

**ACAPULCO TAQUERIA, INC.**

**2020**

**EMPLOYEE HANDBOOK**

## **Acapulco Taqueria, Inc.**

### **A. INTRODUCTION**

Welcome to Acapulco Taqueria, Inc. We are happy to have you aboard.

It is the responsibility of each employee to read and understand this booklet. If anything is not clear to you please ask for an explanation.

The Company retains the sole discretion to modify, delete or add to this handbook, in writing, at any time. When such amendments are made, each employee will be provided with a written statement of the amendment and will be required to acknowledge they have received and read the amendment. None of these policies or procedures can be amended, altered or modified in any way by oral statements, but can only be altered by a written statement issued by CEO of Acapulco Taqueria, Inc.

This Handbook replaces and supersedes all previous handbooks and supplements to previous handbooks distributed by the Company and takes precedence over all memoranda or oral descriptions of the terms and conditions of employment. To avoid confusion, please discard any and all prior handbooks and manuals you may have.

**This handbook may be translated into languages other than English as a convenience to our employees. Any ambiguity between this Handbook and any translated version will be governed by the English version.**

Thank you for joining the Acapulco Taqueria, Inc. team.

### **B. EMPLOYMENT POLICY - AT WILL EMPLOYMENT**

The Company's employment policy is "at-will." Under the "at-will" policy, neither you nor the Company is committed to continuing the employment relationship for any specific term. Rather, the employment relationship will continue at will. Either side may terminate the relationship at any time, with or without cause and with or without notice. Also the Company retains the right to demote, transfer, change job duties, and change compensation at any time with or without notice and with or without cause in its sole discretion. In deciding to work for the Company, or continuing to work for the Company, you must understand and accept these terms of employment.

### **C. EQUAL EMPLOYMENT OPPORTUNITY AND DISCRIMINATION POLICY**

Acapulco Taqueria, Inc. is an equal opportunity employer and makes employment decisions and provides employment opportunities on the basis of merit, qualifications, potential and competency. We want to have the best available persons in every job. Company policy prohibits unlawful discrimination based on race, religion (all aspects of religious belief, observances, and practices including religious dress and grooming practices), color, national origin, ancestry, sex (including pregnancy, childbirth, breastfeeding or related medical conditions), gender, gender identity, gender expression, actual or perceived sexual orientation, marital status, military and veteran status, civil air patrol status, age, physical or mental disability, genetic information or medical condition, except where physical fitness is a valid

occupational qualification or any other consideration made unlawful by federal, state or local laws. For purposes of this policy, discrimination on the basis of “national origin” also includes discrimination against an individual because of their primary language or because that person holds or presents the California driver’s license issued to those who cannot document their lawful presence in the United States. An applicant’s or employee’s immigration status will not be considered for any Company employment purpose except as necessary to comply with federal, state or local laws. California law also prohibits discrimination against individuals providing services in the workplace pursuant to a contract, unpaid interns and volunteers on the basis of actual or perceived race, color, creed, religion, sex, physical or mental disability, genetic information or age. This commitment applies to all persons involved in the operations of the Company and prohibits unlawful discrimination by any employee of the Company, including supervisors and co-workers. All such discrimination is unlawful.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, the Company will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result.

Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact the Human Resources Department and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job. The Company will then engage in a good faith interactive process with the employee or applicant to determine what, if any, effective accommodations can be made for the employee or applicant. The Company will conduct an investigation to identify the barriers that make it difficult for the applicant or employee to have an equal opportunity to perform his or her job. The Company will identify possible accommodations, if any, that will help eliminate the limitation. If the accommodation is reasonable and will not impose an undue hardship, the Company will make the accommodation.

An employee who requires an accommodation of a religious belief or practice (including religious dress or grooming practices) should contact the Human Resources Department and request such an accommodation.

Pay discrimination between employees of the opposite sex performing substantially similar work, as defined by the California Fair Pay Act and federal law, is prohibited. Pay differentials may be valid in certain situations defined by law. Employees will not be retaliated against for inquiring about or discussing wages. However, Acapulco Taqueria, Inc. is not obligated to disclose the wages of other employees.

Discrimination can also include failing to reasonably accommodate religious practices or qualified individuals with disabilities where the accommodation does not pose an undue hardship.

If you believe you have been subjected to any form of unlawful discrimination, provide a complaint to the Human Resources Department as soon as possible. It would be best to communicate your complaint in writing, but this is not mandatory. If the complaint relates to the Human Resources Department provide your complaint to the Chief Executive Officer (CEO). Your complaint should be specific and should include the names of the individuals involved and

the names of any witnesses. The Company will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation.

If the Company determines that unlawful discrimination has occurred, effective remedial action will be taken, commensurate with the severity of the offense. Appropriate action will also be taken to deter any future discrimination. Whatever action is taken will be made known to you and the Company will take appropriate action to remedy any loss to you as a result of the discrimination. The Company will not retaliate against you for filing a complaint and will not willingly permit retaliation by management employees or your co-workers.

**D. PERSONNEL AND MEDICAL RECORDS**

The information recorded in your personnel file is extremely important to you and to Acapulco Taqueria, Inc. It is your responsibility to make sure that the personal data in the file is accurate and up-to-date. Please report any change in address, phone number, etc., to the Human Resources Department immediately. You have the right to inspect or receive a copy of the personnel records that Acapulco Taqueria, Inc. maintains relating to your performance or to any grievance concerning you. Certain documents may be excluded and some information may be redacted from your personnel file by law. There are legal limitations on the number of requests that can be made. Any requests to inspect or copy personnel records must be made in writing to the Human Resources Department. You can obtain a form for making such written request from the Human Resources Department.

You may designate a representative to conduct the inspection of the record or to receive a copy of the records. However, any designated representative must be authorized by you in writing to inspect or receive a copy of the records. Acapulco Taqueria, Inc. may take reasonable steps to verify the identity of any representative you designate to inspect or receive a copy of your personnel records.

The personnel records may be made available to you either at the place where you work or at a mutually agreeable location (with no loss of compensation for going to that location to inspect or copy the records). The records will be made available no later than thirty (30) calendar days from the date Acapulco Taqueria, Inc. receives your written request to inspect or copy your personnel records. You will be charged the actual cost of any documents you request copies of.

Only a Human Resources representative is authorized to release information about current or former employees. Disclosure of personnel information to outside sources will be limited; however, the Company will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting investigations.

Health/medical records are not included in your personnel file. These records are confidential. The Company will safeguard them from disclosure and will divulge such information only as follows:

1. As allowed by law;
2. To the employee's personal physician upon written request or permission of the employee; or
3. As required for workers' compensation cases.

E. **REQUIREMENTS FOR EMPLOYMENT**

The following are requirements for employment with Acapulco Taqueria, Inc.:

1. Must have a valid Social Security Number;
2. Must complete a W-4 form;
3. Must have completed an employment application;
4. Must assure that you are in physical condition appropriate to perform the job for which you apply;
5. Must have appropriate documentation establishing your right to work in the United States in compliance with state and federal law.
6. Insurability - All employees must remain insurable under Acapulco Taqueria, Inc.'s general liability insurance policy. If any employee is declared uninsurable by Acapulco Taqueria, Inc.'s insurance company, the employee will immediately be considered ineligible for further employment and will be considered to have voluntarily terminated his/her employment as of the date of notification by the insurance company of uninsurability.
7. Drug and Alcohol Program - Acapulco Taqueria, Inc. reserves the right to require drug and/or alcohol testing of any applicant or employee.
8. Prospective employees who will be required to drive either their own personal vehicle or Company vehicles for Company business will provide the Company with current and acceptable motor vehicle driving information. Employment and assignment will be conditional pending the receipt of a satisfactory report from the State of California, Department of Motor Vehicles (DMV). Employees who drive either their own personal vehicle or Company vehicles as a part of their employment will be required to provide periodic updated reports from DMV.
9. Must maintain a valid State of California driver's license and at least the minimum auto insurance as required by California law if using your personal vehicle for Acapulco Taqueria, Inc. business. The Company retains the right to transfer to an alternative position, suspend or terminate an employee whose license is revoked, who fails to maintain personal automobile insurance coverage or who is uninsurable under the Company's policy.
10. Must provide a current copy of California Food Handler Certificate.

F. **DRUG AND ALCOHOL POLICY**

The Company is concerned about the use of alcohol and controlled substances in or affecting the work environment. Use, and particularly abuse, of alcohol and/or controlled

substances on the job adversely affects an employee's efficiency, safety and health, and therefore impairs his/her value as an employee. In addition, it constitutes a potential danger to the welfare of other employees, and exposes the Company to risks of property loss/damage, or injury to other persons.

Therefore, it is the policy of the Company that no employee will be allowed to work who possesses, distributes, sells, offers to sell or distribute, attempts to purchase, or uses any drug controlled substance or alcohol in his or her body or who misuses prescription drugs. Any employee who violates this policy is subject to immediate discharge.

The Company reserves the right to require drug and/or alcohol testing of any employee.

#### G. **DRESS CODE**

All employees are required to wear black non slip shoes, black top and bottom with a black belt as required by your department. Uniform shirts are provided by the company once the probationary period has been reached. The company provides aprons, hair nets and/or hats.

All employees must present a clean and neat appearance. Facial hair must be well groomed and beards are to be no more than one inch in length. Hair must be off the collar. Women are allowed to wear a ponytail and other hair ornaments as long as they do not interfere with operations or that may fall in to the food. Finger nails should be worn short and clean at all times. Acrylic nails should not exceed ½ inch and should be firmly attached. At no point they should interfere with job duties.

No one has a second chance at the first impression. Personal appearance is always important to you and the company's image. You are asked to wear articles of clothing suitable to the type of work you perform and the environment in which you work. Articles of clothing should be neat, clean and safe, in good taste to provide a professional atmosphere to clients and customers. Interpretation of this provision rests solely with Acapulco Taqueria Inc.'s management.

An employee who requires an accommodation of a religious belief or practice (including religious dress or grooming practices) should contact the Human Resources Department and request such an accommodation.

#### H. **HOURS OF WORK**

##### 1. **Normal**

Work Hours - Each supervisor will determine the hours of work for his or her employees and any change in working hours will be announced as far in advance as possible by the supervisor. Out times may change depending on the needs of the business.

##### 2. **Overtime**

Overtime will be paid in accordance with applicable state and federal law. To work overtime, you must obtain permission from your supervisor. If you work overtime without

permission, you may be disciplined up to and possibly including termination. Verbal permissions are acceptable.

3. **California Meal and Rest Period Policy**

Acapulco Taqueria, Inc. complies with federal and state legal requirements concerning meal and rest periods.

The Company recognizes that employees perform at their best when they have the rest and nourishment they need. This policy explains when the Company expects employees to take meal and rest periods.

a. **Meal Periods**

The Company provides at least a 30-minute meal period to employees who work more than five hours, unless they work six or fewer hours total and elect in writing to waive the first meal period. The Company provides a second 30-minute meal period to employees who work more than 10 hours in a workday, unless they work twelve or fewer hours total, did not waive the first meal period, and elect in writing to waive the second meal period. Employees should take their first meal period before the end of the fifth hour of work and should take their second meal period before the end of the tenth hour of work. Meal periods cannot be taken at the beginning or end of shifts. Employees will be relieved of all of their duties during meal periods and are allowed to leave the restaurant.

