) Because of a serious health condition that makes the employee unable to perform the functions of his or her position; or
- (5) To care for a parent, spouse, or domestic partner who has a serious health condition.

Employees Eligible For Leave

An employee is eligible for leave if the employee:

- (1) Has been employed for at least 12 months; and
- (2) Has been employed for at least 1250 hours during the 12-month period immediately preceding the commencement of the leave.

The Company counts FMLA-CFRA leave using a “looking back” method, meaning that if an employee requests FMLA-CFRA leave, the Company looks back over the preceding 12 months to determine if the employee has taken FMLA-CFRA leave during that time period. If the employee did take FMLA-CFRA leave, then that time would be deducted from the amount of leave for which the employee is now eligible. If the employee has not taken any FMLA-CFRA leave, then the employee would be eligible for all 12 weeks of FMLA-CFRA leave.

Amount Of Leave

Eligible employees are entitled to a total of 12 workweeks of leave during any 12-month period.

Minimum Duration Of Leave

If leave is requested for the birth, adoption, or foster care placement of a child of the employee or domestic partner, leave must be concluded within 1 year of the birth or placement of the child. In addition, the basic minimum duration of such leave is 2 weeks. However, an employee is entitled to leave for one of these purposes (*e.g.*, bonding with a newborn) for at least 1 day, but less than 2 weeks’ duration on any 2 occasions.

If leave is requested to care for a child, parent, spouse, or domestic partner or for the employee himself or herself with a serious health condition, there is no minimum amount of leave that must be taken. However, the notice and medical certification provisions of this policy must be complied with.

Spouses Both Employed By The Company

In any case in which domestic partners or a husband and wife are both employed by the Company and both are entitled to leave, the aggregate number of workweeks of leave to which both may be entitled may be limited to 12 workweeks during any 12-month period if leave is taken for the birth or placement for adoption or foster care of the employees’ child (*i.e.*, bonding leave). This limitation does not apply to any other type of leave under this policy.

Employee Benefits While On Leave

Leave under this policy is unpaid. However, an employee may be able to use accrued paid leave. While on leave, the employee will continue to be covered by the Company’s group health insurance to the same extent that coverage is provided while the employee is on the job.



Dos Coyotes Corporate Restaurants **Employee Handbook**

The employee may be entitled to other, non-Company-provided benefits under any other federal or state programs such as state disability insurance benefits. The Company is not responsible for administering any such benefits.

Employees may make the appropriate contributions for continued coverage under the preceding non-health benefit plans by payroll deductions or direct payments made to these plans. Depending on the particular plan, the Company will inform the employee whether the premiums should be paid to the carrier or to the Company. The coverage on a particular plan may be dropped if the employee is more than 30 days late in making a premium payment. However, the employee will receive a notice at least 15 days before coverage is to cease, advising him or her that he or she will be dropped if the premium payment is not paid by a certain date. Employee contribution rates are subject to any change in rates that occurs while the employee is on leave.

If the employee fails to return to work after his or her leave entitlement has been exhausted or expires, the Company shall have the right to recover its share of health plan premiums for the entire leave period, unless the employee does not return because of the continuation, recurrence, or onset of a serious health condition of the employee or his or her family member that would entitle the employee to leave or because of circumstances beyond the employee's control. The Company shall have the right to recover premiums (or other sums due the Company) from an employee against his or her wages, paid time off, vacation, or holiday pay.

Substitution Of Paid Accrued Leaves

While on leave under this policy, an employee may elect to concurrently use paid accrued leaves. Similarly, the Company may require an employee to concurrently use paid accrued leaves after requesting FMLA-CFRA leave and Paid Family Care Leave and may also require an employee to use family and medical care leave concurrently with a non-FMLA-CFRA leave that is FMLA-CFRA-qualifying.

Employer's Right To Require Employee To Use Paid Accrued Leaves Concurrently With Family Leave

When an employee has earned or accrued paid vacation or administrative leave, that paid leave must be substituted for all or part of any (otherwise) unpaid leave under this policy.

An employee is entitled to and may use sick leave concurrently with leave under this policy if:

- (1) The leave is for the employee's own serious health condition; or
- (2) The leave is needed to care for a parent, domestic partner, spouse, or child with a serious health condition and would be permitted as sick leave under the Company's sick leave policy.

An employee may use vacation or sick time concurrently with leave under this policy.

As a condition of an employee's initial receipt of family temporary disability insurance benefits during any 12-month period in which an employee is eligible for these benefits, the Company may require an employee to take up to 2 weeks of earned but unused vacation or sick leave (or both) before the employee's initial receipt of these benefits. If the Company requires the employee to take vacation or sick leave, that portion of the leave that does not exceed 1 week shall be applied to any applicable waiting period for receipt of family temporary disability insurance benefits.

Medical Certification

Employees who request leave for their own serious health condition or to care for a child, parent, domestic partner, or spouse who has a serious health condition must provide written certification from the health care provider of the individual requiring care if requested by the Company.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Time to Provide Medical Certification

When an employee's leave is foreseeable and at least 30 days' notice has been provided, if a medical certification is requested, the employee must provide it before the leave begins. When this is not possible, the employee must provide the requested certification to the Company within the time frame requested by the Company (which must allow at least 15 calendar days after the employer's request), unless it is not practicable under the particular circumstances to do so despite the employee's diligent good faith efforts.

Consequences of Failure to Provide Adequate or Timely Certification

The Company will advise the employee in writing what additional information is necessary to make the certification complete and sufficient. The employee will have 7 calendar days, unless not practicable under the circumstances despite the employee's diligent good faith efforts, to cure any deficiency. If the deficiency is not cured, the Company may deny the taking of FMLA-CFRA leave.

Recertification

If the Company has reason to doubt the validity of a certification, the Company may require a medical opinion of a second health care provider chosen and paid for by the Company. If the second opinion is different from the first, the Company may require the opinion of a third provider jointly approved by the Company and the employee but paid for by the Company. The opinion of the third provider will be binding. An employee may request a copy of the health care provider's opinions when there is a recertification.

Intermittent Leave or Reduced Schedule Leave

If an employee requests leave intermittently (*e.g.*, a few days or hours at a time) or on a reduced leave schedule to care for an immediate family member with a serious health condition, the employee must provide medical certification that such leave is medically necessary. "Medically necessary" means there must be a medical need for the leave and that the leave can best be accomplished through an intermittent or reduced leave schedule.

Employee Notice of Leave

Although the Company recognizes that emergencies arise that may require employees to request immediate leave, employees are required to give as much notice as possible of their need for leave. If leave is foreseeable, at least 30 days' notice is required. In addition, if an employee knows that he or she will need leave in the future but does not know the exact date(s) (*e.g.*, for the birth of a child or to take care of a newborn), the employee shall inform his or her supervisor as soon as possible that such leave will be needed. Absent unusual circumstances, such notice may be given in accordance with the Company's usual and customary call-in procedures for reporting an absence. The employee must provide notice sufficient to make the Company aware that the employee needs FMLA-CFRA-qualifying leave and of the anticipated timing and duration of the leave. If the Company determines that an employee's notice is inadequate, the Company may delay the granting of FMLA-CFRA leave.

Reinstatement On Return From Leave

Right to Reinstatement



Dos Coyotes Corporate Restaurants

Employee Handbook

On expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. Employees have no greater rights to reinstatement, benefits, and other conditions of employment than if the employee had been continuously employed during the FMLA-CFRA-Paid Family Care Leave period.

If a definite date of reinstatement has been agreed on at the beginning of the leave, the employee will be reinstated on the date agreed on. If the reinstatement date differs from the original agreement date between the employee and the Company, the employee will be reinstated within 2 business days, when feasible, after the employee notifies the Company of his or her readiness to return.

Employee's Obligation to Periodically Report on His or Her Condition

An employee may be required to periodically report on his or her status and intent to return to work. This will avoid any delays to reinstatement when the employee is ready to return.

Fitness-for-Duty Certification

As a condition of reinstatement of an employee whose leave was based on the employee's own serious health condition that made the employee unable to perform his or her job, the employee must obtain and present a fitness-for-duty certification from the health care provider stating that the employee is able to perform the essential functions of the employee's job. When reasonable job safety concerns exist, the Company may require a fitness-for-duty certification before an employee may return to work when the employee takes intermittent or reduced leave. Failure to provide such certification will result in denial of reinstatement.

Military Caregiver Leave

An eligible employee who is a spouse, child, parent, or next of kin of a covered servicemember with a serious injury or illness may take up to a total of 26 workweeks of unpaid leave during a single 12-month period to care for the servicemember. A covered servicemember is a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise on outpatient status, or is otherwise on the temporary disability retired list, in each case for a serious injury or illness. A serious injury or illness is one that was incurred by a servicemember in the line of duty on active duty that may render the servicemember medically unfit to perform the duties of his or her office, grade, rank, or rating. The single 12-month period for leave to care for a covered servicemember with a serious injury or illness begins on the first day the employee takes leave for this reason and ends 12 months later, regardless of a 12-month period established by the employer for other types of FMLA leave. An eligible employee is limited to a combined total of 26 workweeks of leave for any FMLA-qualifying reason during the single 12-month period. Only 12 of the 26 weeks total may be for an FMLA-qualifying reason other than to care for a covered servicemember.

Qualifying Exigency Leave

An eligible employee may take up to a total of 12 workweeks of unpaid leave during the normal 12-month period established by the employer for FMLA leave for qualifying exigencies arising out of the fact that the employee's spouse, child, or parent is on active duty, or has been notified of an impending call or order to active duty, in support of a contingency operation. Under the terms of the statute, qualifying exigency leave is available to a family member of a military member in the National Guard or Reserves; it does not extend to family members of military members in the regular Armed Forces.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Qualifying exigencies include

- (1) Issues arising from a covered military member's short-term deployment (*i.e.*, deployment on 7 or fewer days of notice) for a period of 7 days from the date of notification;
- (2) Military events and related activities such as official ceremonies, programs, or events sponsored by the military or family support or assistance programs and informational briefings sponsored or promoted by the military, military service organizations, or the American Red Cross that are related to the active duty or call to active duty status of a covered military member;
- (3) Certain child care and related activities arising from the active duty or call to active duty status of a covered military member, such as arranging for alternative child care, providing child care on a non-routine, urgent, immediate-need basis, enrolling or transferring a child in or to a new school or day care facility, or attending certain meetings at a school or day care facility, in each case if necessary because of circumstances arising from the active duty or call to active duty of a covered military member;
- (4) Certain activities arising from the military member's covered active duty related to the care of the military member's parent who is incapable of self-care, such as arranging for alternative care, providing for care on a non-routine, urgent, immediate-need basis, admitting or transferring a parent to a new care facility, and attending certain meetings with staff at a care facility, such as hospice or social service providers;
- (5) Making or updating financial and legal arrangements to address a covered military member's absence;
- (6) Attending counseling provided by someone other than a health care provider for oneself, the covered military member, or a child of the covered military member, the need for which arises from the active duty or call to active duty status of a covered military member;
- (7) Taking up to 5 days of leave to spend time with a covered military member who is on short-term temporary rest and recuperation leave during deployment;
- (8) Attending to certain post-deployment activities, including attending arrival ceremonies, reintegration briefings and events, and other official ceremonies or programs sponsored by the military, for a period of 90 days following the termination of the covered military member's active duty status;
- (9) Addressing issues arising from the death of a covered military member; and
- (10) Any other event that the employee and employer agree is a qualifying exigency.

Leave To Care For Covered Service Member With Serious Illness Or Injury Incurred In The Line Of Duty On Active Duty

Eligible employees who have family members who are covered servicemembers may take up to 26 workweeks of leave in a single 12-month period to care for a covered servicemember with a serious illness or injury incurred in the line of duty on active duty. The leave may be taken intermittently whenever medically necessary to care for a covered servicemember with a serious injury or illness. Leave may also be taken intermittently for a qualifying exigency arising out of the active duty status or call to active duty of a covered military member. When leave is needed for planned medical treatment, the employee must make a reasonable effort to schedule the treatments so as not to unduly disrupt the Company's operation.

Spouses employed by the same employer are limited to a combined total of 26 workweeks of leave in a single 12-month period if the leave is to care for a covered servicemember with a serious injury or illness; for the birth and care of a



Dos Coyotes Corporate Restaurants **Employee Handbook**

newborn child; for placement of a child for adoption or foster care; or for care of a parent who has a serious health condition.

Employee Notice

Employees seeking to use Military Caregiver Leave must provide 30 days' advance notice of a need to take FMLA leave for planned medical treatment for a serious injury or illness of a covered servicemember. If leave is foreseeable but 30 days' advance notice is not practicable, the employee must provide notice as soon as practicable—generally, either the same or next business day. The employee must provide notice of the need for foreseeable leave based on a qualifying exigency as soon as practicable. When the need for military family leave is not foreseeable, the employee must provide notice to the employer as soon as practicable under the facts and circumstances of the particular case. Generally, it should be practicable to provide notice for unforeseeable leave within the time prescribed by the Company's usual and customary notice requirements.

The employee must provide sufficient information to make the Company aware of the need for FMLA leave for these reasons and the anticipated timing and duration of the leave. Such information may include, as applicable, information to the effect that:

- (1) The requested leave is for a particular qualifying exigency related to the active duty status or call to active duty of a covered military member, along with the anticipated duration of the leave; and
- (2) The leave is for a qualifying family member who is a covered servicemember with a serious injury or illness, along with the anticipated duration of the leave.

Employer Notice

When the employee requests FMLA leave under this policy, the Company will notify the employee of his or her eligibility to take leave, including a reason for non-eligibility if the employee is determined not to be eligible. Such eligibility notice may be oral or written and should generally be given within 5 business days of the employee's request for leave. Subsequent eligibility notice in the same 12-month leave period may be required when an employee's eligibility status changes. The Company will inform employees of their rights and responsibilities under this leave, including giving specific written information on what is required of the employee.

When the Company has enough information to determine that the leave is being taken for an FMLA-qualifying reason, the Company will notify the employee that the leave is designated and will be counted as FMLA leave. The Company will designate leave that qualifies as both leave to care for a covered servicemember with a serious injury or illness and leave to care for a qualifying family member with a serious health condition as leave to care for a covered servicemember in the first instance. This designation notice will be in writing and generally will be given within 5 business days of the determination. The Company will notify the employee of the number of hours, days, or weeks that will be counted against the employee's FMLA entitlement.

Certification Requirements

The Company will require the employee who requests military family leave to produce a certification and may require the employee certification to be supported by:

- (1) For leave for a qualifying exigency, a copy of the covered military member's active duty orders and certification providing the appropriate facts related to the particular qualifying exigency for which leave is sought, including contact information if the leave involves meeting with a third party; and



Dos Coyotes Corporate Restaurants **Employee Handbook**

(2) For leave to care for a covered servicemember with a serious injury or illness, certification completed by an authorized health care provider or a copy of an Invitational Travel Order (ITO) or Invitational Travel Authorization (ITA) issued to any member of a covered servicemember's The Company provides unpaid pregnancy disability leave (PDL) to any employee who is temporarily unable to work due to a disability related to pregnancy, childbirth, or related medical conditions.

Military Service Leave

The Uniformed Services Employment and Reemployment Rights Act (USERRA) permits leave for anyone absent from work due to "service in the uniformed services." USERRA defines "uniformed services" to include Army, Navy, Air Force, Marine Corps, Coast Guard, and the Reserves for each of those branches; Army National Guard; Air National Guard; commissioned corps of the Public Health Service; and, any other category of people designated by the President in time of war or national emergency. Employees who wish to serve in the military and take military leave should contact their supervisor for information about their rights before and after such leave. You are entitled to reinstatement upon completion of military service, provided you return or apply for reinstatement within the time allowed by law.

Military Spousal Leave

Employees who work an average of (20) or more hours per week and have a spouse in the Armed Forces, National Guard or Reserves who have been deployed during a period of military conflict are eligible for up to ten (10) unpaid days off when their spouse is on leave from (not returning from) military deployment. Employees must request this leave in writing to management within two business days of receiving official notice that their spouse will be on leave. Employees requesting this leave are required to attach to the leave request written documentation certifying the spouse will be on leave from deployment.

Bereavement Leave

If you are a full-time regular or part-time regular employee and a death occurs in your family, you will be granted time off in accordance with the following guidelines.

You will be granted up to one shift (equal to one working day) with pay in the event of the death of your spouse, domestic partner, child, parent, or sibling; grandparent, father-in-law, mother-in-law, son-in-law, or daughter-in-law; or of a relative not a member of your immediate family.

Requests for bereavement leave should be made to your immediate supervisor.

Jury And Witness Duty Leave

Non-exempt employees summoned to jury duty or to appear as witnesses in court proceeding(s) unrelated to Company business will not be paid while on jury duty. Employees must report anticipated jury or witness duty to their supervisor immediately upon receipt of any jury duty summons, subpoena, or notice to appear.

Exempt employees will be paid for any week in which they have performed some work while on jury duty, as required by law.

You are also permitted to retain the allowance you receive from the court for such service.



Dos Coyotes Corporate Restaurants **Employee Handbook**

All employees are allowed time off if summoned to appear in court as a witness.

To qualify for jury or witness duty leave, you must submit to your supervisor a copy of the summons to serve as soon as it is received. In addition, proof of service must be submitted to your supervisor when your period of jury or witness duty is completed.

The Company will make no attempt to have your service on a jury postponed.

Civil Air Patrol

An employee who has been employed ninety (90) days or more is permitted to request up to ten (10) calendar days of unpaid leave per year to respond to an emergency operational mission of the California Wing of the Civil Air Patrol. Such leave is limited to three (3) days for each emergency operational mission, unless the government entity that authorized the mission extends it and the Company approves the additional time off. Upon expiration of the leave, an employee will generally be reinstated to his or her position with equivalent seniority, benefits, pay and other terms and conditions of employment.

Employees requesting time off must notify their direct supervisor as soon as possible after learning the intended dates upon which such leave will begin and end. Approval of any leave request is conditioned upon certification from the proper Civil Air Patrol Authority of the employee's eligibility to take such leave. Failure to provide the required certification will result in denial of leave. Employees may, but are not required to, elect to substitute any accrued unused vacation days, paid time off, or paid personal days for otherwise unpaid Civil Air Patrol Leave.

Volunteer Civil Service

No employee shall be disciplined for taking time off to perform emergency duty as a volunteer firefighter, peace officer, or emergency rescue personnel. You are also eligible for unpaid leave for required training. If you are an official volunteer firefighter, please alert your supervisor that you may have to take time off for emergency duty. When taking time off for emergency duty, please alert your supervisor before doing so, when possible.

Victim's Leave For Judicial Proceedings Related To A Crime

An eligible employee who is a crime victim may take time off from work to appear in court to attend judicial proceedings related to that crime. Leave for judicial proceedings related to a crime may be taken by an eligible employee upon providing notice to human resources from the court, prosecuting office or other official authority of the scheduled proceeding. An eligible employee who is a victim of one of these serious crimes (defined below) or whose immediate family member is a crime victim, may take time off to attend judicial proceedings related to that crime. Under this section, serious crimes are noted as any of the following:

- Violent felony
- Serious felony
- Felony theft or felony embezzlement

An eligible employee may take time off from work to attend judicial proceedings related to the above-listed serious crimes if the employee is:

- A victim of a crime



Dos Coyotes Corporate Restaurants **Employee Handbook**

- A crime victim's immediate family member
- A crime victim's registered domestic partner
- A child of a registered domestic partner who is a crime victim

Immediate family members include the employee's: spouse, child or stepchild, brother or stepbrother, sister or stepsister, mother or stepmother, father or stepfather.

An eligible employee may use accrued sick time and/or vacation for this type of leave.

Leave For Proceedings Involving Victim's Rights

An eligible employee may take time off from work, to appear in court to be heard at any proceeding in which a right of the employee is at issue. This leave may be granted at the victim-employee's request. Employees must provide as much advance notice of his or her intention to take related time off. An employee's request for leave under this policy will remain confidential.

Leave to attend proceedings involving victims' rights is unpaid, but employees can use available vacation or personal leave while on leave.

Any one of the following forms is sufficient for establishing the need to take leave under this policy:

- A police report indicating that the employee was a victim of one of the specified offenses
- A court order protecting or separating the employee from the perpetrator of one of the specified offenses
- Documentation verifying that the employee was undergoing treatment for physical or mental injuries or abuse as a result of being a victim of one of the specified offenses. Documentation must be accepted from a:
 - Medical professional
 - Domestic violence advocate
 - Victims of sexual assault advocate
 - Health care provider
 - Counselor

A "victim" for purposes of this leave is defined as "any person who suffers direct or threatened physical, psychological, or financial harm as a result of the commission or attempted commission of a crime or a delinquent act."

A "victim" also includes the person's: spouse, parent, child, sibling, and guardian.

The employee must be a victim, as defined above, of one of the following covered offenses:

- Vehicular manslaughter while intoxicated
- Felony child abuse likely to produce great bodily harm or death
- Assault resulting in the death of a child under eight (8) years of age
- Felony domestic violence



Dos Coyotes Corporate Restaurants **Employee Handbook**

- Felony physical abuse of an elder or dependent adult
- Felony stalking
- Solicitation for murder
- A serious felony, such as kidnapping, rape or assault
- Hit-and-run causing death or injury
- Felony driving under the influence causing injury
- Specified sexual assault

School Activities Leave

If an employee who is the parent or guardian of a child facing suspension from school is summoned to the school to discuss the matter, the employee should alert his or her supervisor as soon as possible before leaving work.