The Company provides meal periods according to the following schedule:

<b>Duration of Shift In Hours</b>	<b># Meal Periods</b>	<b>Comments</b>
0 to < 5.0	0	Employees who work less than five hours in a workday are not provided with a meal period.
≥ 5.0 to < 10.0	1	Employees who work more than five hours in a workday, but who work less than ten hours in a workday are expected to take a 30-minute meal period available before the end of the 5th hour of work, unless the employees are working six or fewer hours and elect in writing to waive the first meal period.
≥ 10.0	2	Employees who work ten or more hours in a workday are expected to take a second 30-minute meal period available before the end of the 10th hour of work, unless the employees are working twelve or fewer hours, and did not waive the first meal period, and elect in writing to waive the second meal period.

Acapulco Taqueria, Inc. does not pay non-exempt employees for meal periods, and consequently, non-exempt employees must record the start and stop times of their meal periods. Employees are required to log off from the store POS system then go to lunch and log back in when they return.

Because 10 minute rest periods are paid, we ask non-exempt employees to clock out for them to be able to make sure that rest periods are taken. Our POS allows employees to do this to facilitate tracking of who is available on the floor.

Any manager who requires a non-exempt employee to work through some or all of a 30-minute meal period provided under this policy, or requires the employee to take a late meal period, must immediately notify Human Resources so that the employee can be compensated correctly. Any non-exempt employee who feels s/he is required to work through some or all of a 30-minute meal period or who is required to take their meal period later than the fifth hour of a workday, or who is required to take their second meal period later than the tenth hour of a workday, should complete a California Meal Period and Rest Period Premium Request/ Authorization Form and submit it to Human Resources by no later than the end of the pay period to ensure s/he is properly compensated. *Otherwise, if neither the manager nor the employee contact Human Resources, the Company will assume that any non-exempt employee who fails to record a timely meal period, or who records a less-than-30-minute meal period, or takes and records a late meal period, did so voluntarily.*

b. **Rest Periods**

Non-exempt employees are authorized and permitted to take a 10 minute paid rest period for every four (4) hours worked, or major fraction thereof. The Company authorizes and permits rest periods according to the following schedule:

<b>Duration of Shift In Hours</b>	<b># of 10 Minute Rest Periods</b>	<b>Comments</b>
0 < 3.5	0	Non-exempt employees who work less than 3.5 hours in a workday are not entitled to take a rest period.
3.5 to ≤ 6	1	Non-exempt employees who work 3.5 hours or more in a workday, but who do not work more than 6 hours in a workday are expected to take one 10 minute rest period.
> 6.0 to ≤ 10.0	2	Non-exempt employees who work more than 6 hours in a workday, but who do not work more than 10 hours in a workday are expected to take two 10 minute rest periods.
> 10.0 to ≤ 14.0	3	Non-exempt employees who work more than 10 hours in a workday, but who do not work more than 14 hours in a workday are expected to take three 10 minute rest periods.

Whenever practicable, non-exempt employees should take their rest periods near the middle of each work period. Non-exempt employees may not accumulate rest periods or use rest periods as a basis for starting work late, leaving work early, or extending a meal period. Because rest periods are paid, non-exempt employees should not clock out for them.

Any manager who requires a non-exempt employee to work through some or all of a 10-minute rest break provided under this policy must immediately notify Human Resources so that the employee can be compensated correctly. Any non-exempt employee who feels s/he is not authorized and permitted to take a rest period pursuant to the terms of this policy should complete a California Meal Period and Rest Period Premium Request/Authorization Form and submit it to Human Resources by the end of the pay period, to ensure s/he is properly compensated.

***Otherwise, if neither the manager nor the employee contact Human Resources, the Company will assume the employee either took his or her rest period or voluntarily decided to waive it.***

c. **Responsibilities**

Non-exempt employees are expected to take their meal and rest periods in accordance with the applicable guidelines set forth in this policy. Management is expected to make meal and rest periods available to their employees in accordance with this policy. Supervisors can schedule meal and rest periods for their employees, taking into account their department's operational requirements and employee needs. Supervisors may stagger employees' meal periods so ongoing operational responsibilities are not compromised, so long as the applicable guidelines in this policy are met.

Supervisors are responsible for administering their department's meal and rest periods in a fair and uniform manner. Supervisors may not pressure or coerce employees to skip their meal periods or rest breaks.

d. **Discipline**

Any employee, supervisor, or manager who fails to observe meal and rest period's policies will be subject to discipline, up to and including termination of employment. Violations of this policy should be reported to any manager/supervisor or the Human Resources Department. Every report will be fully investigated and appropriate corrective action will be taken.

In addition, the Company will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the Company's investigation of such reports. Any form of retaliation in violation of this policy will result in disciplinary action, up to and including termination.

4. **Off The Clock Work Policy**

Acapulco Taqueria, Inc. is committed to compensating every employee for all of the work they perform. Non-exempt employees are required to record all of their work time on their timesheets or in the Company's timekeeping system. Importantly, non-exempt employees are specifically prohibited from performing any work for the Company "off the clock." No one has the authority to require, allow or ask, directly or indirectly, any non-exempt employee to perform any work for the Company "off the clock." Employees must refuse all requests by their supervisors to work "off the clock" and report the request to Human Resources or a manager. In all cases, all time worked by non-exempt employees must be recorded on the employee's time record, and will be compensated in accordance with Company policies and applicable laws and regulations.

5. **Timekeeping Requirements**

For those employees that are required to use a Point of Sale Terminal (POS), you must record all time worked accurately on your time record. Employees must record their own time at the start and end of each of their work periods. Employees must clock out for their meal period and must record the start and ending time of each meal period. Please also refer to the Acapulco Taqueria, Inc. Meal and Rest Period policy for any questions.

Any written marks or changes on a time record must be initialed by a supervisor. Any errors on your time record should be reported immediately to your supervisor Human Resources. Any employee found tampering with the time card, intentionally recording time on another employee's time record, or deliberately falsifying their own or any other time card will be subject to immediate discharge.

6. **Personal Calls**

No visitors are allowed in the facilities during work hours without a supervisor's permission. Persons who want to talk to an employee must do so during the break or lunch period. Only emergency phone calls are to be made or received on Company time.

Cell phones are not allowed on the employees while at work. Employees found using their cell phone during work hours may be subject to a warning and/or termination. The only exception would be if the person has a legitimate reason to have it on them and that has been cleared with the CEO or the Human Resources Department. Employees are encouraged to use the office phone when needed, for example, for family emergencies.

7. **Use Of Company Cell Phone While Driving**

In the interest of the safety of our employees and other drivers, Acapulco Taqueria, Inc. employees are prohibited from using cell phones while driving on Company business and/or Company time. Personal and/or company provided cell phones are to be turned off any time you are driving on Company business and/or Company time.

If your job requires that you keep your cell phone turned on while you are driving, you must use a hands free set (a telephone with a feature or attachment that allows you to engage in a call without the use of either hand except for purposes of activation, deactivation, or initiation of a function of the phone).

State law also prohibits drivers from writing, sending, or reading text-based communications using an electronic wireless communications device (i.e. a cell phone) to manually communicate with any person via communications referred to as a text message, instant message or electronic mail.

Please note that any citations an employee receives for improper use of a cell phone while operating a motor vehicle will be the employees own personal responsibility.

Employees are prohibited from using personal or Company-issued cell phones for personal calls and to conduct personal business during business hours. Employees may make or receive personal calls during their breaks or meal period. The only exception to this policy is emergency calls.

I. **PUNCTUALITY AND ATTENDANCE**

As an employee of Acapulco Taqueria, Inc., you are expected to be punctual and regular in attendance. Any tardiness or absence causes problems for your fellow employees and your supervisor. When you are absent, your workload must be performed by others, just as you must assume the workload of others who are absent.

Employees are expected to report to work as scheduled, on time and prepared to start work. Employees also are expected to remain at work for their entire work schedule, except for meal periods or when required to leave on authorized Company business. Late arrival, early departure or other absences from scheduled hours are disruptive and must be avoided.

If you are unable to report for work on any particular day, you must call your supervisor one (1) hour before your scheduled shift. If you call after your scheduled shift has begun, you will be considered tardy for that day. In all cases of absence or tardiness, employees must provide their supervisor with an honest reason or explanation. Employees also must inform their supervisor of the expected duration of any absence. Unless there are extenuating circumstances, you must call in prior to the start of your scheduled work day if you are unable to report to work.

Excessive absenteeism, excused or not, will not be tolerated. Each situation of excessive absenteeism or tardiness shall be evaluated on a case-by-case basis.

However, even one unexcused absence may be considered excessive, depending upon the circumstances. Excessive absenteeism can result in disciplinary action up to and including termination.

In addition, if you fail to report for work without any notification to your supervisor and your absence continues for a period of three (3) days, the Company will consider that you have abandoned your employment and have voluntarily quit. Please note if you fail to report for work without any notification to your supervisor for even one (1) day you can be subject to disciplinary action up to and including termination.

Absences protected by local, state and federal law do not count as a violation of the punctuality and attendance policy. Paid sick time protected under California law does not count as a violation of this policy.

## J. **LEAVES OF ABSENCE**

### 1. **General Provisions**

The Company may grant a leave of absence in certain circumstances. You should notify your supervisor/administration in writing as soon as you become aware that you may need a leave of absence. The Company will consider your request in accordance with applicable law and the Company's leave policies. You will be notified whether your leave request is granted or denied. If you are granted leave, you must comply with the terms and conditions of the leave, including keeping in touch with your supervisor/administration during your leave, and giving prompt notice if there is any change in your return date.

### 2. **Personal Leave**

All full time employees who have been employed over 120 days may, at the discretion of Management, be granted a non-paid leave of absence provided there are good and sufficient reasons, such as family illness or urgent personal need. A request for leave of absence

must be made in writing. Any leave of absence granted must also be in writing. A leave of absence for personal emergency may not exceed thirty (30) days in any one (1) year period of time. Authorized leave is necessary to cover absence for any reason in excess of five (5) working days. This is not to be construed as relieving the employee of reporting his/her absence immediately.

Employees may be eligible to apply for Paid Family Leave (PFL) during a personal leave of absence. See Paid Family Leave policy of the employee handbook. If PFL benefits are granted by the EDD they will run concurrently with an otherwise authorized personal leave of absence. In such circumstances, the use of PFL benefits and/or paid time off during the personal leave period will not extend the length of the leave beyond what may be granted by Acapulco Taqueria, Inc. policy. The receipt of PFL also does not create a right to benefits during a personal leave of absence and does not impact the rights to reinstatement set forth in this personal leave policy.

The number of employees on a personal leave of absence at any one time shall be subject to the reasonable requirements of Acapulco Taqueria, Inc. with respect to the efficient and orderly operation of the Company.

For those employees receiving group health benefits, the Company does not pay your group health premiums during a leave of absence. Employees wishing to maintain their insurance coverage during a leave of absence must prepay health insurance premiums on a monthly basis, if you elect to continue insurance coverage under COBRA. If an employee takes a leave of absence of less than one (1) month and elects to continue their insurance under COBRA, the premium must be paid by the employee on a pro-rata basis.

Benefit credit will not be accrued towards sick leave for the duration of the leave. Employees returning from a leave of absence during the course of a calendar year will receive only a prorated portion of sick leave benefits for the duration of that year.

It should also be noted by the employee that a return to work from a leave of absence is contingent upon an available opening at that time and should be verified with your employer before reporting back to work.

An employee who is granted a leave of absence must utilize any unused sick leave benefits during the period of his or her personal leave.

The use of sick leave during a leave of absence does not extend the maximum thirty (30) day period allowed.

Any employee who fails to report for work at the end of an approved leave may be deemed to have voluntarily resigned. Any employee who does not return to his or her job is eligible for continued insurance coverage under COBRA.

### **3. Family and Medical Leaves**

Acapulco Taqueria, Inc. will grant family and medical leave in accordance with the requirements of applicable state and federal law in effect at the time the leave is granted. Although the federal and state laws sometimes have different names, the Company refers to these types of leaves collectively as “FMLA Leave.” No greater or lesser leave benefits will be granted than those set forth in such state or federal laws. In certain situations, the federal law

requires that provisions of state law apply. In any case, employees will be eligible for the most generous benefits available under applicable law.

Please contact your supervisor as soon as you become aware of the need for a FMLA Leave. Employees are expected to provide prompt notice to the Company of any change(s) to an employee's return to work date. Accepting other employment, continuing to work in another job, or filing for unemployment insurance benefits while on leave may be treated as a voluntary resignation from employment.

a. **Employee Eligibility**

To be eligible for FMLA Leave benefits, you must: (1) have worked for the Company for a total of at least 12 months; (2) have worked at least 1,250 hours over the previous 12 months as of the start of the leave; and (3) work at a location where at least 50 employees are employed by the Company within 75 miles, as of the date the leave is requested.

b. **Reasons for Leave**

State and federal laws allow FMLA Leave for various reasons. Because an employee's rights and obligations may vary depending upon the reason for the FMLA Leave, it is important to identify the purpose or reason for the leave. FMLA Leave may be used for one of the following reasons:

- (1) the birth, adoption, or foster care of an employee's child within 12 months following birth or placement of the child ("Bonding Leave");
- (2) to care for an immediate family member (spouse, registered domestic partner, child, child of a domestic partner or parent with a serious health condition ("Family Care Leave");
- (3) an employee's inability to work because of a serious health condition ("Serious Health Condition Leave");
- (4) a "qualifying exigency," as defined under the FMLA, for military operations arising out of a spouse's, child's, or parent's active duty or call to active duty as (a) a member of the military reserves or National Guard in support of a "contingency operation" declared by the U.S. Secretary of Defense, President or Congress, as required by law; or (b) a member of the Armed Forces who is on – or is called to – active duty in a foreign country ("Military Emergency Leave"); or
- (5) to care for a spouse, child, parent or next of kin (nearest blood relative)—who is (a) an Armed Forces member (including the military reserves and National Guard) undergoing medical treatment, recuperation, or therapy, is otherwise in an outpatient status, or is otherwise on the temporary disability retired list—with a serious injury or illness incurred or aggravated in the line of duty while on active duty that may render the individual medically unfit to perform his or her military duties; or (b) a person who, during the five (5) years prior to the treatment necessitating the leave, served in the active military, Naval, or Air Service, and who was discharged or released therefrom under conditions other than dishonorable (a "veteran" as defined by the Department of Veteran Affairs) and

who has a serious injury or illness incurred or aggravated in the line of duty while on active duty that manifested itself before or after the member became a veteran (“Military Caregiver Leave”).

c. **Length of Leave**

The maximum amount of FMLA Leave will be twelve (12) workweeks in any 12-month period when the leave is taken for: (1) Bonding Leave; (2) Family Care Leave; (3) Serious Health Condition Leave; and/or (4) Military Emergency Leave. However, if both spouses (or registered domestic partners) work for the Company and are eligible for leave under this policy, the spouses (or registered domestic partners) will be limited to a total of 12 workweeks off between the two of them when the leave is for Bonding Leave or to care for a parent using Family Care Leave. A 12-month period begins on the date of your first use of FMLA Leave. Successive 12-month periods commence on the date of your first use of such leave after the preceding 12-month period has ended.

The maximum amount of FMLA Leave for an employee wishing to take Military Caregiver Leave will be a combined leave total of twenty-six (26) workweeks in a single 12-month period. A "single 12-month period" begins on the date of your first use of such leave and ends 12 months after that date.

If both spouses work for the Company and are eligible for leave under this policy, the spouses will be limited to a total of 26 workweeks off between the two when the leave is for Military Caregiver Leave only or is for a combination of Military Caregiver Leave, Military Emergency Leave, Bonding Leave and/or Family Care Leave taken to care for a parent.

Under some circumstances, you may take FMLA Leave intermittently—which means taking leave in blocks of time, or by reducing your normal weekly or daily work schedule. Leave taken intermittently may be taken in increments of no less than one (1) hour.

d. **Call Off Policy**

When an employee who has been approved for intermittent leave calls off due to an unforeseen instance of intermittent leave, at the time the employee calls off the employee must specifically reference either the qualifying reason for leave or the need for FMLA leave.

To the extent required by law, some extensions to leave beyond an employee’s FMLA entitlement may be granted when the leave is necessitated by an employee's work-related injury/illness, a pregnancy related disability, or a “disability” as defined under the Americans with Disabilities Act and/or applicable state or local law. Certain restrictions on these benefits may apply.

e. **Notice and Certification**

(i) **Bonding, Family Care, Serious Health Condition, and Military Caregiver Leave Requirements**

Employees are required to provide:

1. when the need for the leave is foreseeable, 30 days advance notice or such notice as is both possible and practical if the leave must begin in less than 30 days

(normally this should be the same day the employee becomes aware of the need for leave or the next business day);

2. when the need for leave is not foreseeable, notice within the time prescribed by the Company's normal absence reporting policy, unless unusual circumstances prevent compliance, in which case notice is required as soon as is otherwise possible and practical;
3. when the leave relates to medical issues, a completed Certification of Health-Care Provider form within 15 calendar days (for Military Caregiver Leave, an invitational travel order or invitational travel authorization may be submitted in lieu of a Certification of Health-Care Provider form);
4. periodic recertification (upon request); and
5. periodic reports during the leave.

Certification forms are available from the Human Resources Department at the Company's expense, the Company may also require a second or third medical opinion regarding your own serious health condition. Employees are expected to cooperate with the Company in obtaining additional medical opinions that the Company may require.

When leave is for planned medical treatment, you must try to schedule treatment so as not to unduly disrupt the Company's operation. Please contact the Human Resources Department prior to scheduling planned medical treatment.

(ii) **Military Emergency Leave Requirements**

Employees are required to provide:

1. as much advance notice as is reasonable and practicable under the circumstances;
2. a copy of the covered military member's active duty orders when the employee requests leave; and
3. a completed Certification of Qualifying Exigency form within 15 calendar days, unless unusual circumstances exist to justify providing the form at a later date.

Certification forms are available from the Human Resources Department.

(iii) **Failure to Provide Certification and to Return from Leave**

Absent unusual circumstances, failure to comply with these notice and certification requirements may result in a delay or denial of the leave. If you fail to return to work at your leave's expiration and have not obtained an extension of the leave, the Company may presume that you do not plan to return to work and have voluntarily terminated your employment.

f. **Compensation During Leave**

Generally, FMLA Leave is unpaid. However, you may be eligible to receive benefits through State-sponsored or Company-sponsored wage-replacement benefit programs. If you are eligible to receive these benefits, you may also choose to supplement these benefits with the use of accrued sick leave, to the extent permitted by law and Company policy. All such

payments will be integrated so that you will receive no more than your regular compensation during this period. If you are not eligible to receive any of these wage-replacement benefits, the Company may require you to use accrued sick leave to cover some or all of the FMLA Leave. The use of paid benefits will not extend the length of a FMLA Leave.

g. **Benefits During Leave**

The Company will continue making contributions for your group health benefits during your leave on the same terms as if you had continued to work. This means that if you want your benefits coverage to continue during your leave, you must also continue to make any premium payments that you are now required to make for yourself or your dependents. Employees taking Bonding Leave, Family Care Leave, Serious Health Condition Leave, and Military Emergency Leave will generally be provided with group health benefits for a 12 workweek period. Employees taking Military Caregiver Leave may be eligible to receive group health benefits coverage for up to a maximum of 26 workweeks. In some instances, the Company may recover premiums it paid to maintain health coverage if you fail to return to work following a FMLA Leave.

If you are on a FMLA Leave but are not entitled to continued paid group health insurance coverage, you may continue your coverage through the Company in conjunction with federal and/or state COBRA guidelines by making monthly payments to the Company for the amount of the relevant premium. Please contact the Human Resources Department for further information.

Your length of service as of the leave will remain intact, but accrued benefits such as sick leave will not accrue while on an unpaid FMLA Leave.

h. **Job Reinstatement**

Under most circumstances, you will be reinstated to the same position held at the time of the leave or to an equivalent position with equivalent pay, benefits, and other employment terms and conditions. However, you have no greater right to reinstatement than if you had been continuously employed rather than on leave. For example, if you would have been laid off had you not gone on leave, or if your position has been eliminated during the leave, then you will not be entitled to reinstatement.

Prior to being allowed to return to work, an employee wishing to return from a Serious Health Condition Leave must submit an acceptable release from a health care provider that certifies the employee can perform the essential functions of the job as those essential functions relate to the employee's serious health condition. For an employee on intermittent FMLA leave, such a release may be required if reasonable safety concerns exist regarding the employee's ability to perform his or her duties, based on the serious health condition for which the employee took the intermittent leave.

“Key employees,” as defined by law, may be subject to reinstatement limitations in some circumstances. If you are a “key employee,” you will be notified of the possible limitations on reinstatement at the time you request a leave.

**A NOTICE TO EMPLOYEES OF RIGHTS UNDER FMLA IS ATTACHED TO THIS HANDBOOK.**

4. **Pregnancy And Pregnancy Related Disabilities**

Any employee who is disabled by pregnancy, childbirth, or a related medical condition is eligible for a Pregnancy Disability Leave of Absence. There is no length of service requirement.

For purposes of this policy, you are disabled when, in the opinion of your healthcare provider, you cannot work at all or are unable to perform any one or more of the essential functions of your job or to perform them without undue risk to yourself, the successful completion of your pregnancy, or to other persons as determined by a health care provider. This term also applies to certain pregnancy-related conditions, such as severe morning sickness or if you need to take time off for prenatal or postnatal care, bed rest, post-partum depression, and the loss or end of pregnancy (among other pregnancy-related conditions that are considered to be disabling).

a. **Reasonable Accommodation for Pregnancy-Related Disabilities**

Any employee who is affected by pregnancy may also be eligible for a temporary transfer or another accommodation. There is no length of service requirement. You are affected by pregnancy if you are pregnant or have a related medical condition, and because of pregnancy, your health care provider has certified that it is medically advisable for you to temporarily transfer or to receive some other accommodation.

The Company will provide a temporary transfer to a less strenuous or hazardous position or duties or other accommodation to an employee affected by pregnancy if:

She requests a transfer or other accommodation;

The request is based upon the certification of her health care provider as “medically advisable”; *and*

The transfer or other requested accommodation can be reasonably accommodated pursuant to applicable law.

No additional position will be created and the Company will not discharge another employee, transfer another employee with more seniority, or promote or transfer any employee who is not qualified to perform the new job as a part of the accommodation process.

b. **Advance Notice and Medical Certification**

To be approved for a pregnancy disability leave of absence, a temporary transfer or other reasonable accommodation, you must:

Provide 30 days’ advance notice before the leave of absence, transfer or reasonable accommodation is to begin, if the need is foreseeable;

Provide as much notice as is practicable before the leave, transfer or reasonable accommodation when 30 days’ notice is not foreseeable; and

Provide a signed medical certification from your health care provider that states that you are disabled due to pregnancy or that it is medically advisable for you to be temporarily transferred or to receive some other requested accommodation.