Employees are encouraged to participate in the school activities of their child(ren). The absence is subject to all of the following conditions:

- Parents, guardians, or grandparents having custody of one or more children in kindergarten or grades one to twelve (12) may take time off for a school activity;
- The time off for school activity participation cannot exceed eight (8) hours in any calendar month, or a total of forty (40) hours each school year;
- Employees planning to take time off for school visitations must provide as much advance notice as possible to their supervisor;
- If both parents are employed by CHI, the first employee to request such leave will receive the time off. The other parent will receive the time off only if the leave is approved by his or her supervisor;
- Employees must use accrued vacation time in order to receive compensation for this time off;
- Employees who do not have vacation time available may take the time off without pay; and,
- Employees must provide their supervisor with documentation from the school verifying that the employee participated in a school activity on the day of the absence for that purpose.

School Appearance Leave

The Company permits an employee to appear at their child's or ward's school in connection with disciplinary action by the school. Employees are expected to provide reasonable advance notice when such leave is anticipated or otherwise known to an employee. Employees may use vacation for this purpose or elect to be unpaid.

Paid Family Leave Insurance

Paid Family Leave Insurance ("PFL"), which is administered by the Employment Development Department ("EDD") and not the Company, is a partial wage replacement benefit paid when you suffer a wage loss to take time off work for either of the following reasons: (1) to care for a seriously ill child, spouse, parent, domestic partner, grandparent, grandchild,



Dos Coyotes Corporate Restaurants **Employee Handbook**

sibling, or parent-in-law, or (2) to bond with a new child during the first year after the birth or placement of the child in connection with foster care or adoption. You are eligible for a maximum of six (6) weeks of State-paid benefits in a 12-month period. These benefits are funded entirely through your payroll contributions that are deducted from wages pursuant to applicable law.

If you are absent for a reason that qualifies you for PFL benefits, you are required first to use any accrued and unused vacation, up to a maximum of ten (10) days in a 12-month period. Thereafter, at your option, PFL benefits may be supplemented with any accrued and unused vacation (as PFL benefits do not replace all of your usual wages).

PFL does not create any rights to a leave of absence or reinstatement, but simply provides partial wage replacement for qualified employees. You must meet all EDD eligibility requirements to qualify for PFL benefits.

You may contact the EDD or gather additional information regarding PFL benefits by visiting www.edd.ca.gov.

Sick Leave

The Company recognizes that inability to work because of illness or injury may cause economic hardship. The Company also recognizes that employees may require time off to secure necessary treatment for medical conditions or disabilities. For these reasons, we provide paid sick days to all employees.

You will be eligible for 3 days or 24 hours of paid sick time. The full amount of this paid sick time will be placed into your leave bank at the beginning of each calendar year or when you begin employment. Unused paid sick time will not carry over from year to year, but the Company will place 3 days or 24 hours of paid sick time each calendar year. You will be able to use your 3 days or 24 hours of paid sick time at the beginning of each 12-month period. If hired after July 1, 2015, you will be eligible for 3 days or 24 hours of paid sick time on your first date of employment. Unused paid sick time will not carry over from year to year, but the Company will place 3 days or 24 hours of paid sick time into your leave bank each year on your anniversary date. You will be able to access all 3 days or 24 hours of paid sick time at the beginning of each 12-month period. The Company does not pay you for unused sick time.

Qualifying Reasons for Paid Sick Leave

You may use paid sick time for any of the following reasons:

- Diagnosis, care, or treatment of an existing health condition for yourself or a covered family member;
- Preventive care for yourself or a covered family member;
- For certain, specified purposes when you are a victim of domestic violence, sexual assault, or stalking.

For purposes of this policy, a covered family member includes the following:

- A child, defined as a biological, foster, or adopted child; a stepchild; or a legal ward, regardless of the age or dependency status of the child. A child may also be someone for whom you have accepted the duties and responsibilities of raising, even if he or she is not your legal child.



Dos Coyotes Corporate Restaurants **Employee Handbook**

- A parent, defined as a biological, foster, or adoptive parent; a stepparent; or a legal guardian of yourself, your spouse, or your registered domestic partner. A parent may also be someone who accepted the duties and responsibilities of raising you when you were a minor child, even if he or she is not your legal parent.
- A spouse.
- A registered domestic partner.
- A grandparent.
- A grandchild.
- A sibling.

Use of Paid Sick Leave

If the need for paid sick leave is foreseeable, you are to provide advance notice to your supervisor. If the need is not foreseeable, you are to provide notice to your supervisor as soon as practicable.

Your use of paid sick time may run concurrently with other leaves under federal, state, or local law.

Paid sick leave can be used in increments of two hours.

Organ And Bone Marrow Donor Leave

Employees who are donors for organ or bone marrow may take paid time off as follows.

Employees may take up to thirty (30) days (workdays) of leave in any one-year period for the purpose of donating an organ to another person. Employees may take up to five (5) days (workdays) of leave in any one-year period for the purpose of donating bone marrow to another person.

During the leave for organ/bone marrow donors, the Company will continue to provide and pay for any group health plan benefits the employee was enrolled in prior to the leave of absence. Leave taken for the purpose of organ or bone marrow donation is not leave for the purpose of family medical leave under the California Family Rights Act.

Employees who wish to take a leave of absence to donate bone marrow or an organ will be required to provide written verification of the need for leave, including confirmation that the employee is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

Alcohol And Drug Rehabilitation

The Company is committed to providing assistance to our employees. Any employee who wishes to voluntarily enter and participate in an alcohol and/or drug rehabilitation program may be granted a reasonable accommodation. This accommodation may include time off without pay and/or an adjusted work schedule provided the accommodation does not impose an undue hardship on the practice. In general, it is your responsibility to notify management or human resources of your need for accommodation.



Dos Coyotes Corporate Restaurants **Employee Handbook**

The Company shall take reasonable steps to safeguard the privacy of any employee as to the fact that he or she has enrolled in an alcohol or drug rehabilitation program.

This policy does not prevent the practice from refusing to hire or disciplining, up to and including discharge, an employee who, because of the current use of alcohol or drugs, has committed misconduct, is unable to perform his or her duties satisfactorily, or cannot perform the duties in a manner that would not endanger his or her health or safety or the health or safety of others.

Absence, Illness & Tardiness

Attendance and punctuality are conditions of employment. Unnecessary absenteeism places a burden on everyone. In the event of illness or personal emergency, contact your Supervisor before your scheduled shift as soon as you know you cannot work. If you're working a morning shift, you must call before 9 am. Those working evening shifts must call before 1 p.m. With the exception of the first three days or 24 hours of approved sick for the respective calendar year, calling in sick frequently without proper medical documentation will result in loss of shifts, and possible disciplinary action, up to and including termination. It is within the sole and absolute reasonable discretion of the Company to determine whether the rationale given for the absence is justified, and therefore whether excused or non-excused.

When an employee must be absent for a scheduled shift, he/she is required to call the Manager and report the reason at least four (4) hours prior to your shift. You may be asked to find a replacement and indicate who it is when you call. Your replacement must also call the Manager to say he/she will work for you. Always let the Manager know when you plan to return, and keep the Manager informed as to any change in plan.

If you are going to be tardy, a phone call to your Manager must be made prior to the scheduled shift, the reason for the tardiness stated, and the approximate time of arrival indicated. If you cannot report for work on time (even if you'll be only 5 minutes late), please call and inform your Supervisor. It is within the sole and absolute reasonable discretion of the Company to determine whether the rationale given for the tardiness is justified, and therefore whether excused or non-excused. Three (3) non-excused tardies within any thirty (30) day period will lead to disciplinary action, up to and including termination. No more than one (1) tardy during each thirty (30) period will be considered excused.

Except in emergency situations, the employee must personally call the Manager-On-Duty. Calls from roommates/friends/-parents, etc. should be made only when the employee is not in a position to call in.

If you fail to report for work without giving prior notice to the Company, you will be considered to be a voluntary termination at the end of your second (2nd) scheduled shift.

Swapping a scheduled shift is allowed only if you find a replacement and the Manager approves the change in writing. Both employees involved in a shift change must indicate their agreement to the change in writing.

Because restaurant staffing needs are greatest during weekends, holidays, and social events, we will attempt to comply with your requests for time off, but are under no obligation to do so. We ask that you recognize how critical your presence is during these peak periods. Requested time off requires a minimum of one week notice prior to schedules being posted.



Dos Coyotes Corporate Restaurants **Employee Handbook**

If it becomes necessary for you to leave the premises during regular working hours, you must advise your Manager and request approval. If your absence is for personal business or business that is not part of your job responsibilities, you must immediately clock out when no longer performing your job responsibilities.

SECTION 6 - EMPLOYEE BENEFITS

Holidays

Our Dos Coyotes restaurants will be closed on Easter, Fourth of July, Thanksgiving and Christmas.

Unemployment Insurance

If your employment terminates, you may be eligible to receive unemployment insurance. In most cases, you must file a claim in order to collect this benefit. Should such a situation arise, you should inquire about unemployment insurance at the time of your separation from service. The state and federal Unemployment Insurance premium is paid entirely by the Company, based on your wages (up to a specified annual maximum), and the Company's assigned unemployment experience related rate.

No action will be taken against any employee for testifying in an unemployment insurance proceeding.

State Disability Insurance

Employees are covered under a state disability plan known as SDI. This insurance provides low cost disability protection if illness or injury, not caused by the job, prevents you from working. All employees are eligible, and pay for this program through a payroll deduction based on your compensation for each pay period, the current applicable state SDI rate, and maximum annual taxable earnings.

No action will be taken against any employee for requesting or taking any disability related, time off as provided for in this section of the Handbook, or for testifying in a disability proceeding.

Workers' Compensation Insurance

The Company furnishes workers' compensation insurance coverage at its expense. Workers' compensation insurance is intended to provide medical care and pay for lost time resulting from injuries on the job and those illnesses caused by your work. If you are injured on the job, report the injury to your Supervisor immediately, no matter how minor. Failure to timely report an injury may jeopardize your rights to certain benefits.

Workers' compensation insurance coverage is not available for injuries that occur during your voluntary participation in any off-duty recreational, social or athletic activity that is not part of your work-related duties, even if sponsored by the Company.

To insure you of quality care in case of work-related injury or illness, the Company will direct you to an appropriate health care provider for treatment. If you wish to be treated by your own health care provider instead, you must notify the Company in writing before any injury or illness occurs.



Dos Coyotes Corporate Restaurants **Employee Handbook**

All employees should remember that workers' compensation fraud is a felony in California, punishable by up to five (5) years in state prison and a fine of up to \$ 150,000.00. When an employee makes a workers' compensation claim knowing that the injury or illness is not work- related, it is a felony. When an employee allows a doctor, therapist or attorney to use the claim to make money by exaggerating the need for treatment or other benefits, it is also a felony. The Company will take all actions necessary to prosecute cases of workers' compensation fraud. Information of those convicted of workers' compensation fraud will be publicly posted by the California Department of Insurance online for a period of five years from the date of conviction.

No action will be taken against any employee in any manner for requesting or taking any time off for a work-related injury or illness, as provided for in this section of the Handbook.

Voluntary And Other Deductions

Deductions for the employee portion of health insurance premiums, uniforms, and other deductions made for your benefit must be authorized by you in writing.

Employee Group Deductions

A Company group insurance plan is available to full-time employees and their eligible dependents, including registered domestic partners. Complete details concerning this insurance will be given to you at the time of eligibility.

Federal and state law (COBRA) provides that in case of termination of employment, or certain other events, an employee and his or her family members may be able to continue group insurance coverage by paying the monthly premium themselves. Further information will be provided to you in case of termination of employment.

Vacations Benefits for Managerial Employees

The Company provides vacation benefits to all full-time management employees for the purpose of giving them a period of rest and relaxation away from work with pay. Accordingly, employees are encouraged to use all vested vacation benefits. Vacation requests must be submitted at least four (4) days in advance of the requested vacation.

Every effort will be made to accommodate vacation requests, but all vacations are subject to the Company's operational needs and in its sole discretion. In the case of conflicting vacation requests, the Company will decide in its sole discretion.

Vacation accrual will not begin until the completion of six months of service. Any vacation accrued thereafter may be used consistent with this policy.

All full-time management employees will accrue one (1) week of vacation, during the first year of service, which will be accrued pro-rata over each pay period. Thereafter, General Managers and Kitchen Managers will accrue at the rate of two weeks of vacation per year. Assistant Managers will continue to accrue at the rate of one week per year. You may accrue up to a maximum of 15 days of vacation. Once you have accrued 15 days of vacation, no further vacation will be accrued until you use some of your vacation.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Vacation pay will be calculated at the Manager’s straight time hourly rate (weekly salary for General Managers) as of the date of the vacation or payment, if paid out. You must actually take vacation time off in order to receive vacation pay. Accrued vacation will not be cashed out during your employment.

Years of Service As of Anniversary Date	Annual Vacation	Bi-Weekly Accrual Rate	Maximum Accrual
Six months-1 year of service	1 week (40 hours)	1.53	120 hours (15 days)
2+ years of service <i>Kitchen Manager and General Manager ONLY</i>	2 weeks (80 hours)	3.07	120 hours (15 days)

Vacation for Terminating Employees

Employees terminating employment for any reason are entitled to payment for all accrued, unused vacation time, calculated on a pro-rated basis.

Profit Sharing Plan

Recognizing that the key to the Company’s success is the performance of its employees, a non-contributory Profit Sharing plan has been established to reward employee performance. All employees will be eligible to participate in the Plan when they have completed one (1) Year of Service and have attained age twenty-one (21); the year of service is satisfied by working at least one thousand (1,000) hours during a plan year. The plan is administered by an independent third party company, Associated Pension Consultants. Complete details concerning the plan will be given to you at the time of eligibility.

Employee Meals

On-Duty Employees

All front of house employees when working a shift will receive a 50% discount off any food item on the Regular menu when ordered. This includes all food specials but not catering. An employee on duty may never consume alcoholic beverages except for company sponsored and business related events and employees are expected to use good judgement all times. No food items should ever be prepared by him/herself unless you are a kitchen staff member. The manager on duty will ring up and discount your meal. Food “To Go” will not be discounted unless approved by the manager on duty. Employees may consume non bottled soda, coffee, and tea in the appropriated designated area but not in front or visible to the guest. All bottled drinks will not be discounted.

Managers will receive complimentary food off the menus. Kitchen staff will receive complimentary food off selected items allowed by the management. You may eat your meal before your shift, during your scheduled break, or an



Dos Coyotes Corporate Restaurants **Employee Handbook**

appropriate time allowed by the manager on duty. You can eat your meal in the designated eating area in the restaurant. See manager for designated employee eating area.

Off-Duty Employees

Off-Duty employees are always welcome in any Dos Coyotes restaurant as guests on their days off, and in other than their work restaurant after completing their shift, but must be in street clothes, never in uniform. They must always refrain from distracting working employees from the performance of their employment responsibilities. Off-Duty employees receive a 50% discount, applicable to the employee only, and not additional members of his/her party. Alcoholic beverages are not included in the discount.

If you are dining in a restaurant other than the restaurant in which you are employed, and are unknown to the Manager-On-Duty, in order to receive the discount, you may be required to prove your identity as a Dos Coyotes employee by showing a current pay stub and photo ID.

Restaurant Opening and Closing

The restaurant will open and close for business each day in accordance with the policy of each individual restaurant, but in no case may the opening later, nor the closing be earlier, than the times specified by Dos Coyotes corporate management. Nonetheless, these times are guidelines, and may be somewhat flexible in accordance with the circumstances.

In the event guests are in line or still dining at closing, we serve them and allow them to reasonably stay and enjoy their meal, as if they had come in earlier. NEVER MAKE A GUEST FEEL UNCOMFORTABLE. In the event guests are waiting outside prior to opening and the restaurant is ready to open for business, to accommodate those guests you may open a few minutes earlier. Check with the Manager-on-Duty with any questions.

In the event guests are in line or still dining at closing, we serve them and allow them to r

SECTION 7 - MANAGEMENT

Payroll and Personnel Records

Requests for Payroll Records

The Company will provide an employee or former employee with copies of his or her payroll records within twenty-one (21) days of his or her written request. The written request must be submitted to the Payroll Department. The copy may be a duplicate of the itemized check stubs previously given to the employee or a computer generated record that shows all of the information required by law to be included on the itemized check stubs.

Health Insurance Portability and Accountability Act (HIPPA)

The Health Insurance Portability and Accountability Act (HIPPA), a federal law, is designed to protect the privacy of an individual's medical information. The Company complies with HIPPA to the extent it is applicable. The Company may not be a covered entity under HIPPA; however, it does sponsor a group health plan. Therefore, the Company follows the HIPPA standards for non-covered entities which sponsor group health plans.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Each employee will receive a HIPPA Notice of Privacy Rights. If at any time, you have any questions about HIPPA, please contact the individual designated in the Notice of Privacy Rights.

Personnel Files

The Company keeps a personnel file for each employee. The personnel file contains employment related information about the employee.

The content of your file, except for letters of reference and certain other limited kinds of information, are open for your inspection, or inspection by your representative, upon request and at reasonable times, but no later than 30 days from the date of receipt of the request.

Upon receipt of a request, the Company shall also provide you or your representative with a copy of the personnel file. These rules shall not apply in case of an active lawsuit between you and the Company. Contact the Corporate Office if you or your representative wishes to review your file or receive a copy.

You may not add or remove any documents from your personnel file without the written permission of the President or designated Manager responsible for Human Resource Administration.

Personnel files are the property of the Company and access to the information they contain is restricted. Generally this information is only available to supervisors and management personnel who have a legitimate need for the information. Under no circumstances should any non-management employee be permitted to review the contents of another employee's personnel file, and Managers and Supervisors are only permitted to review the files of those employees which they supervise.

The Company will keep your personnel records confidential. However, there are certain times when information may be given to persons outside of the Company. These include:

- Responses to subpoenas, court orders, or orders of administrative agencies
- In a lawsuit in which you and/or the Company are parties;
- To administer employee benefit plans
- To a health care provider

No action will be taken against an employee filing a complaint or participating in an investigation, proceeding or hearing.

Probationary Period

An employee's first ninety (90) days of employment are on a trial basis and are considered a continuation of the employment selection process. The ninety (90) day probationary period provides the Company an opportunity to observe and evaluate the capacity of the employee, which includes the employee's ability to satisfactorily perform the essential functions of his or her job; and to observe and evaluate the employee's work habits and conduct, including attendance and the employee's relationship with coworkers and superiors.

During this probationary period, the Company may terminate employment immediately, with or without cause and with or without notice. Likewise, the employee may also terminate his or her employment with the Company at any time, with or without notice and with or without cause.



Dos Coyotes Corporate Restaurants

Employee Handbook

This 90 day probationary period is not a term of employment and is not intended, nor does it, impact the at will nature of the relationship between the Company and the employee.

Employment Application

The Company relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented and gathered during the employment process. Any misrepresentation, falsification or material omission may result in the Company's exclusion of the applicant from further consideration for employment, or, if the person has been hired, termination of employment.

Reference Checks

To ensure that individuals joining the Company are well qualified and have the potential to be productive and successful, the Company will check the employment references of all applicants. Every offer of employment is contingent upon the appropriate completion of a reference check.

No references will be given concerning any present or past employee of the Company unless the Company has received a written request for such a reference. Only the Company's Payroll or Human Resources Department may respond to a request for a reference. Such response will only confirm the dates of employment and position held, and will be in writing. If an employee has given written authorization, the Company will also provide information on the amount of salary or wages earned by the employee.

Background Checks and Credit Reports

The Company may require your consent to obtain an Investigative Consumer (Background Check) report on you in connection with your initial application for employment, your application for a new position in the Company, or an investigation into possible wrongful conduct by you. This consumer reports may contain information regarding your character, personal reputation, credit, employment and educational background, criminal history, workers comp claims, personal characteristics, and/or mode of living.

The Company will use this information for employment purposes only.

The Company may also obtain a consumer credit report for managerial positions, or where the job sought has regular access to personal information, where the employee is a signatory on a bank account, or where the employee has access to trade secret information or handles more than \$10,000 in cash.

To ensure that individuals joining the Company are suitable for the position that they will be filling, the Company may conduct a post-offer targeted screening of an applicant's record of criminal convictions. The criminal background check will include, at least, a consideration of the nature and gravity of the crime, the time elapsed since the crime, and the nature of the job that the applicant will be filling consistent with applicable California law.



Dos Coyotes Corporate Restaurants **Employee Handbook**

If the Company concludes, in its sole discretion and after a preliminary offer of employment has been made, that the applicant is not fit for a particular position following an individualized assessment of: whether the applicant's conviction history has a direct and adverse relationship with the specific duties of the job sought; the nature and gravity of the offense; the amount of time that has passed; and, the nature and duties of the job sought by the applicant, the Company will consider additional information provided by the applicant and make a final determination.

Refusal to authorize the obtaining of a consumer report by the Company may be the basis for denial of employment or other adverse employment action. The contents of the consumer report may also be the basis for denial of employment, denial of a particular job position, or other adverse employment action. You will be advised if the Company elects to take adverse employment action against you based in whole or in part on a consumer report.

SECTION 8 - COMPANY PROPERTY

Company-owned equipment is expensive and may be difficult to replace. When using equipment, each employee is expected to exercise care and follow all operating instructions, safety standards and guidelines. At no time is Company-owned equipment to be used for personal purposes.

You should immediately notify your Supervisor if any equipment appears to be damaged, defective, or needs repair. Prompt reporting of damage, defects and wear can prevent deterioration of equipment and avoid possible injury to you and others. The negligent, careless or unsafe use of Company equipment may result in discipline, up to and including termination.

You are responsible for all Company property, materials or written information issued to you or in your possession or control. You must return all such property, materials or information immediately upon request, or at the time of separation from employment with the Company. If an employee should fail to return any of the Company's property, or should any of the property be returned in a broken or damaged condition, as a result of the employee's willful act or gross negligence, the Company may also take all appropriate legal action to recover its property.

SECTION 9 - EMPLOYEE CONDUCT

Drug and Alcohol Testing

The Company may require a blood test, urinalysis, or other drug/alcohol screening as part of the pre-employment selection process. Consent to submit to such a test, including an agreement to release and hold harmless the company and its agents, is required as a condition of employment; an applicant's refusal to consent shall result in the denial of employment.