The Company may require you to provide a new certification if you request an extension of time for your leave, transfer or other requested accommodation.

c. **Duration**

The Company will provide you with a Pregnancy Disability Leave of Absence for the duration of your pregnancy-related disability for up to four (4) months. This leave may be taken intermittently or on a continuous basis, as certified by your health care provider. The four months of leave available to an employee due to her pregnancy related disability is defined as the number of days (and hours) the employee would normally work within four calendar months or 17.33 workweeks.

Any temporary transfer or other reasonable accommodation provided to an employee affected by pregnancy will not reduce the amount of Pregnancy Disability Leave time the employee has available to her unless the temporary transfer or other reasonable accommodation involves a reduced work schedule or intermittent absences from work.

d. **Reinstatement**

If you and the Company have agreed upon a definite date of return from your leave of absence or transfer, you will be reinstated on that date if you notify the Company that you are able to return on that date. If the length of the leave of absence or transfer has not been established, or if it differs from the original agreement, you will be returned to work within two (2) business days, where feasible, after you notify the Company of your readiness to return.

Before you will be allowed to return to work in your regular job following a leave of absence or transfer, you must provide your supervisor with a certification from your health care provider that you can perform safely all of the essential duties of your position, with or without reasonable accommodation. If you do not provide such a release prior to or upon reporting for work, you will be sent home until a release is provided. This time before the release is provided will be unpaid.

You will be returned to the same or a comparable position upon the conclusion of your leave of absence or transfer. If the same position is not available on your scheduled return date, the Company will provide you a comparable position on your scheduled return date or within 60 calendar days of that return date. However, you will not be entitled to any greater right to reinstatement than if you had not taken the leave. For example, you would have been laid off regardless of the leave, or you would not have been offered a comparable position, then the employee will not be entitled to reinstatement.

Failure to return to work at the conclusion of the leave of absence may result in termination of employment, unless you are taking additional leave provided by law or Company policy or the Company has otherwise approved you to take additional time off.

e. **Integration with Other Benefits.**

Pregnancy Disability Leaves of Absence and accommodations that require you to work a reduced work schedule or to take time off from work intermittently are unpaid. You may elect to use accrued sick leave and/or accrued benefits during the unpaid leave of absence. However, use of paid time off will not extend the available leave of absence time. Sick leave hours will not accrue during any unpaid portion of the leave of absence, and you will not receive pay for official holidays that are observed during your leave of absence except during those periods when you are substituting sick leave for unpaid leave.

Employees should apply for California State Disability insurance (“SDI”) benefits. SDI forms are available from the Company or your health care provider. Any SDI for which you are eligible will be integrated with accrued sick leave, or other paid time off benefits so that you do not receive more than 100% of your regular pay.

**f. Benefits**

The Company will maintain an employee’s health insurance benefits during an employee’s Pregnancy Disability Leave for a period of up to four months (as defined above) on the same terms as they were provided prior to the leave time. This means that if you want your benefits coverage to continue during your leave, you must also continue to make any premium payments that you are now required to make for yourself or your dependents. If you take additional time off following a Pregnancy Disability Leave that qualifies as California Family Rights Act leave, the Company will continue your health insurance benefits for up to a maximum of 12 workweeks in a 12-month period.

EXAMPLE: You take 17.33 workweeks off due to a pregnancy disability. Assuming you are eligible for FMLA and CFRA leave, your Pregnancy Disability Leave will also be concurrently covered by FMLA and your group health insurance coverage would continue for the entire 17.33 workweek period. If, after your pregnancy disability leave and FMLA leave, has been completed, you wish to take 12 additional weeks off from work to bond with a new baby under CFRA, the Company will continue your health insurance benefits for the 12 workweek period.

In some instances, the Company may recover premiums it paid to maintain health insurance benefits if you fail to return to work following your pregnancy disability leave for reasons other than taking additional leave afforded by law or Company policy or not returning due to circumstances beyond your control.

**5. Workers’ Compensation Disability Leave**

The Company will grant a workers’ compensation disability leave to employees with occupational illnesses or injuries in accordance with state law. As an alternative, the Company will try to reasonably accommodate such employees with modified work. Leave taken under the workers’ compensation disability policy runs concurrently with family and medical leave under both federal and state law. Please contact your supervisor as soon as you become aware of the need for a workers’ compensation disability leave.

**a. Notice And Certification Requirements**

Employees must report all accidents, injuries and illnesses no matter how small to their immediate supervisor. In addition, employees must provide the Company with a certification from a healthcare provider if the employee misses work due to the injury and is ready to return to work.

**b. Compensation During Leave**

Workers’ compensation disability leaves are without pay. However, employees may utilize accrued paid time off during the leave. All such payments will be coordinated with any state disability, workers’ compensation or other wage reimbursement benefits for which you

may be eligible. At no time shall an employee receive a greater total payment than the employee's regular salary.

c. **Benefits During Leave**

If the employee taking workers' compensation disability leave is eligible under the federal or state family and medical leave laws, the Company will maintain group health insurance coverage for up to a maximum of 12 workweeks if such insurance was provided before the leave was taken and on the same terms. This means that if you want your benefits coverage to continue during your leave, you must also continue to make any premium payments that you are now required to make for yourself or your dependents. If the employee fails to make their co-payments, the Company will not continue to provide health insurance benefits and the employee will be eligible for insurance continuation rights under COBRA only. If ineligible under the federal and state family and medical leave laws, employees on workers' compensation disability leaves will receive continued coverage on the same basis as employees taking other leaves.

Employees on workers' compensation disability who do not receive continued paid coverage, or whose paid coverage ceases after 12 workweeks, may continue their group health insurance coverage through the Company in conjunction with COBRA guidelines by making monthly payments to the Company for the amount of the relevant premium. Employees should contact the Human Resources Department for further information.

d. **Reinstatement**

Upon the submission of a medical certification that the employee is able to return to work, the employee will be offered the same position held at the time of leaving, unless the job no longer exists or the job has been filled in order to avoid undermining the Company's ability to operate safely and efficiently, or the employee is not capable of performing the job responsibilities upon return. If the employee's former position is not available, a substantially similar position will be offered unless there is no substantially similar position available, or filling the available position would substantially undermine the Company's ability to operate safely and efficiently, or the employee is not capable of performing the job responsibilities. If an employee returning from workers' compensation disability leave is unable to perform the essential functions of the job because of a physical or mental condition, the Company's obligations to that employee may be governed by the Americans With Disabilities Act.

6. **Domestic Violence Leave And Victims Of Sexual Assault And Stalking**

Employees who are victims of domestic violence, sexual assault and stalking are eligible for unpaid leave. While the leave is generally unpaid, employees can use their paid sick time under Paid Sick and Safe Time policy in this handbook for the purposes described below.

Acapulco Taqueria, Inc. will provide time off to any employee who is a victim of domestic violence, victim of sexual assault, and/or victim of stalking so that the employee may obtain or attempt to obtain relief and to help ensure the health, safety, or welfare of the employee or the employee's child. The relief that may be sought includes, but is not limited to, a temporary restraining order, restraining order, or other injunctive relief. When taking such leave, the employee should give the Company reasonable notice of the leave, unless advance notice is not feasible. The Company also may require the employee to provide written verification of the need

for the time off, such as a police report, court order or documentation from a medical professional, etc.

The Company will make reasonable accommodations for any employee who reports that he or she is the victim of domestic violence, sexual assault or stalking and requests that the Company accommodate his or her safety while at work, unless undue hardship to the Company would result.

Additionally, an employee who is a victim of domestic violence and/or a victim of sexual assault may take time off to attend to any of the following: (1) to seek medical attention for injuries caused by domestic violence; (2) to obtain service from a domestic violence shelter, program, or rape crisis center; (3) to obtain psychological counseling; and (4) to participate in safety planning and to take other actions to increase safety from future domestic violence or sexual assault, including temporary or permanent relocation.]

Confidentiality of the situation, including the employee's request for the time off, will be maintained to the greatest extent possible. Employees may use accrued benefits, such as existing other accrued paid time off, in order to receive compensation during the time taken off from work.

#### **7. Medical Leave Of Absence**

##### **(For employees who are not eligible for Family Medical Leave)**

If you are eligible for FMLA leave based on your length of employment and hours of service, you will not be eligible for this leave. This leave is only available to employees who are not eligible for Family Medical Leave.

Any full-time employee who is temporarily disabled and unable to work due to a medical condition may, at the discretion of management, be granted a leave of absence without pay for the period of his or her disability, provided such period shall not exceed two (2) months. The term "medical" as used herein encompasses all temporary medical disabilities. The employee's temporary disability status must be verified by written confirmation from the employee's doctor on a periodic basis. Female employees who are disabled due to pregnancy or pregnancy related disabilities should see the "Pregnancy and Pregnancy Related Disabilities" leave section of this handbook to understand their rights. Employees must contact the Company on a weekly basis concerning their disability status and expected return date.

An employee who is granted a medical leave of absence must utilize any unused sick leave benefits during the period of his or her disability. The use of sick leave during a medical leave of absence does not extend the maximum two (2) month period allowed.

Health insurance benefits ordinarily provided by the employer for eligible employees on a work related injury or illness or for a non-industrial medical leave of absence will be provided for the month in which the employee's medical leave of absence begins and one (1) additional month on the same terms. This means that if you want your benefits coverage to continue during your leave, you must also continue to make any premium payments that you are now required to make for yourself or your dependents. If the employee fails to make their co-payments, the Company will not continue to provide health insurance benefits and the employee will be eligible for insurance continuation rights under COBRA only.

Employees requesting a medical leave are required to complete a Medical Leave of Absence form. Requests must be submitted to the Company office.

The employee must notify the Company office of the need for such a leave as soon as the employee learns that he or she is, or will become, temporarily disabled and unable to work due to a medical condition. Such notice must specify the reason for the leave, the date such leave will begin, and the expected duration of the disability. An employee who requests such a leave may be required to provide initially and from time to time, proof of disability in the form of a physician's statement. An employee returning from a medical leave of absence shall be required to provide a physician's statement that indicates that he or she is able to perform the essential functions of the position.

In the case of illness, a doctor's release to return to work will be required from the employee before he or she will be allowed to return to work, if the absence was three (3) days or longer.

Benefit credit will not be accrued towards sick leave for the duration of the leave. Employees returning from a leave of absence during the course of a calendar year will receive only a prorated portion of sick leave for the duration of that year.

Except as otherwise required by law, it should also be noted by the employee that a return to work from a leave of absence is contingent upon an available opening at that time and should be verified with your employer before reporting back to work. If an employee returning from medical leave is unable to perform the essential functions of the job because of a physical or mental condition, the Company's obligations to that employee may be governed by the Americans with Disabilities Act.

Any employee who fails to report for work at the end of an approved leave may be deemed to have voluntarily resigned. Any employee who does not return to his or her job is eligible for continued insurance coverage under COBRA.

It is the responsibility of each employee to promptly report all on-the-job injuries. If an injury does occur, it must be reported to the employee's immediate supervisor or the office immediately.

#### 8. **Leave For Victims Of Crime**

Acapulco Taqueria, Inc. prohibits discrimination against an employee who wishes to take time off from work for the purpose of attending judicial proceedings related to certain crimes committed against the employee, the employee's *immediate family member*, the employee's registered domestic partner, or a child of the employee's domestic partner. Employees are eligible to take time off for crimes including: a violent felony, as defined in subdivision (c) of Section 667.5 of the Penal Code; a serious felony, as defined in subdivision (c) of Section 1192.7 of the Penal Code; and a felony provision of law proscribing theft or embezzlement.

For purposes of requesting leave to attend judicial proceedings under this policy, *immediate family member* is defined as an employee's spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

The Company also prohibits discrimination against an employee who is a victim, as defined, of certain *specified serious criminal offenses*, as described, for taking time off from work, upon the victim's request, to appear in court to be heard at any proceeding, including any delinquency proceeding, involving a post-arrest release decision, plea, sentencing, post-conviction release decision, or any proceeding in which a right of the victim is at issue involving certain serious criminal offenses.

For the purposes of this policy involving serious criminal offenses, "victim" of a crime means any employee who suffers direct or threatened physical, psychological, or financial harm as a result of the commission or attempted commission of a serious criminal offense. Victim also includes an employee's spouse, parent, child, sibling, or guardian.

If you believe you will need to be absent from work for any of the purposes described in this policy resulting from what you believe to be a serious criminal offense, please contact the Human Resources Department to review your request.

Before an employee may be absent from work for these purposes, the employee must provide his or her supervisor with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice, unless advance notice is not feasible.

In the event that an unscheduled judicial proceeding occurs, which requires your immediate absence, please alert your supervisor before leaving Company premises. The Company may require that the employee provide verification that the absence from work was due to attendance at the unscheduled judicial proceeding. The types of verification the Company may require for an unscheduled judicial processing include: documentation evidencing the judicial proceeding from any of the following entities: the court or government agency setting the hearing; the district attorney or prosecuting attorney's office; or the victim/witness office that is advocating on behalf of the victim.

If an employee must take an unscheduled absence due to victimization from a serious criminal offense, the employee must provide the Company with certification within a reasonable time. The types of certification to account for an unscheduled absence include: a police report indicating the employee was a victim of one of the specified serious criminal offenses, a court order, or documentation from a medical professional, domestic violence advocate or advocate for victims of sexual assault, health care provider or counselor that the employee was undergoing treatment for physical or mental injuries resulting in victimization from one of the specific serious criminal offenses.

Confidentiality of the situation, including the employee's request for the time off, will be maintained to the greatest extent possible if an employee requests time off for these reasons. Employees may use accrued benefits, such as existing accrued paid time off, in order to receive compensation during the time taken off from work.

#### 9. **Family Military Leave**

Acapulco Taqueria, Inc. provides spouses of certain military personnel up to ten (10) days of unpaid leave during a qualified leave period. For purposes of this policy, a "qualified leave period" means the period during which the spouse is on leave from deployment during a period of military conflict.

An employee is eligible for leave under this policy if he or she:

- Is the spouse of a person who: 1) is a member of the Armed Forces of the United States who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States, or 2) is a member of the National Guard or of the Reserves who has been deployed during a period of military conflict;
- Works for the Company for an average of 20 or more hours per week;
- Provides the Company with notice of his or her intention to take leave within two business days of receiving notice that his or her spouse will be on leave from deployment; and
- Submits written documentation to the Company certifying that the spouse will be on leave from deployment during the time the leave is requested.

Military conflict means either a period of war declared by the United States Congress, or a period of deployment for which a member of a reserve component is ordered to active duty either by the Governor or the President of the United States.

The Company will not discriminate against, or tolerate discrimination against, any employee who requests and/or takes leave under this policy.

#### 10. **Military Service**

Leave without pay is provided to you when you enter military service of the armed forces of the United States or are in the armed forces reserves. You are afforded reemployment rights and retain full seniority benefits for all prior service upon reemployment in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 as well as any applicable state law.

#### 11. **School Activities**

Employees are encouraged to participate in the school or child care activities of their child (ren).

The absence is subject to all of the following conditions:

- Time off under this policy can only be used by parents, guardians, grandparents, stepparents, foster parents or a person who stands in loco parentis to one or more children of the age to attend kindergarten through grade 12 or a licensed child care provider;
- The amount of time off for school or child care activities described below cannot exceed a total of 40 hours each year;
- Covered employees can use the time off to find, enroll or reenroll a child in a school or with a licensed child care provider or to participate in activities of the child's school or licensed child care provider. The time off for these purposes cannot exceed eight hours in any calendar month. Employees planning to take time off for these purposes must provide reasonable advance notice to their supervisor.
- Covered employees can also use time off to address a "child care provider or school emergency" if the employee gives notice to the employer. A child care provider or school

emergency means that the employee's child cannot remain in a school or with a child care provider due to one of the following:

- o The school or child care provider has requested that the child be picked up, or has an attendance policy (excluding planned holidays) that prohibits the child from attending or requires the child to be picked up from the school or child care provider;
  - o Behavioral or discipline problems;
  - o Closure or unexpected unavailability of the school or child care provider, excluding planned holidays; or
  - o A natural disaster, including, but not limited to, fire, earthquake or flood.
- Employees must provide their supervisor with documentation from the school or licensed child care provider verifying that they were engaged in these child related activities on the day and time of the absence;
  - If more than one parent is employed by Acapulco Taqueria, Inc., the first employee to request such leave will receive the time off. Another parent will receive the time off only if the leave is approved by his or her supervisor; and
  - Employees who do not have paid time off available will take the time off without pay.

#### 12. **Time Off For Bone Marrow Donation**

Employees will be provided a leave of absence to undergo a medical procedure to donate bone marrow to another person. The combined length of bone marrow leave may not exceed five (5) business days in any one (1) year period. The one (1) year period is measured from the date the employee's leave begins and consists of 12 consecutive months. To qualify for this leave, the employee must submit verification by a physician detailing that there is a medical necessity for the donation, as well as the length of each leave requested. Employees must use earned sick concurrently with this time off. If an employee does not have enough earned sick time to cover the leave, the remaining days of leave will be with pay by the Company. Use of this leave will not be counted against any available FMLA/CFRA time. This is also not considered a break in service for purposes of benefits or seniority.

While on leave for bone marrow donation, the Company will maintain all group health insurance on the same terms as if the employee had continued to work. This means that if you want your benefits coverage to continue during your leave, you must also continue to make any premium payments that you are now required to make for yourself or your dependents. If the employee fails to make their premium co-payments, the Company will not continue to provide health insurance benefits and the employee will be eligible for insurance continuation rights under COBRA.

In most circumstances, upon return from this leave, an employee will be reinstated to his/her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if he/she did not take a leave. For example, if an employee on leave for bone marrow donation would have been laid off had he/she not taken a leave, or if the employee's job is

eliminated during the leave and no equivalent or comparable job is available, then the employee would not be entitled to reinstatement.

13. **Time Off For Organ Donation**

Employees will be provided a leave of absence to undergo a medical procedure to donate an organ to another person. The combined length of the leaves may not exceed thirty (30) business days in any one (1) year period. The one (1) year period is measured from the date the employee's leave begins and consists of 12 consecutive months. To qualify for this leave, the employee must submit verification by a physician detailing that there is a medical necessity for the donation, as well as the length of each leave requested. If the leave is for two weeks or less, employees must use all available sick concurrently with this time off. If an employee does not have enough available accrued sick, then any remaining days of leave will be with pay by the Company. If the leave is more than two weeks, employees must use their available sick during the first two weeks, and the remaining days of leave will be with pay by the Company. Use of this leave will be not be counted against any available FMLA/CFRA time. This is also not considered a break in continuous service for purposes of benefits or seniority.

While on leave for organ donation, the Company will maintain all group health insurance benefits on the same terms as if the employee had continued to work. This means that if you want your benefits coverage to continue during your leave, you must also continue to make any premium payments that you are now required to make for yourself or your dependents. If the employee fails to make their premium co-payments, the Company will not continue to provide health insurance benefits and the employee will be eligible for insurance continuation rights under COBRA.

In most circumstances, upon return from this leave, an employee will be reinstated to his/her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if he/she did not take a leave. For example, if an employee on leave for organ donation would have been laid off had he/she not take a leave, or if the employee's job is eliminated during the leave and no equivalent or comparable job is available, then the employee would not be entitled to reinstatement.

K. **TIME OFF FOR VOLUNTEER FIREFIGHTERS, RESERVE PEACE OFFICERS OR EMERGENCY RESCUE PERSONNEL**

If you are a registered volunteer firefighter, reserve peace officer, or emergency rescue personnel (including an officer, employee or member of a disaster medical response entity sponsored or requested by the state) who intends to perform emergency duty during work hours, please alert your supervisor so the Company is aware of the fact that you may have to take time off to perform emergency duty. In the event any employee needs to take time off for this type of emergency duty, a supervisor must be notified before leaving work. All time off for these purposes is unpaid.

Registered volunteer firefighters, reserve peace officers or emergency rescue personnel are eligible to take temporary unpaid leaves of absence for fire or law enforcement training not to exceed 14 days per calendar year.

L. **PAID FAMILY LEAVE BENEFITS**

Beginning on January 1, 2004, employees began to contribute to California's Paid Family Leave ("PFL") insurance fund, which will be administered by the State of California's Employment Development Department ("EDD"). Like SDI contributions, employee contributions to the PFL fund are deducted automatically from an employee's paycheck. The PFL fund is designed to provide employees who take an unpaid leave of absence from work with a wage supplement for up to six weeks within a rolling 12-month period.

To determine eligibility for PFL benefits, an employee must apply for PFL benefits through the EDD. The EDD, not the Company, decides whether an employee is eligible for PFL benefits. PFL benefits apply to employees who take an unpaid leave of absence from work for one of the following reasons:

1. The birth or placement of a child for adoption or foster care; or
2. To care for an immediate family member (child, parent, spouse, domestic partner or child of a domestic partner, grandparent, grandchild, sibling or parent-in-law) who is seriously ill and requires care.

Under the law, an employee must provide certification to the EDD of the need for the leave. Employees applying for PFL benefits must also provide the appropriate certifications and notices required by the Company for the specific leave that the employee wishes to take, for example, e.g., personal leave or family leave.

In some instances, PFL benefits may be coordinated and run concurrently with an otherwise authorized leave of absence. In such circumstances, the use of PFL benefits and/or paid time off during the leave period will not extend the length of the leave beyond what is required by applicable law and/or allowed by Acapulco Taqueria, Inc. policy.

Paid Family Leave does not provide employees with a protected leave of absence. Rather, Paid Family Leave provides only partial wage replacement benefits when an employee has been approved for a leave of absence. In order to obtain approval for leave of absence for the reasons set forth above, the employee must contact the Company's Human Resources Department. Leave to care for certain family members may be covered by applicable law for certain eligible employees. Leave that is not covered by applicable law may or may not be approved by the Company, in the Company's sole discretion. Nothing in this policy guarantees that the Company will provide additional leaves of absence other than those already required by applicable law. For further information about such matters, refer to the applicable policies set forth in the employee handbook.

Employee benefits, including health insurance (assuming the employee is covered), do not continue during a use of PFL unless otherwise required by law and/or applicable Acapulco Taqueria, Inc. policies. As appropriate, you will receive separate information about your right to continue your health care insurance under COBRA.

Any information provided by employees about PFL Leave will be kept confidential. Fraud or dishonesty in connection with an application for or use of PFL benefits will be reported to the EDD and may result in immediate disciplinary action up to and including termination.

#### M. **BENEFIT ELIGIBILITY**

Only employees who work a minimum of thirty (30) hours per week will be considered full-time employees. Only full-time employees are eligible for the Health Insurance benefits described in this handbook. The Company retains the sole discretion to determine issues of eligibility or interpretation of the terms and provision of all company benefit programs.

Acapulco Taqueria, Inc. reserves the right to cancel or change the benefits it offers to its employees.