In the course of employment, the Company may also require a blood test, urinalysis, or other drug/alcohol screening, if the employee is reasonably suspected of using or being under the influence of drugs or alcohol while at work.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Physical Examinations

Applicants for particular job classifications may be required to take a job-related, pre-employment physical examination after receiving an offer of employment and before beginning his or her first day of work. In such a case, the offer of employment is contingent upon the applicant's successful completion of the physical examination. Any physical examination required by the Company is provided by the Company at no cost to an applicant.

Company Testing/Searches

The Company may require a blood test, urinalysis or other drug/alcohol screening of those persons reasonably suspected of using or being under the influence of a drug or alcohol. "Reasonable suspicion" may be established by accident, physical and/or verbal altercation, a layperson's opinion based upon specific personal observations concerning an employee's appearance, behavior (including job performance) and body odors, unusual employee behavior, possession of drugs and alcohol, or other factors. An employee's consent to submit to such a test is required as a condition of employment and the employee's refusal to consent shall result in termination, even for a first refusal.

The Company may conduct unannounced searches for illegal drugs or alcohol in Company facilities. Employees are expected to cooperate in the conducting of such searches. Searches of employees and their personal property, including but not limited to desks, lockers, packages, purses and backpacks, may be conducted when there is reasonable suspicion to believe that the employee or employees are in violation of this Policy. Employees should therefore have no expectation of privacy in the work place, with the exception of rest rooms. An employee's consent to a search is required as a condition of employment and the employee's refusal to consent shall result in termination, even for a first refusal.

Prescription Drugs

The legal use of controlled substances, such as prescription drugs prescribed by a licensed physician, or over-the-counter medications, is allowed. However, if an employee cannot do his or her job satisfactorily because of such substances, the Company may require him or her to see a doctor, at Company expense. An employee may be terminated or obligated to take an unpaid leave of absence if the doctor concludes that he or she cannot do their job safely and efficiently because of the use of prescription or over-the-counter drugs.

Uniforms and Appearance

You are expected to wear neat and clean clothing in keeping with your work environment and appropriate for the type of work performed. The following guidelines are intended to facilitate Dos Coyotes' legitimate business interests in maintaining an atmosphere that is consistent with restaurant industry standards and conducive to our Mission.

Hygiene

Hands, fingernails, and hair should be clean at all times. Hands must be washed after using the restroom, eating, smoking, blowing your nose, sneezing, combing your hair, etc. Wash hands, and use the hand sanitizer after bussing tables and before handling fresh food or drink.

All open wounds and open sores must be covered with a proper bandage.

Hair should always be clean and combed. If hair is shoulder length or longer, tie it back so it doesn't end up in someone's food. No matter what the length of hair, avoid running fingers through it. Hair appearing in food is a serious problem;



Dos Coyotes Corporate Restaurants **Employee Handbook**

we risk ruining the Company's reputation if it happens even occasionally. Please be careful, and conscious, of shedding! If you are not wearing a beard, you must be clean-shaven.

Please apply makeup and fragrances lightly. Heavy makeup is unappetizing to many customers, and some customers are allergic or sensitive to perfumes, colognes, and aftershaves.

Uniform Specifications

Back of House/Cooks and Dishwashers (Including Kitchen Manager)

- *Chef Pants* – The Company will supply three (3) pairs upon hiring and will replace as it deems necessary.
- *Dos Coyotes Tee Shirt* – The Company will supply two (2) upon hiring and will replace as it deems necessary; reimbursement for the cost of the Tee shirts may be required if the employee terminates within thirty (30) days after issuance.
- *Dos Coyotes Hat* – The Company will supply one (1) upon hiring and will replace as it deems necessary; reimbursement for the cost of the hat may be required if the employee terminates within thirty (30) days after issuance.
- *Shoes and Socks* – See Shoe and Sock specifications in General Section below.

Front of House/Cashiers

- *Dos Coyotes Tee Shirt* – The Company will supply two (2) upon hiring and will replace as it deems necessary; reimbursement for the cost of the Tee shirts may be required if the employee terminates within thirty (30) days after issuance.
- *Slacks* – Supplied by the employee. Must fit properly, not baggy or wrinkled, clean at all times, and of a length that does not touch the floor. Must be worn at, or above the hips. Jeans are permitted, provided they meet the above criteria.
- *Shoes and Socks* – See Shoe and Sock specifications in General Section below.

Front of House Management

- *Shirt* – Dos Coyotes logo button down and/or golf/polo type shirt. The Company will supply two (2) upon hiring; reimbursement for the cost of the shirts may be required if the employee terminates within thirty (30) days after issuance. Managers may purchase additional logo button down and golf shirts from the company at its cost.
- *Shoes and Socks* – Black or brown leather shoes. See Shoe and Sock specifications in General Section below.

General

- *Jewelry* – No more than two rings per hand. Pierced or clip-on earrings are allowed, but must not extend more than one-half inch below the ear lobe. No more than two earrings or studs may be worn in each ear. All necklaces and chains need to be worn inside the uniform shirt for safety purposes. No bracelets are allowed due to safety concerns. All jewelry must be appropriate or clean.



Dos Coyotes Corporate Restaurants **Employee Handbook**

- *Hair* – Hair must be tied back on all employees if it can touch the collar. While it is preferable that male employees do not wear beards, facial hair on male employees must be kept neat and trimmed. Hair color on all employees must be acceptable in a business setting. All hair must be cleaned and groomed. Hair style, male beards, and hair color acceptable at the time of hiring will be deemed acceptable for continued employment; the Company reserves the right to disapprove any changes thereafter.
- *Shoes* – Shoes or boots which fit properly. Must be clean, in good condition, and have slip-resistant soles. Steel toe shoes are recommended, but not required. No athletic shoes, high tops, boots, sandals, clogs, slings, or jellies are acceptable. Shoes must be closed toe and heel, and must have an outside covering of leather or vinyl. No canvas or suede.
- *Socks* – Must coordinate with the color of pants, and be of a length that reaches the anklebone.
- *Name Badge/Buttons* – A nametag, and occasionally a marketing button during a promotion (both of which are considered part of the uniform), will be provided by the company at no cost, and must be worn at all times. If you lose your nametag, it is your responsibility to obtain one from the Manager-On-Duty prior to beginning your shift. Simply writing your name on a nametag will NOT be permitted. No unapproved buttons or pins are permitted to be worn on the uniform.

Miscellaneous

- In order to maintain the Dos Coyotes image, Tattoos and body art are allowed, but must be appropriate if visible. No tattoos will be allowed on the face or head.
- Because the focus of all employees must be on the guest, employees are not permitted to wear cell phones or other distractive communication devices (e.g. pagers or beepers) while on duty.
- All fingernails may not exceed ½ inches from fingertip. Employees working in food production areas may not wear false nails unless they wear a glove at all times. Fingernails must be clean, and if polished, may not be chipped.

Off Duty Dress in the Restaurant

- Employees in the restaurant when not on duty, especially before or after a shift, must dress appropriately, so as to properly represent Dos Coyotes to guests.

Voicemail, Email and Computer Files

Company-provided voice mail, e-mail, and computers are maintained solely to facilitate Company business and never allowed for personal use. All information sent, received, composed and/or stored on these systems, whether on-site or off-site by the Company or third-party providers, are the exclusive property of the Company.

Company computers may only be used to access on-line databases or Internet services when such access is for work-related purposes. Access to computing and network resources from the internet is strictly prohibited unless expressly authorized by Company management.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Communications on the Company's voicemail, e-mail, or computer systems are subject to Company policies regarding harassment and discrimination. Offensive, harassing or discriminatory content will not be tolerated, and includes, but is not limited to, any message which contains sexual implications, racial slurs, gender-specific comments, or any other statement that offensively addresses someone's age, sex, sexual orientation, pregnancy status, marital status, religious or political beliefs, ancestry, national origin, citizenship or disability.

This policy is not intended to restrict employees' ability to express their opinions about their wages or working conditions for their mutual aid and benefit, ability to engage in protected concerted activity or restrict or limit the exercise of any employee rights. This policy, however, is intended to ensure that employees' use of social media is responsible and professional. Carefully review the policies in this handbook, including the Discrimination & Harassment Prevention Policies, complaint procedures, and ensure your social media postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

Employees have no expectation of privacy related to Company-provided voice mail, e-mail, text-messages, or any other computer or electronically based communications- whether stored on the Company's systems or by an outside provider, including but not limited to a phone company or off-site server.

The Company reserves the right, without notice to an employee and in the employee's absence, to monitor, access, and inspect computers, e-mails, voice mails, and other electronically stored documents and data that are used by employees on the premises, including but not limited to company-owned laptops/ computers used to telecommute, PDAs, smartphones, portable USB drives, external hard drives, host computers, file servers, workstations, stand-alone computers, software, voice mail, fax transmissions, telephones of any type, and internal or external communication networks, and all other Electronic Communications. Employees should not rely on erasure of messages to guarantee that a message remains private. Nothing contained in this or any other materials generated by the Company or its employees, or any statement made by any employee of the Company, shall create an expectation of privacy to an employee's Electronic Communication.

Notwithstanding the Company's right to retrieve and review such material, the information should be treated as confidential by other employees and accessed only by the intended recipient. Employees may not retrieve any voice mail or e-mail messages that are not addressed to them.

Employees are prohibited from using passwords without prior Company authorization and registration. The existence of a password on voice mail, e-mail or computer systems is not intended to indicate that messages or other communications will remain private.

Employees are prohibited from loading any software onto a Company-provided computer, where such action would violate the software license, and/or without the express approval of Company management.

The e-mail system may never be used to send or receive copyrighted materials, trade secrets, proprietary information, or similar matter without prior authorization from the Company.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Social Media

Using social media at work

Refrain from using social media while on work time or on equipment we provide, unless it is work-related as authorized by your manager or consistent with the other policies concerning use of practice property. Do not use the practice's email addresses to register on social networks, blogs or other online tools utilized for personal use.

In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with the practice, as well as any other form of electronic communication. These guidelines apply to participation in multi-media and social networking websites such as Facebook, Twitter, Yahoo! Groups and YouTube, personal blogs, Wikis such as Wikipedia, and/or any other site where text can be posted. Since technology is constantly changing, the absence of or lack of explicit reference to a specific site does not limit the extent of application of this policy.

This policy is not intended to restrict employees' ability to express their opinions about their wages or working conditions for their mutual aid and benefit, ability to engage in protected concerted activity or restrict or limit the exercise of any employee rights. This policy, however, is intended to ensure that employees' use of social media is responsible and professional.

Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow employees or that otherwise adversely affects members, customers, suppliers, people who work on behalf the practice or the practice's legitimate business interests may result in disciplinary action up to and including termination.

Familiarize Yourself with Personnel Policies

Carefully review the policies in this handbook, including the Discrimination & Harassment Prevention Policies, complaint procedures, and ensure your postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

Be respectful

Always be fair and courteous to fellow employees, customers, members, suppliers or people who work on behalf of the practice. Also, keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers or by utilizing our complaint procedures outlined in this handbook than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers,



Dos Coyotes Corporate Restaurants **Employee Handbook**

members, associates or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or company policy.

Be honest and accurate

Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false about the practice, fellow associates, members, customers, suppliers, and people working on behalf of the practice or competitors.

Post only appropriate and respectful content

- Maintain the confidentiality of the practice's trade secrets and private or confidential information. Trades secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures or other internal business-related confidential communications.
- Respect financial disclosure laws. It is illegal to communicate or give a "tip" on inside information to others so that they may buy or sell stocks or securities. Such online conduct may also violate the Insider Trading Policy. Do not create a link from your blog, website or other social networking site to a the Company's website without identifying yourself as a practice associate.
- Express only your personal opinions. Never represent yourself as a spokesperson for the practice. If the practice is a subject of the content you are creating, be clear and open about the fact that you are an associate and make it clear that your views do not represent those of the practice, fellow associates, members, customers, suppliers or people working on behalf of the practice. If you do publish a blog or post online related to the work you do or subjects associated with the practice, make it clear that you are not speaking on behalf of the practice. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of the Company."

Conduct Off-Duty

While the Company does not seek to interfere with your off-duty conduct, certain types of off- duty conduct may interfere with the Company's legitimate business interests.

Employees are expected to conduct their personal affairs in a manner that does not adversely affect the Company's integrity, reputation or credibility. Off-duty conduct that adversely affects the Company's legitimate business interests or an employee's ability to perform his or her work will not be tolerated and may result in discipline up to and including termination.

Employees are welcome in any Dos Coyotes restaurant as guests on their days off, and in other than their work restaurant after completing their shift. However they must not be in uniform. Guest employees must always refrain



Dos Coyotes Corporate Restaurants **Employee Handbook**

from distracting working employees from the performance of their employment responsibilities.

Employees are never permitted to sit at the bar in those restaurants with separate bar areas. Comps or discounts to off duty employees will be limited to those specified in the Company's Employee Comp/Discount Policy.

No Solicitation

Employees are not permitted to solicit other employees during working time for any purpose. Distribution of literature, including posting of signs or notices, during working times and in working areas is prohibited.

Working time does not include break and meal periods or other times during the work day when employees are not engaged in performing their work tasks. Working time includes the working time of both the employee doing the soliciting or distributing and the employee to whom the solicitation or distribution is being directed.

Persons who are not employed by the Company may not solicit or distribute literature on Company property at any time for any purpose.

Visitors

Employees may not have visitors while working. Request a business card from any Salesperson, ask them to be seated, and give the card to the Manager-On-Duty. Always be polite and professional to visitors. No visitor may enter the back of the house (kitchen), unless accompanied by a Manager.

Communication

The Company maintains a designated space for the posting of legally required posters and notices, as well as information of general interest to employees. Employees are responsible for regularly reviewing that material, and are prohibited from posting personal notices, and removing or editing any notice posted by the Company.

Communication is an important part of any business. Management and the Company will post bulletins and memos including but not limited to scheduling information, meeting announcements, daily operations checklists, and other information of interest. It is each employee's responsibility to read and follow the information on these bulletins and memos at the beginning of every shift. If you do not understand the information, notify a Manager immediately so that he/she can discuss it with you. Failure to follow the information provided in Company communications may result in disciplinary action.

Vulgar, Loud, Inappropriate, Disrespectful Behavior and/or Language

If any Dos Coyote employee uses vulgar or profane language in the restaurant or on Company property, no matter what the circumstances are, disciplinary action, up to and including termination of employment may result. No loud talking or shouting will be tolerated in the restaurant. Behavior that is anything other than professional is also not allowed. Arguments must be handled respectfully, professionally, and confidentially in the office with the manager. Employees are obligated to immediately report, the use of any vulgar or profane language, and/or inappropriate or disrespectful behavior to the Manager-on-Duty. No action or retaliation shall be allowed or taken against any employee in any manner for reporting this prohibited behavior.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Employee Conduct and Work Rules

The employment relationship is based on mutual consent of the employee and the Company. Accordingly, either the Employee or the Company can terminate the employment relationship at will at any time, for any or no reason. Further, the Company can demote, transfer, suspend or otherwise discipline an employee in its sole and absolute discretion. Nothing contained in this handbook is meant to imply any contrary policy.

Earphones

Earphones and headphones are never allowed on the floor in the presence of a guest.

Employee Misconduct

The Company has established certain guidelines to govern employee personal conduct and relations between one another. These work rules are considered to be an important responsibility, and are a necessary part of managing the business so that employees can be treated fairly, and work safely and effectively. These rules apply to all employees.

Impermissible conduct which may lead to disciplinary action are identified below to promote understanding of what is considered unacceptable, and to encourage consistent action by the Company in the event of violations. It is impossible to provide an exhaustive list of types of conduct that may result in disciplinary action; however, the following list contains some examples of conduct that may lead to the imposition of discipline up to and including possible termination:

- Excessive unapproved absenteeism or tardiness, including a pattern of absenteeism or tardiness.
- Job abandonment.
- Working overtime without the prior approval of your Supervisor.
- Sleeping or malingering on the job.
- Theft, stealing, or unauthorized removal of property belonging to the Company, another employee, a guest, or a visitor, regardless of the value of the item.
- Unauthorized use or waste of Company equipment, time, materials or facilities.
- Use, possession, or sale of unlawful drugs or alcohol while on Company premises, while in a Company vehicle, or while on duty, or reporting to work under the influence of alcohol or any unlawful drugs.
- Bringing or possessing firearms, weapons, or other hazardous or dangerous devices or substances onto Company property or into Company vehicles.
- Failure to observe safety regulations.
- Failure to report any unsafe conditions, damage to equipment or machinery, or job-related traffic accidents or violations to your Supervisor.
- Carelessness or negligence while performing duties.
- Wearing extreme, unprofessional or inappropriate dress or hair styles while working.
- Failure to perform work or job assignments satisfactorily and efficiently.
- Destruction or damage to the property of the Company, another employee, a guest or a visitor.
- Harassment, including sexual harassment, of other employees.
- Horseplay on Company time or property;
- Threatening, intimidating or coercing other employees, guests, or visitors.



Dos Coyotes Corporate Restaurants **Employee Handbook**

- Fighting or provoking a fight on Company time or property.
- Insubordination, including improper conduct toward a Supervisor or refusal to perform assigned tasks.
- Refusal to do an assigned job or perform work in the manner described by the Company.
- Disrespect or discourtesy to supervisors or guests.
- Failure to immediately report a job-related injury, no matter how minor, to your Supervisor.
- Making or receiving personal telephone calls, other than emergency calls, during working hours.
- Falsifying, altering, destroying or willfully omitting information from any time card or Company record (including employment applications).
- Obtaining employment by means of false or misleading information.
- Failure to maintain Company confidentiality in accordance with proscribed policy.

Alcohol and Drugs

The Company has a vital interest in maintaining safe, healthful and efficient working conditions for its employees, guests and visitors. Being under the influence or using intoxicants while on the job poses serious safety and health risks, not only to the user but to all those who work or come into contact with the user. The manufacture, possession, sale or distribution of an intoxicant in the workplace also poses unacceptable safety and health risks.

Accordingly, it is the right, obligation and intent of the Company to protect its employees, guests and visitors, and to safeguard Company property, equipment and operations by establishing and maintaining the following policy with regard to use, possession or sale of alcohol or other intoxicants in the work place.

Employees may be disciplined, up to and including discharge without prior notice or warning, even for a first offense, for any of the following:

- For reporting to work and/or working with the presence of intoxicants in their bodies.
- For bringing intoxicants into the workplace.
- For possessing or ingesting intoxicants in the workplace during working hours, including meal and rest breaks.
- For involvement in the manufacture, sale, purchase, transfer, distribution or dispensation of intoxicants in the workplace and/or during working hours, including lunch and rest breaks.
- For providing false or misleading information or failing to provide information about any of the foregoing with regard to themselves or others.

"Workplace" includes any premises where an employee may be working on behalf of the Company. "Intoxicants" as used in this policy means any drug listed in 21 U.S.C. § 821 and other federal regulations, including, but not limited to, heroin, marijuana (unless medically prescribed), cocaine, PCP and Crack, narcotics, barbiturates, amphetamines, and any other controlled substance other than those taken under the direction and prescription of a licensed physician. Intoxicants also include legal drugs not taken under the direction and prescription of a licensed physician to the extent that their ingestion may affect the safety of co-workers or members of the public, the employee's job performance, or the safe or efficient operation of the Company facility.



Dos Coyotes Corporate Restaurants **Employee Handbook**

On days off, employees twenty-one (21) years of age or older dressed in street clothes (i.e. never in uniform) may drink in a Dos Coyotes restaurant. On days worked, after completing their shift, employees may only be guests in restaurants other than the work restaurant. Employees must sit in the dining room, never at the bar, order using normal guest procedures, and must refrain from distracting working employees from the performance of their employment responsibilities. No employee discounts are provided on alcoholic beverages.

Company or Business Events

When attending Company or business-related or sponsored events where alcohol is served, you are expected to use good judgment in consuming alcohol. Under no circumstances should you ever operate a vehicle if you are under the influence. Becoming intoxicated at any of these events will be considered grounds for discipline, up to and including immediate termination.

Smoking

Smoking is prohibited on the premises at all times. If an employee wishes to smoke, he or she may do so only during a rest or meal break, outside the restaurant facility, and away from any entrance to the building.

Restaurant Telephone Usage; Personal Communications

Friends and relatives should not call during working hours unless there is an emergency. Messages will be delivered to employees who receive urgent personal telephone calls. Under no circumstances should you make or charge a long distance call to the Company unless it is work-related and approved by the Manager.

The Company receives a large number of telephone calls from its customers and others throughout the day. Because we have only a limited number of telephone lines to handle these calls, and because mistakes are often made when an employee tries to talk on the phone and work at the same time, you are required to limit personal phone calls using Company telephones to matters of great importance.

Employees should not accept or make cell phone calls or electronic/text (including Facebook) messages while on duty, unless the nature of their duties require such communications with clients/customers or other employees. You should use your cell phone to make necessary personal calls during your break and meal periods.

While on Company premises, and while using company equipment, the Company may monitor employee telephone calls and employee electronic/text messages.

Cell Phone Safety

Employees whose job responsibilities include regular or occasional driving and who use a cell phone for business use must refrain from using their phone while driving. Safety must come before all other concerns. Regardless of the circumstances, including slow or stopped traffic, calling and/or sending, reading, or reviewing text messages or e-mails while driving prohibited.



Dos Coyotes Corporate Restaurants **Employee Handbook**

The Company requires, except in dire situations, employees to pull off to the side of the road and safely stop the vehicle before placing or accepting a call/ sending, receiving or reviewing a text message.

If an employee must take or make a phone call while the vehicle is in motion, they must use a hands-free option such as a headset or speaker phone. Under no circumstances are employees allowed to place themselves or others at risk to fulfill business needs.