Company-sponsored benefits are governed by the Plan Document of each plan in effect at that time. Should conflict exist between the Employee Handbook and the Plan Document, the Plan Document will prevail.

N. **EMPLOYEE BENEFITS**

1. **Insurance**

Acapulco Taqueria, Inc. is pleased to provide group medical insurance to all its full-time employees. Employees who work a minimum of thirty (30) hours per week are considered full-time employees. The company retains the sole discretion to determine issues of eligibility or interpretation of the terms and provisions of all company benefits programs, and reserves the right to cancel or change the benefits it offers to its employees. Company-sponsored benefits are governed by the insurance company's Plan Document of each plan in effect at the time. Provisions of this Plan Document prevail in case of conflict. All information concerning eligibility for this insurance coverage is available in the Company office.

**Employer Contribution**

Following is the employer contribution schedule:

**Regular, full-time employees**

Employer pays 50% of base plan premium. Employee pays 100% of spouse and /or dependent coverage.

2. **Holidays - (Regular full-time employees only)**

Acapulco Taqueria, Inc. does not provide paid holidays to all employees at the present time.

3. **Paid Sick Leave**

Acapulco Taqueria, Inc. recognizes that employees may need time away from work. This time away may be due to various reasons, including for the employee's own illness, a family member's illness, or if the employee is a victim of domestic violence, sexual assault or stalking. As a result, the Company provides Paid Sick and Safe Time ("PSST") to employees each year in recognition of that need. Acapulco Taqueria, Inc. recognizes that employees may need time away from work. This time away may be due to various reasons, including for the employee's own illness, a family member's illness, or if the employee is a victim of domestic violence, sexual assault or stalking. As a result, the Company provides Paid Sick and Safe Time ("PSST") to employees each year in recognition of that need.

## **Eligibility**

All employees (full-time, part-time, temporary or seasonal employees) who perform work in California will be eligible to accrue PSST as of July 1, 2015 or as of their date of hire, whichever is later. However, an employee must have completed 90 days of employment with the Company before using any PSST.

## **Definitions**

*Family member:* The employee's current spouse, child or individual for which the associate stands *in loco parentis*, legal guardian or ward, parent, parent-in-law, sibling, grandparent, or grandchild. An employee's domestic partner (as defined by law), as well as the child of a registered domestic partner, are also considered an employee's family member. These familial relationships include not only biological relationships, but also relationships resulting from adoption, step-relationships, and foster care relationships.

*Regular rate of pay:* The regular rate of pay is the equivalent of the employee's hourly wage. For employees who have different hourly rates of pay or who are paid by commission or piece rate or who are nonexempt salaried employees, the PSST rate of pay is calculated in the same manner as the "regular rate of pay" for the workweek in which the employee uses paid sick time, regardless of whether the employee actually works overtime in that workweek.

*Safe time:* Employees may take safe time if the employee is a victim of domestic violence, sexual assault or stalking and time off is needed to attend to safety planning or other actions to assist the employee, such as judicial assistance, medical attention, counseling, etc.

*Sick time:* Employees may take sick time for themselves and their eligible family members to: (a) obtain medical treatment, preventative care, or diagnosis; (b) attend a medical or dental appointment; (c) attend to or provide care for a family member with a mental or physical illness; and/or (d) recover or recuperate from an injury or health condition.

## **Sick & Safe Time Accrual Schedule & Carryover**

Eligible employees are provided PSST each 12 month period measured from either July 1, or the date of hire whichever is applicable. PSST accrual begins as of July 1, 2015 or as of their date of hire, whichever is later, and is accrued each pay period at a rate of 1 hour for every 30 hours worked. For purposes of PSST, exempt employees are deemed to work 40 hours per workweek unless their normal workweek is less than 40 hours, in which case PSST accrues and is paid based on that normal workweek's schedule. Employees are eligible to take PSST once they have completed 90 days of employment.

Employees accrue up to a maximum number of PSST hours/days as follows: one hour for every thirty hours worked to a maximum 6 days or 48 hours. Once the employee reaches his/her maximum PSST accrual cap, no further PSST will accrue until the PSST bank falls below the cap. Any accrued, but unused, PSST hours may be carried over into a new year, up to a maximum six days or 48 hours of PSST.

Once the employee has used 24 hours or the equivalent of 3 days of PSST, whichever is greater, in an applicable 12 month period, the employee is not eligible to use any further PSST in that 12 month period.

Employees may cash out up to three days of PSST the end of their applicable 12 month period. The employee will only be able to cash out whatever portion of the 3 days or 24 hours of PSST they have **not used during the applicable 12 month period**. For example, if an employee only uses 1 day or 8 hours of PSST in their applicable 12 month period the employee could cash out 2 days or 16 hours of PSST. If an employee has used all three days or 24 hours available in their applicable 12 month period they will **not be eligible** to cash out any PSST. This cash out opportunity only applies at the end of a 12 month period and does allow an employee to cash out PSST at termination of their employment.

### **Requesting Paid Sick & Safe Time**

PSST may be used in increments of two hours or greater to cover all or just part of a work day. PSST benefits will be based on the employee's current regular rate of pay, as defined under this policy.

If the need for PSST use is foreseeable, an employee must provide reasonable advance notice to their supervisor of an absence from work. If the use of PSST is unforeseeable, an employee must provide notice to their supervisor of the need to use PSST as soon as practicable. In all circumstances, an employee is responsible for specifying that the time off is for PSST reasons, so that the absence may be designated as a PSST absence. Failure to obtain approval as soon as possible after determining the need to take PSST may result in discipline.

### **Separation from Employment & Rehire**

An employee who separates from employment with the Company will not be paid out unused PSST at separation. If an employee is rehired within one year of his/her separation from employment, the employee will receive back all accrued, but unused, PSST the employee had available at the time of separation and will be eligible to use that time as of the date of rehire.

### **Discrimination & Retaliation Prohibited**

The Company prohibits discrimination and/or retaliation against employees who request or use PSST for authorized circumstances protected by law or for making a complaint or informing a person about a suspected violation of the law. Likewise, the Company prohibits discrimination and/or retaliation for cooperating with officials in investigating claimed violations of the law, cooperating or participating in any investigation, administrative hearing or judicial action regarding an alleged violation, opposing any policy or practice that is prohibited by the law, or informing any person of his or her potential rights under the law.

#### **4. Bereavement Leave**

Acapulco Taqueria, Inc. allows unpaid bereavement leave of up to three (3) working days whenever there is a death in the employee's immediate family at the discretion of the employee's supervisor. Immediate family is defined as a spouse, child, parent, in-laws, brother and sister.

#### **5. Jury Duty**

An employee may take an unpaid leave of absence for jury duty. Employees who receive a jury summons must notify their supervisor immediately of the existence of this obligation so that arrangements may be made.

6. **Uniforms**

The Company does not provide uniforms for all employees. Aprons, mats, bar-mops, grill pads are laundered at the Company's expense. It is important to realize that all employees reflect the image of the Company to both the community and the Company's customers. Servers, bar tenders, cashiers, cooks and personnel in general are expected to present a professional and business-like appearance at all times while on the job. This includes being neatly dressed with a clean, pressed uniform and shirttail tucked in. All employees are required to wear the uniform provided to them by the Company at all times while on the job.

7. **Other Benefits**

Acapulco Taqueria, Inc. pays into the following State and Federal programs on your behalf:

a. **Worker's Compensation Insurance**

Acapulco Taqueria, Inc. carries worker's compensation insurance to provide benefits in the event you incur a work related injury or illness. Compensation insurance pays 100% of medical expenses if you are hurt on the job. Injuries not reported immediately to your supervisor cannot be guaranteed coverage by the compensation insurance. Report your injury to your supervisor no matter how slight the injury may appear.

The law requires that the Company notify the workers' compensation insurance company of any concerns of false or fraudulent claims.

**Any person who makes or causes to be made any knowingly false or fraudulent material statement or material misrepresentation for the purpose of obtaining or denying workers' compensation benefits or payments is guilty of a felony.**

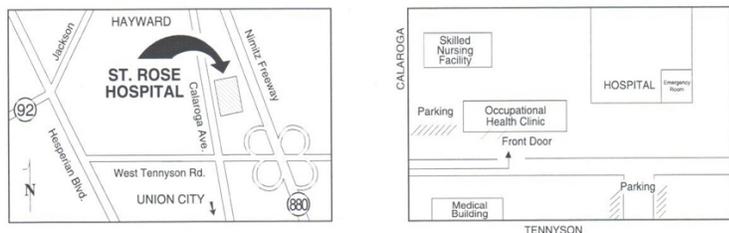
A violation of this law is punishable by imprisonment for 1-5 years or by a fine not to exceed \$50,000.00 or double the value of the fraud, whichever is greater or both. Additional civil penalties may also be assessed.

**Acceptance of employment with a different employer that requires the performance of activities that you have stated that you cannot perform because of the injury for which you are receiving temporary disability benefits could constitute fraud and could result in criminal prosecution. If convicted, you could lose your rights to workers' compensation benefits and face imprisonment for up to five (5) years and a fine of up to fifty thousand dollars (\$50,000.00) or double the amount of the fraud, whichever is greater.**

**In case of injury at work**

**Call your immediate supervisor: Lili 510-366-2310, Wendy 510-362-1671. Provide details of what happen: Who, What, How, where it happen etc. for reporting purposes.**

**All the work injuries are treated by the St. Rose Occupational Clinic (This is not St. Rose's emergency room). The service is much faster than the emergency room. They are located at 27200 Calaroga Ave, Hayward CA 94545**



**b. State Unemployment Insurance**

All workers are covered by unemployment insurance. Acapulco Taqueria, Inc. pays the cost of unemployment insurance to provide you with a weekly income when you are out of work through no fault of your own. Claims may be filed with the local Employment Development Department.

**c. Social Security (FICA)**

Acapulco Taqueria, Inc. will pay your social security account an amount equal to the FICA deducted from your paycheck. All employees are eligible for United States Social Security retirement benefits. You become eligible for some benefits at age 62 and can receive full benefits at your normal retirement age as defined by the U.S. Government.

**O. TERMINATIONS, LAYOFFS AND RECALLS**

If an employee is terminated, quits, or is laid off and later reappplies and is accepted, he or she will be treated like a new employee and will have to again start their accrual of time.

To conform to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), if an employee was covered by the Company health plan, the Company will make available, at the employee's request upon termination, continued insurance coverage at the employee's expense.

Layoffs and recalls will be made based on the needs of the Company, the skill set of the employees involved and the affected employee's overall job performance, including their ability, attendance and production. If an employee is laid off they will not accrue benefits during the layoff period.

**P. SAFETY**

Your safety is a major concern to Acapulco Taqueria, Inc. The Company feels that a clean, safe, and healthy environment should be provided for all employees. Every reasonable precaution is taken to provide you with a safe place to work. Accident prevention, however, is largely an individual responsibility and employees are expected to do their part to work safely.

The following guidelines should be observed:

1. Study your job and the possible hazards. If you are uncertain as to the safest way of doing the job, ask your supervisor before you begin.
2. The Company will supply safety equipment whenever it is needed. You must, at all times, wear required safety equipment and observe all posted rules and regulations.
3. If you become ill or are injured on the job, tell your supervisor at once. In order to receive prompt insurance coverage, an injury report must be filled out. If you think you need medical attention, inform the supervisor. The supervisor will have a list of available doctors and medical facilities in the area.
4. Report any defective equipment or possible hazardous condition to your supervisor.
5. Feel free to make any safety suggestions.
6. Employees are also required to review the Company's Injury and Illness Prevention Program (IIPP) and be familiar with its contents.