Employees who are charged with traffic violations resulting from the use of their phone while driving will be solely responsible for all liabilities that result from such actions. Violations of this policy will be subject to disciplinary action, up to and including termination of employment.

Media Contact

Employees may occasionally be approached for interviews with, and/or to provide comments or documents to news media or journalists. Only those employees designated by Company management may act as a spokesperson for the Company or make official comment on Company policy, positions, issues or events that involve or have an impact on the Company.

Any statements or written releases to the media (including, but not limited to, newspapers, television, Internet, and bloggers) must be approved by both the Franchisor and Company management.

Media inquiries are to be directed to Corporate Office. No cameras or other recording equipment are to be allowed in the restaurants without prior authorization. If approached by a member of the media, refer them immediately to the Manager-On-Duty.

Marketing and Promotion

From time to time, the Company may use employees' images, voices and/or likenesses in advertising or in other methods to promote its business. As a condition of employment and in consideration for continued employment, all employees agree to permit the Company to photograph, publish, exhibit, reproduce, distribute, or otherwise use image, voice and/or likeness in connection with any Company product or service. Contact Company management with questions regarding this policy.

Lost and Found

The Company accepts no responsibility for lost items, but will strive to protect those found. Items left by a guest or employee, are to be taken to a Manager to be secured in a safe location. Guests are never to be informed that the restaurant has an item that may belong to them. Rather, immediately refer them to a Manager who will require positive identification if a comparable item has been found.

Personal Property

Employees bring personal property to work at their own risk. The Company cannot guarantee the protection of employee property, but will take strong legal action against those who are caught in the act of theft. Lockers will be provided for



Dos Coyotes Corporate Restaurants **Employee Handbook**

employee use and can be secured using a personal lock, which must be removed at the conclusion of your shift, so others can use the locker.

Any employee who brings a package or any other container to work, or leaves with the aforementioned articles is subject to management inspection of the contents.

Telephone Courtesy

Answering the telephone is everyone's responsibility. Answer the phone promptly within three (3) rings, and always be polite.

Outside Employment

The Company has no objections to you holding another job as long as you can effectively meet the performance standards for your position with the Company and disclose the second job(s) to your General Manager. The Company asks that you think seriously about the effects that such extra work may have on the limits of your endurance, your overall personal health, and your effectiveness with the Company. The Company will hold all employees to the same standards of performance and scheduling demands and cannot make exceptions for employees who also hold outside jobs.

If the Company determines that an employee's outside job interferes with his or her performance or ability to meet the Company's requirements, the employee may be required to elect between terminating his or her outside employment or terminating his or her employment with the Company.

An employee may not, during employment with the Company, work for a direct competitor of the Company, without written approval from the President or his designee. Any employment with a competitor is subject to the Confidentiality Agreement executed by each employee. Any breach of that Agreement will result in immediate termination. Failure to comply with the requirements of Confidentiality Agreement will cause the Company irreparable injury, and Employee therefore agrees that in addition to any other right or remedy provided by law, the Company shall be entitled to compensation, as well specific performance of, or an injunction against violation of, the requirements of the Confidentiality Agreement.

In addition, the employee agrees that he or she will not engage in any outside job that is in direct conflict with the essential business of the Company and that would result in the material and substantial disruption of the Company's business.

SECTION 10 - SAFETY AND HEALTH

Security, Safety and Sanitation

Because of its vital interest in maintaining safe, healthful and efficient working conditions for its employees, guests and visitors, it is the Company's intent to protect its employees, guests and visitors, and to safeguard Company property, equipment and operations by establishing and maintaining stringent security policies.

Physical Security

The Company will maintain a workplace that is free from acts of violence or threats of violence, and has therefore established a policy, coupled with security measures and practices, that provide "zero tolerance" for actual or threatened



Dos Coyotes Corporate Restaurants **Employee Handbook**

violence against employees, guests, visitors, or any other person who has contact with employees in the course of their duties. Safety and security in the workplace is every employee's responsibility.

As one means of promoting physical security of employees, the back door of the restaurant is to remain shut and locked when not in use, so as to prevent unauthorized intrusion. Likewise, the office door is to be shut and locked whenever it is not occupied by a Manager, in order to safeguard and secure Company assets.

The Company will provide related training as appropriate so as to make the workplace more secure, and to remedy, in advance if possible, any problems and workplace security issues that are identified.

The security of employees and of Company facilities require that each employee be aware of potential security risks and immediately notify the Manager-On-Duty if any person appears to be acting in a suspicious manner, in or around restaurant premises. In situations where an employee becomes aware of an imminent act or threat of violence, seek emergency assistance by immediately notifying the Manager and, if necessary and appropriate, law enforcement authorities, by dialing 911.

No employee will be discriminated or retaliated against as a result of that employee making a truthful complaint or report about a credible threat of violence made against themselves, their family members, or other employees. Employees should direct any questions regarding their rights and obligations under this policy to Company management.

Retaliation is prohibited

The practice prohibits taking negative action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Employees participating in social networks while not working nor using Company equipment must adhere to the Company's confidentiality and nondisclosure policy and that they must avoid the disclosure of trade secrets or other information regarding the Company or any of its Owners, Managers or Employees which would constitute trade libel or defamation.

Nothing in this Handbook or in this policy is intended to prevent an employee from freely discussing their own wages, hours, or working conditions, including in social media.

Right to Observe and Search Employees

As part of its effort to maintain the highest level of business efficiency and customer service, the Company reserves the right to observe employees throughout the Company's premises, either by way of direct observation or through the use of conspicuous electronic devices. The Company may install video cameras to monitor reception areas, work areas and/or other generally open areas where employees may be seen by others.



Dos Coyotes Corporate Restaurants **Employee Handbook**

In the event of an actual or suspected theft or unauthorized taking of property, or possession of a firearm or other potentially dangerous item, and in order to minimize the possibility of discipline based upon suspicion or subjective judgment, the Company reserves the right to conduct searches of employees, their personal belongings, and any Company furnishings or equipment utilized by employees, whenever deemed necessary in its sole and absolute discretion. An employee's consent to such searches is a condition of employment, and refusal may result in disciplinary action up to and including termination of employment, even for a first offense.

Employee Privacy

From time to time, third parties may seek your contact information for various purposes. The Company understands and appreciates that you want to keep your personal contact information private from third parties, and therefore will not disclose your name, address, or other contact information to any third party without your prior authorization, even if these third parties are purportedly acting on your behalf.

Protesters and Picketers

Should the restaurant be subject to a protest or picketing for any reason, employees should not attempt to personally eject the protesters or picketers. Rather, contact Company management who will advise on what to do and how to respond to the protesters or picketers.

Obviously, if you fear for your safety due to protesters or picketers, immediately attempt to retreat to a safe location and contact law enforcement by dialing 911.

Safety

The Company is committed to maintaining a safe work environment and to providing all employees with the knowledge required to perform their duties in a safe manner. The reduction of accidents in our restaurants is possible only through a team effort involving both employees and the Company. Only through a cooperative effort can we reach our objective of minimizing work-related injuries or illness.

The Company will provide the physical facilities required for employee safety and health, and will take reasonable precautions to foster a safe working environment. Nonetheless, injury prevention is largely an individual effort, and all employees are expected to do their part to promote a safe environment. No employee is required to work at a job that is not safe or healthful, and therefore the Company expects employees to do everything possible so as not to create conditions that can result in injury to themselves or others. If an employee observes an unsafe working condition, he or she should immediately report it to his or her Supervisor.

To maintain a safe workplace, the Company requires all employees to be mentally and physically able to perform their duties safely. Employees whom any Manager believes pose an immediate danger to themselves or others may be sent home immediately. To establish their fitness for duty, the Company may require employees to undergo a medical exam by a physician of its choice.

Adhering to a proper code of safety is a very real part of running a restaurant. Employees, vendors, and guests control accidents. Most of these accidents are caused through carelessness. Spills are to be cleaned up immediately. The



Dos Coyotes Corporate Restaurants **Employee Handbook**

proper tools must be used in the kitchen and around the store. When an accident does occur, ask yourself how it could have been prevented and take the necessary steps to prevent a similar accident in the future.

The Occupational Safety and Health Administration Law (OSHA), requires that all on the job injuries, including the most minor, must be reported to management. Therefore, immediately report any accidents or unsafe conditions to your Manager.

For California restaurants, Cal-OSHA regulations require that Company have a Safety Committee that convenes once per calendar month. Input from all employees is valued and needed.

Violations of safety procedures are grounds for disciplinary action, up to and including termination.

Chemical Hazards

You will be thoroughly trained on safety and chemical hazard procedures, and you will be required to fulfill your responsibilities in accordance with such training.

According to Federal and State Regulations, we keep on premises a copy of the MSDS (Material Safety Data Sheet) governing the use and hazards of all toxic chemicals that we use in the operation. Please do not use chemical cleansers if you are unsure of how to use them properly. Never use any substance, chemical or unknown material that is stored in an unlabeled container.

Violations of chemical use procedures are grounds for disciplinary action, up to and including termination.

Fire Protection

There are several fire extinguishing systems in the ducts, hood, over the ranges, fryers, and broiler that contain a dry chemical. They can easily be reached by pulling the ring attached to the system. There are also handheld fire extinguishers in the kitchen. Each employee should know the location and proper use of all fire protection equipment.

Sanitation

There is no substitute for proper sanitary procedures. Unclean and/or unsanitary conditions will not be tolerated. Due to the nature of our business, we practice a strict health code and require that all employees follow it to the letter. This is for everyone's welfare, employees and guests alike. If required by the Department of Health, you must obtain a health card. Violation of sanitation rules are grounds for disciplinary action.

- Always report unsanitary conditions to your Manager immediately.
- Wash hands after eating, using the lavatory, combing your hair, and after doing anything which might contaminate the food and utensils you handle.
- Do not touch your face, hair, nose or mouth while handling or serving food.
- When handling dishes and glasses, do not let your fingers touch the food or beverage, and keep them off the rims of the glasses and cups.
- Never eat food off a plate intended for someone else, either before or after serving.
- If you must use a handkerchief or issue, do so away from the guests and food.
- All equipment and work areas must be maintained in a clean and sanitary condition at all times.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Infectious Diseases

To stop the spread of infectious diseases, all employees are required to: wash hands often with soap and water or alcohol-based hand cleaners (the Company provides hand sanitizers throughout the restaurant and any of its other facilities); cover their nose and mouth with a tissue or similar item when coughing or sneezing and throw that item in the trash after use; and, stay home when sick and remain at home until at least 24 hours after you are free of fever.

Even though staying home may pose a financial hardship, the Company may send a visibly ill employee home to avoid possible infection of other employees. If you have been diagnosed with a number of various diseases, you may continue to be infectious for a period of time; you should therefore check with a medical provider before returning to work.

Eating and Drinking

Employees are not to eat or snack on duty without prior approval of the Manager-On-Duty. Employees are not to chew gum while on duty. Consumption of food or beverage around food preparation, kitchen, or expediter areas is prohibited by local Health Departments. Always wash your hands after eating, and please clean up after yourself.