Q. **HOUSEKEEPING**

All employees are expected to assist in the general housekeeping around the office/plant.

R. **STANDARDS OF CONDUCT**

The Company expects employees to observe a standard of conduct which will maintain an orderly, positive and productive workplace. Such a standard of conduct will benefit and protect both the Company and all employees.

Behavior that violates this standard of conduct will subject employees to discipline up to and including suspension without pay or discharge.

The listing of the following unlawful actions, improper actions and work standards rules does not in any way detract from or alter the right of the Company or the employee to terminate the employment relationship at any time, with or without notice, with or without cause. Also the Company retains the right to demote, transfer, change job duties, and change compensation at any time with or without notice and with or without cause in its sole discretion.

The disciplinary action used to maintain the standards of conduct will be determined in light of the facts and circumstances of each individual case. Each incident will be considered in light of a variety of factors, including:

1. The seriousness of the incident and the circumstances;
2. The employee's past conduct;

3. The nature of any previous incidents; and,
4. The general practice as it relates to the incident.

Although not conclusive, the following list represents kinds of behavior that will be considered improper and unacceptable in the workplace, and may subject employees to the above mentioned discipline:

1. **Unlawful Actions:**

- (a) Stealing private or Company property;
- (b) Gambling on Company property;
- (c) Willful destruction or defacement of private or Company property;
- (d) Possession, sale, use or being under the influence of illicit drugs on Company property or during working hours. If an employee must use a prescription drug which may impact their ability to safely perform their work during working hours, written authorization from their doctor must be given to their supervisor;
- (e) Violation of traffic or parking regulations while using Company or customer vehicles. Also, failure to properly report any type of accident involving a Company or customer vehicle.

2. **Improper Behavior:**

- (a) Falsification or misrepresentation of information on any Company form, i.e., time cards, application, Company and personnel records;
- (b) Possession, use or being under the influence of alcohol on Company property during working hours;
- (c) Fighting on Company property;
- (d) Immoral or indecent conduct on Company property;
- (e) Sleeping during work time;
- (f) Threats, intimidation including using obscene, abusive or threatening language to any Company employees or members of the public;
- (g) Carrying or bringing a weapon or concealed weapon to work including: bringing any type of concealed weapon in a personal or Company vehicle used for Company business; bringing weapons of any kind onto any Company property or work site.
- (h) Disorderly conduct such as practical jokes, horseplay, etc.
- (i) Making defamatory or false statements detrimental to the facility's operation or good standing in the community.

3. **Work Standards:**

- (a) Disregarding instruction of supervisor or proper authority;

- (b) Failure to be courteous and polite at all times to other employees and customers;
- (c) Failure to notify your supervisor one (1) hour prior to the beginning of a shift that you will not be reporting to work;
- (d) Leaving work area, job assignment or department during working hours without proper authorization;
- (e) Failure to observe work schedules including rest and lunch periods;
- (f) Failure to observe safety rules and regulations;
- (g) Contributing to unsanitary conditions or poor housekeeping;
- (h) Inefficiency, lack of productive effort or other unsatisfactory work performance;
- (i) Unauthorized use of Company time, materials or equipment for personal activities;
- (j) Unsuitable or improper attire for the work situation;
- (k) Failure to report for work without any notification to your supervisor for even one (1) day. Failure to report to work for three (3) consecutive working days without proper authorization. Employees failing to provide this notice will be considered to have voluntarily terminated their employment;
- (l) Excessive number of absences or tardiness;
- (m) Smoking in areas not designated for smoking; (Only cigarette smoking is permitted.)
- (n) Company vehicles are only to be used for Company business, commuting to and from work and occasional local use. Any other personal use of a Company vehicle, including travel outside the Company working area, is strictly prohibited.
- (o) Being on the premises at unauthorized times without proper reason or loitering before and after shifts.
- (p) Adding personal software to Company computers without prior written authorization is strictly prohibited.

S. **ELECTRONIC COMMUNICATIONS USAGE**

Electronic mail and other electronic communications are considered an integral part of the corporate working environment. The following types of electronic communications are the property of Acapulco Taqueria, Inc.:

- Telephones, cellular phones & voicemail facilities

- E-mail/instant messaging accounts
- Fax machines, modems, and servers
- Company-supplied computers
- Network tools such as internet access

This policy applies to (a) all electronic resources owned or leased by the Company, and (b) all activities using any Company-paid accounts, subscriptions, or other technical services, such as Internet access, cell phone service, voice mail service, and e-mail/instant messaging (collectively “electronic communication systems”). This policy applies whether or not the activities are conducted from Company premises.

All messages composed, or information sent or received through the electronic communication systems are and remain the property of the Company. They are NOT the private property of any employee, and should not be considered private. Acapulco Taqueria, Inc. reserves and intends to exercise the right to review, audit, intercept, access, print, read and disclose all messages created, received or sent over the electronic communication systems for any purpose. Please note that even when a message is deleted, it is still possible to recreate the message; therefore, ultimate privacy of messages cannot be guaranteed to anyone.

Employees are not to use a password, access a file, or retrieve any stored communication without authorization. Passwords must be made known to the company as your system may need to be accessed by the company when you are absent. The reliability of passwords for maintaining confidentiality cannot be guaranteed. You must assume that any and all messages may be read by someone other than the intended or designated recipient.

Employees are prohibited from disclosing their voice or E-mail access password(s), or those of any other employee, to anyone who is not an employee of the Acapulco Taqueria, Inc. Disclosure of passwords to other employees only should occur when required by an urgent business matter as directed by management. In such cases, passwords should be changed as soon as possible after the urgent business matter has been resolved. Passwords never should be given out over the phone, included in voice or E-mail/instant message, messages posted, or kept within public view.

The use of the electronic communication systems is reserved solely for the conduct of business of the Company. It is NOT intended to be used for personal business. Employees accessing the Internet, the Company’s Intranet or World Wide Web represents the Company when doing so. Accordingly, all such communications should be for professional, business reasons. Each employee is responsible for ensuring that he or she uses his or her Internet access privilege in an effective, responsible, ethical and lawful manner. Employees should not use the Company’s electronic communication systems to access social media including, but not limited to, MySpace, Facebook, Twitter, or YouTube.

The electronic communication systems shall not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or other confidential materials without prior authorization. The Company purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, the Company does not have the right to reproduce such software for use on more than one computer.

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

All electronic communications shall comply with the Equal Employment Opportunity and Discrimination Policy, Policy against Harassment, and the Solicitation/Distribution Policy. In no circumstance are the electronic communication systems to be used to create any offensive or disruptive messages, or any message that might constitute (or indicate the condoning or encouragement of) harassment, lewd, illicit or illegal activities. Among those which are considered offensive, are any messages which contain sexual implications, racial slurs, gender specific comments, or any other comment that offensively addresses someone's age, sexual orientation, religious or political beliefs, national origin or disability. The electronic communication systems may not be used to solicit for commercial ventures, religious or political causes, outside organizations, or other non-job-related solicitations. Employees learning of any misuse of the voicemail/e-mail/instant messaging system or violations of this policy shall notify the Human Resource Department.

Due to concerns regarding the potential for invasion of privacy, sexual or other harassment, and protection of proprietary or confidential information, employees may not use any audio or video recording devices while on working time. Employees also may not use any audio or video recordings in work areas that Acapulco Taqueria, Inc. has identified as confidential, secure or private, unless the employee is engaged in protected activity related to improving the terms and conditions of his/her employment, such as documenting health and safety issues.

Employees may access only messages, files or programs, whether computerized or not, that they have permission to enter. Exceeding authorized access to confidential information and unauthorized review, duplication, dissemination, removal, damage or alteration of files, passwords, computer systems, data bases or programs, voicemail messages or other property of the Company, or improper use of information obtained by unauthorized means, will be grounds for disciplinary action, up to and including termination and may result in criminal prosecution under state and federal law, including the Computer Fraud and Abuse Act.

All electronic communication systems are to be used in a commercially reasonable fashion. No Company-wide e-mails, instant messaging, voice messages, or faxes are to be initiated unless a business necessity exists.

Violation of the electronic communications policy will result in disciplinary action, up to and including immediate termination, and may result in criminal prosecution under state and federal law.

#### T. **SOCIAL MEDIA POLICY**

Acapulco Taqueria, Inc. (the "Company") recognizes that many employees engage in "social media activity" while off duty. This Social Media Policy (the "Policy") provides guidance on responsible social media activity by employees. This Policy does not and cannot cover every possible social media activity. If you are unsure how this Policy may apply to your social media activity, please contact your manager or your representative from the Human Resources Department. For purposes of this Policy, social media activity includes all

types of postings on the Internet, including but not limited to, postings on social networking sites (such as Facebook, LinkedIn, and Tumblr); blogs and other on-line journals and diaries; bulletin boards and chat rooms; microblogging, such as Twitter; and postings of video or audio on media-sharing sites, such as YouTube or Flickr. “Social media activity” also includes permitting, or failing to remove, posts by others where the employee can control the content of posts, such as on a personal page or blog.

**Application:** This Social Media Policy applies to all employees. This Policy applies to social media activity that relates in any way to the Company’s business, employees, customers, vendors, or competitors or that identifies an employee’s affiliation with the Company (other than as an incidental mention of place of employment in personal social media activity unrelated to the Company).

- **Scope:** This Policy applies to social media activity when on or off duty, while using the Company’s or personal electronic resources, and whether or not the employee posts anonymously or using a pseudonym. Unless specifically authorized, employees are prohibited from using the Company’s electronic resources to engage in social media activity or from otherwise engaging in social media activity during working time.

### **Social Media Guidelines**

The Company values its established brand reputation and good will relationships. These are important corporate assets. When you engage in social media activity that identifies you as a Company employee, or in any way relates to the Company, you should bear that in mind and follow the guidelines listed below:

- Your social media activity is subject to all pertinent Company’s policies, including, but not limited to, the Equal Employment Opportunity and Discrimination Policy, Electronic Communications Usage Policy, Confidential Files and Information Policy, Policy against Harassment, Policy Regarding Property, Privacy and other personal conduct policies.
- Unless you have received prior authorization from CEO or Human Resources, you should not represent or suggest in any social media content that you are authorized to speak on the Company’s behalf, or that the Company has reviewed or approved your content. If that will not be obvious from the content, you should specifically state, “*The views expressed in this post are my own. They have not been reviewed or approved by Acapulco Taqueria, Inc.*”
- The Federal Trade Commission requires that endorsements be truthful and not deceptive. If your social media activity endorses the Company’s products or services, *i.e.*, expresses opinions, beliefs, findings or experiences concerning the Company’s products or services, you must disclose your name and position with the Company. Unless the Company has approved any such endorsement in writing and in advance, you should specifically state, “*The views expressed in this post are my own. They have not been reviewed or approved by Acapulco Taqueria, Inc.*”

- You should consider using available privacy filters or settings to block supervisors, customers, vendors or competitors who may have access to your social media activity any overly personal information about you.
- You should not post content about the Company, management, co-workers or customers that is vulgar, obscene, threatening, intimidating, defamatory, harassing, or a violation of the Company's policies against discrimination, harassment, or hostility on account of age, race, religion, sex, ethnicity, nationality, disability, or other protected class, status, or characteristic. You should not make knowingly false statements about the Company's products or services, or the products or services of its customers, vendors or competitors.
- You should not use the Company's logo, trademark or proprietary graphics without the express prior authorization of CEO. You should not use the Company's logo, trademark or proprietary graphics (collectively, intellectual property or "IP") for any commercial purpose, such as selling or advertising any product or service, without the Company's prior written consent. You should not use the Company's IP in any posting unrelated to the terms or conditions of your employment that disparages the Company's brand, products or services. You should not use the Company's IP in a way which suggests that you are representing the Company or while engaging in conduct that violates Company policy.
- You should not disclose, or post images or video of, any of the Company's trade secrets or confidential business information or of any confidential business processes. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Confidential business information may include internal reports, policies, procedures; business plans and product-launch dates; health/financial information of patients/customers; the Company's attorney-client communications or other internal business-related confidential communications.
- You should not post images or video of the Company's employees, customers, vendors or competitors that would be discriminatory, harassing, threatening, vulgar, obscene or similarly inappropriate or offensive.
- To reduce the risk of identity theft, stalking, and similar criminal conduct, you should not disclose personally identifying information (such as personal contact information contained in the Company's files, Social Security numbers, credit or debit card numbers or financial account numbers) of the Company's employees, customers, vendors or competitors. You should not mention customers, vendors or competitors in your social media activity without the Company's written approval.
- To ensure that the Company communicates with the media in a consistent, timely and professional manner about matters related to the Company, you should speak to your manager and the Human Resources Department before

responding to any inquiry from a journalist or the news media about your social media activity related to the Company.