While on duty, beverages may only be consumed in a place or places designated by the Manager, never in front of a guest, using a plastic (never a glass) vessel, and must be covered when not being used.

Facility Cleanliness

Dos Coyotes employees have always taken great pride in clean work areas and a neat appearance throughout the facility. Maintaining this tradition means keeping your work place and surroundings neat, clean, and free of articles not in use. Each employee has the specific responsibility to clean his or her immediate work area and to maintain the area in as attractive and safe a manner as possible. Common areas, such rest rooms, should be kept clean by those using them.

Use of Personal or Company Vehicles

The Company maintains insurance coverage for employees who are expected to drive Company vehicles as part of their job duties. Employees whose job duties require them to drive must be insurable by the Company's insurance company at a rate no higher than any other employee and must maintain a driver's license in good standing.

Employees who use their personal vehicles for business purposes must have their own automobile insurance. In such a case, the employee must provide the Company with proof of such insurance. The employee must also advise the Company upon being informed of any change in his or her insurance status. Failure to comply with this policy may result in discipline, up to and including the termination of employment.

An employee must not drive his or her vehicle or Company vehicles on Company business, unless doing so is part of their job responsibilities or have received prior authorization from their Supervisor to do so.

Employees are prohibited from using Company vehicles for personal use.

Whenever operating a vehicle, employees are expected to exercise good judgment and safe driving practices at all times, including avoiding any activity which may distract their attention from the road or violate any law. Such activity includes, but is not limited to, speeding or reckless driving.

Any employee who fails to use his or her seat belt, whether a driver or a passenger, in any vehicle on Company business is subject to discipline, up to and including termination of employment.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Parking

Parking is provided for all employees in designated or approved areas. If space is unavailable, you must park off the Company's property. You may not use parking spaces specifically reserved for guests, vendors, or Company vehicles.

The Company is not responsible for any loss or damage to employee vehicles or contents while parked on Company property.

Mileage

When requested or specific permission has been granted, for you to use your automobile on Company business, you will be reimbursed for mileage in the performance of the related responsibilities. You will be reimbursed for mileage at the rate provided for in the IRS Standard Mileage Rate. This amount is intended to reimburse you for all necessary costs incurred in operating your vehicle including, but not limited to, gasoline, oil, tires, maintenance, and insurance. All claims for reimbursement for mileage expenses must be submitted to your immediate Supervisor within thirty (30) days, accompanied by the proper documentation to establish legitimate expenses.

Suitable Seating

Because our employees are required to stand or walk for much of their workday, we provide seating in designated areas of the workplace for employees to use if needed, and as their work duties may permit.

SECTION 11 - OTHER POLICIES

Evaluation of Performance

Each managerial employee will be given oral and/or written feedback from time-to-time, when either the employee has done something correctly, as well as constructive feedback when expectations are not met. Such feedback will ensure that employees are aware of their performance, both positive and negative, and will not be surprised when, and if, more formal evaluations are conducted.

Written performance evaluations will normally be conducted annually. The actual frequency of evaluations may vary but will generally occur annually.

The purpose of the evaluation is to let employees know how well they are performing assigned job duties, whether they have any performance problems, and to set future performance goals.

Evaluations will be reviewed in a private meeting between you and your supervisor. You will be given an opportunity to see and comment upon the evaluation, sign the form to show that it has been read and discussed, and receive a copy. You are encouraged to ask questions and comment on the evaluation.

Discipline

Occasionally an employee's work performance or behavior falls below Company standards. In these cases, the Company will take corrective action, including counseling and discipline, as is necessary and appropriate.

The Company maintains a discipline procedure to ensure a fair method of disciplining employees. The discipline system is intended to give employees advance notice, whenever possible, of problems with their conduct or performance, in



Dos Coyotes Corporate Restaurants **Employee Handbook**

order to provide an opportunity to correct these problems. The focus of counseling or discipline is primarily on correction of the problem, and therefore the Company expects that most job-related problems will be resolved through routine disciplinary action.

Normally, discipline involves some combination of verbal counseling, written warnings, and/or suspension before an employee is terminated. However, exceptions or deviations from the normal procedure may occur whenever the Company deems that circumstances warrant that one or more steps in the process should be skipped. Accordingly, circumstances may warrant immediate termination.

An employee who is given a written warning will be asked to sign the warning. This signature is not an admission of guilt, but merely acknowledges receipt of the warning notice. If an employee disagrees with the warning and desires to make comments, he or she may insert remarks on the disciplinary notice.

Resignation

If it becomes necessary to resign employment with the Company, employees are asked to give at least two (2) weeks advance written notice to his/her immediate Supervisor, specifying the last day of work. Circumstances may exist where the Company will exercise its right to immediately accept an employee's resignation and to accelerate the final date of employment. The Company reserves its right to accept a resignation and recognize an employee's termination date as any date it chooses between the date the resignation is submitted and the date designated by the employee as the last day of employment.

Severance Pay

The Company does not, as a matter of course, provide severance pay to employees who terminate employment, either voluntarily or otherwise.

Confidentiality and Non-Disclosure of Information

In order to operate our restaurant business, employees may be provided with certain Information regarding Dos Coyotes system, and/or other material specific to the Company. Such Information includes, but is not limited to:

- Operating systems, techniques, and procedures
- Recipes
- Menus
- New or proposed products
- Proposed new locations, projects, or expansion plans
- Company, franchisor's or customers' financial information, including business plans and projections
- Advertising and marketing plans and/or market research
- Employee compensation programs; employee salaries and/or wage rates

The Information, whether written or verbal, and whether presented in hard copy, electronic or any other form of media, is non-public and confidential, and is of extreme value to the Company and the Franchisor. As such, it represents professional and trade secrets, and is being provided and/or disclosed to employees solely in connection with employment by the Company.



Dos Coyotes Corporate Restaurants **Employee Handbook**

As a condition of employment and receipt of this Information, every employee agrees to: Execute a Confidentiality Agreement in a form acceptable to the Company; Regard this Information as extremely confidential and as valuable trade secrets; Not disclose, or allow to be disclosed, any of this information to any individual or entity, without the express written consent of the Company; Not use any of the information for the benefit of any person or entity other than the Company or the Franchisor; Not copy or duplicate, or allow to be copied or duplicated, any of the Information without the express written approval of the Company; and, Return all information immediately upon request or termination of employment.

Fraternization

Personal or romantic involvement with a competitor, supplier, or subordinate employee may impair an employee's ability to exercise good judgment and thus create an actual or potential conflict of interest. Supervisor-subordinate romantic or personal relationships can also lead to supervisory problems, possible claims of sexual harassment, and morale problems. It is recommended that employees timely disclose any such relationship so the Company can take appropriate action (e.g., change the reporting relationship/chain-of-command so there is no supervisor-subordinate issue). To the extent that an employee's failure to timely notify management of a personal relationship results in a violation of other policies outlined in this Handbook, the employee will be subject to discipline, up to and including termination.

Identity Theft

The Company is strongly committed to ensuring that our employees and our guests are not the victims of identity theft. To that end, this policy is the Company's written program to detect relevant identity theft warning signs. If you believe that there is any suspicious activity occurring regarding our employees' or guests' private information, you should immediately bring that activity to the attention of the Manager-on-Duty. As an example, if a guest's identification does not match his/her credit card information, the potential of identity theft may be indicated.

Additionally, you should ensure that you safeguard any private information about employees and customers/clients by not leaving it in plain view and ensuring that it is timely and securely filed.

This program will be managed by the Company's the President or his designee.

The program will be reviewed on a yearly basis and updated as necessary following that review. You will be trained on how to prevent identity theft. Finally, the Company will ensure that any third party service providers with which it works also commit themselves to ensuring that our employees' and guests' private information is kept confidential. If you have any questions about this Program, you should immediately bring it to the attention of the President or his designee.

Guest Complaints

On occasion, a guest may express dissatisfaction about his/her food or service. Complaints must be handled in a positive, professional manner. Never argue with a guest, show concern and listen; if the guest did not think the complaint was valid, he/she would not have voiced it.



Dos Coyotes Corporate Restaurants **Employee Handbook**

Unless a complaint is so minor that it can readily be corrected by an employee, and not of a nature requiring Manager approval, the Manager-On-Duty must be notified of, and handle, the complaint immediately. Anytime a guest requests a Manager for any reason, go get the Manager; the Manager must speak with any guest who requests to speak to them.

Cash and Credit Card Control

All tendered currency of fifty dollars (\$50) or greater must be approved by the Manager-On-Duty to limit the probability of being counterfeit.

Should the POS and/or credit/debit card processing system be inoperable, and therefore manual order input and/or credit/debit card entries be required, a physical imprint of the credit/debit card and signature of the guest must be obtained, and all other specified card acceptance procedures followed. As soon as possible after the system(s) become operable, the manual transaction(s) should be entered into the system, as if they were initially handled in the normal manner, and the imprinted credit card information containing the guest's signature attached to the system generated credit card receipt.

Credit or debit card transactions of two hundred dollars (\$200) or greater require management authorization and verification of the guests' identification.

Failure to follow any of the above procedures may result in immediate termination of employment.

Rehire Policy

If any past employee wants to be rehired at Dos Coyotes the GM needs to check with the Corp office for rehire status. The past employee needs to have left employment at Dos coyotes in good standing to be eligible for rehire.



Dos Coyotes Corporate Restaurants
Employee Handbook

RECEIPT AND ACKNOWLEDGEMENT OF EMPLOYEE HANDBOOK

This is to acknowledge that I have received a copy of the Dos Coyotes Corporate Restaurant Employee Handbook. This Handbook sets forth the terms and conditions of my employment as well as the rights, duties, responsibilities and obligations of my employment with the Company. I understand and agree that it is my responsibility to read and familiarize myself with all of the provisions of the Handbook. I further understand and agree that I am bound by the provisions of the Handbook.

I understand and acknowledge that the Company has the right to amend, modify, rescind, delete, supplement or add to the provisions of this Handbook, as it deems appropriate from time to time in its sole and absolute discretion. I further understand and acknowledge that my employment is at will and no Manager, Supervisor, or other employee of the Company, other than the President can enter into an agreement for continued employment for a specific term, position, or rate of pay, and that any such agreement must be in writing.

I understand that the Company will protect my privacy, particularly when third parties are seeking my contact information. Accordingly, I hereby notify the Company that, unless I have previously authorized the disclosure in writing or unless the Company is compelled by a Court Order, I do not authorize the Company to disclose my name, address, or other contact information to any third party – even if these third parties are purportedly acting on my behalf. I do, however, hereby authorize the disclosure of my name, address, and other contact information to the Company's insurance providers and third-party payroll processor (if any). My notification to the Company as provided in this paragraph may be revoked at any time by providing a written request to the President.

My signature below certifies that I understand and agree to all policies, procedures, rules of behavior and agreements contained in this Employee Handbook, including the agreement on at will status, and the Employee Handbook is the sole and entire agreement between the Company and me concerning the duration of employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings and representations concerning my employment with the Company.

Dated: _____

EMPLOYEE SIGNATURE