- Anyone concerned about social media activity relating to the Company that may require a response may contact the main office as a resource.

The following guidelines also apply to your social media activity:

- Managers should avoid situations that may compromise their ability to lead or make objective management decisions or that might undermine the culture within the location(s); keep this in mind when making or responding to friend requests. Any employee may reject a friend request from any other employee without fear of retaliation.
- Employees may not use Company-sponsored sites to solicit for or promote personal businesses or any organization, including but not limited to outside business ventures, charities, political campaigns, religious groups, or other membership organizations.
- Employees may not use their Company e-mail address to register for any social media account or site, or as an identifier needed to participate in any social media activity, except to engage in social media activity authorized by the Company and for the Company's business purposes. Employees may reference the Company as their employer and include business contact information on social and professional networking sites only, such as LinkedIn and Facebook.
- Employees should use only approved social media channels — and not personal social media sites or pages — to conduct Company business. Without prior Company approval, social media should not be used to arrange business meetings, communicate with customers about specific transactions, or to search for information about current or prospective employees for purposes of making an employment decision.
- All requests for references or recommendations received through social media activity must be handled in accordance with the Company's policy on responding to these requests.
- Company has the right to request, in its sole and absolute discretion, that employees temporarily confine their social media activity to matters unrelated to Company if the Company determines this is necessary to ensure compliance with securities regulations or other laws.

### **Addressing Concerns**

Experience demonstrates that you are more likely to resolve concerns about work by speaking directly with your co-workers, supervisor or other management-level personnel or by contacting the Company's Human Resources, than by posting them on the Internet. Nevertheless, if you decide to express concerns in social media, avoid using any content that reasonably could be viewed as malicious, obscene, threatening or intimidating; that disparages employees, customers, or vendors; or that might constitute harassment or bullying.

## **Retaliation**

Acapulco Taqueria, Inc. prohibits taking adverse action against any employee for reporting a possible violation of this Policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible violation of this Policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination of employment.

## **Enforcement**

If you need clarification of any aspect of this policy, contact the main office.

The Company will, in its discretion, review social media activity to the fullest extent permitted by applicable law. If you engage in social media activity anonymously or using a pseudonym, which violates this Policy, the Company will, in appropriate circumstances, take steps to determine your identity.

Employees are solely responsible for their social media activity and will be held accountable for violating this Policy. Failure to comply with this Policy may lead to discipline, up to and including termination of employment, and if appropriate, the Company will pursue all available legal remedies. The Company also may report suspected unlawful conduct to appropriate law enforcement authorities. The Company will not construe or apply this Policy in a manner that improperly interferes with employees' legally protected social media discussions regarding wages, hours, or working conditions.

## U. **WORKPLACE VIOLENCE**

Violence by an employee or anyone else against an employee, supervisor or member of management will not be tolerated. The purpose of this policy is to minimize the potential risk of personal injuries to employees at work and to reduce the possibility of damage to corporate property in the event that someone, for whatever reason, may be unhappy with a corporate decision or action by an employee or member of management.

If you receive or overhear any threatening communications from an employee or outside third party, report it to your supervisor at once. Do not engage in either physical or verbal confrontation with a potentially violent individual. If you encounter an individual who is threatening immediate harm to an employee or visitor to our premises, contact an emergency agency (such as 911) immediately.

All reports of work-related threats will be kept confidential to the extent possible, investigated and documented. Employees are encouraged to report and participate in an investigation of any suspected or actual cases of workplace violence. Your failure to report or fully cooperate in the corporation's investigation could result in discipline.

Violations of this policy will not be permitted and may result in disciplinary action up to and including termination.

## V. **DEDICATION OF SERVICES**

Employee agrees that while Employee is employed by the Company, during the Company's normal business hours, Employee shall devote Employee's entire productive time, ability and attention to the business of the Company. The Employee further agrees that during

the period of employment by the Company, Employee will not, without the Company's prior written consent, directly or indirectly engage in any employment, consulting, or other activity which would conflict with Employee's employment obligations to the Company.

**W. CONFLICT OF INTEREST**

Acapulco Taqueria, Inc. demands all employees maintain the highest level of integrity and objectivity in performing their job duties. Employees are expected to conduct their business dealings with suppliers, vendors and customers in a manner that will avoid any conflict of interest, or appearance of a conflict of interest between the employee's interests and the interest of the Company. Any solicitation of, or requirement of, gratuities or gifts from suppliers, vendors, co-workers or from any other third party is strictly prohibited.

It is essential for the protection of both the employee and Acapulco Taqueria, Inc. to avoid any situations which might constitute a conflict of interest, such as employment by or financial interest in the business of a competitor, supplier, or customer of Acapulco Taqueria, Inc. Therefore, Acapulco Taqueria, Inc. has adopted the following guidelines:

A. As a condition of employment, no employee or any member of employee's immediate family, without prior written consent of the CEO may have any financial interest in any of the following:

1. A business supplying Acapulco Taqueria, Inc.;
2. A customer of Acapulco Taqueria, Inc.; or
3. A competitor of Acapulco Taqueria, Inc.

B. Acapulco Taqueria, Inc. will not rent, lease or buy other property for its operations from an employee or an employee's relative without the prior written consent of the CEO.

C. An employee may not do business with a relative on behalf of Acapulco Taqueria, Inc. without prior written consent of the CEO.

D. An employee may not give or accept a gift, loan or unreasonable favors from a person having business relations with Acapulco Taqueria, Inc. This does not prohibit small gifts or casual entertainment which are ethically proper. If a person offers an employee a gift or unreasonable favor, the employee has a duty to immediately report the incident to the CEO or the Human Resources Department. Any employee who is involved in a conflict of interest or breach of confidentiality will be subject to disciplinary action up to and including termination.

**X. CONFIDENTIAL FILES AND INFORMATION**

As an employee of Acapulco Taqueria, Inc. you represent Acapulco Taqueria, Inc. to those with whom you come in contact on both a personal and business level. Therefore, your conduct should be such that it will reflect favorably on you and the organization.

Careful custody and handling of Acapulco Taqueria, Inc. documents or materials containing confidential information are of critical importance to the well-being of Acapulco Taqueria, Inc. Each employee is responsible for safeguarding against the theft, loss, unauthorized use or disclosure of this information. Therefore, if in the course of your work you

have access to such material, you must take whatever steps are necessary to assure that it is handled, stored, transmitted or destroyed in a manner which will preclude loss or misuse. Such material may not be copied without the express consent of the originator. As more fully set forth in the Electronic Communications Usage policy, exceeding authorized access to Company confidential information, computer systems and data bases will be grounds for disciplinary action, up to and including termination, and may result in criminal prosecution under state and federal law, including the Computer Fraud and Abuse Act.

Some common confidential matters are:

1. Employee names, addresses and telephone numbers.
2. Employee salaries, performance reviews, and personnel files.
3. Company expenses and financial data.
4. Marketing and sales data and plans.
5. New service developments.
6. Company clients.
7. Anything marked “Confidential”, “Company Private”, “Secret”, “Personal”, etc. Such private and confidential information should be given only to those persons in Acapulco Taqueria, Inc. who have a need and authority to know in order to function in their jobs. For everyone else, inside or outside Acapulco Taqueria, Inc., confidential means confidential.
8. Databases, processes, personnel information, future projects & projections.

No information WHATSOEVER is to be given by any Employee over the telephone to any person without prior approval. If a call is suspect, it should be routed or reported immediately to the CEO. In addition, no information is to be given to a person soliciting information in person. Again, the CEO should be notified immediately.

Employees who use cell phones, cordless phones, portable computers, and facsimile machines should not use these methods for communicating confidential or sensitive information or any trade secret or proprietary information. Employees are not to use their cell or video phones to take unauthorized photographs or videos of proprietary, trade secret or confidential information of Acapulco Taqueria, Inc.. Unauthorized disclosure of any information shall result in discipline up to and including termination.

All employees will also be required to sign the Company’s separate Confidentiality Agreement. The obligations to maintain the confidentiality of the documents described in this section of the employee handbook, also apply to employees after the termination of their employment.

#### Y. **POLICY AGAINST HARASSMENT**

Acapulco Taqueria, Inc. is committed to providing a work environment free of unlawful harassment. Company policy prohibits harassment because of sex (which includes sexual harassment, gender harassment and harassment due to pregnancy, childbirth,

breastfeeding or related medical conditions) and harassment because of race, religion (including religious dress and grooming practices), color, national origin or ancestry, physical or mental disability, medical condition, marital status, military and veteran status, age, sexual orientation or any other basis protected by federal, state, or local law, ordinance or regulation. ALL SUCH HARASSMENT IS UNLAWFUL.

Acapulco Taqueria, Inc.'s anti-harassment policy applies to all persons involved in the operation of Acapulco Taqueria, Inc. and prohibits unlawful harassment by any employee of Acapulco Taqueria, Inc., including supervisors and co-workers. Acapulco Taqueria, Inc.'s policy also prohibits harassment of employees by non-employees.

Acapulco Taqueria, Inc. will make every effort to maintain the confidentiality of reported violations of this policy. Certain disclosures are necessary as a part of the investigation process, but will be on a need to know basis only.

This policy also applies to independent contractors working with the Company. Any independent contractor who feels they have been subject to harassment in violation of this policy should immediately report the violation to CEO or the Human Resources Department.

Prohibited unlawful harassment because of sex (sexual harassment, gender harassment and harassment due to pregnancy, childbirth or related medical conditions), race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other protected basis includes, but is not limited to, the following behavior:

- a. Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments, gossiping about other employees;
- b. Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- c. Physical conduct such as assault, unwanted touching, kissing, encroachment of personal space, blocking normal movement or interfering with work because of sex, race or any other protected basis;
- d. Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors;
- e. Threats and intimidation that include physical acts or verbal threats of assault that threaten other co-worker's sense of safety in the work environment; and
- f. Retaliation for having reported or threatened to report harassment.

The Company prohibits use of the computers, e-mail system, voice mail system, cell and video phones and any other electronic media in ways which are offensive to others, or are otherwise discriminatory, harassing or obscene, or for any other purpose which is illegal, against company policy or not in the best interest of the Company. For example, the display or transmission of sexually explicit images, jokes, messages, and cartoons is prohibited. Other such misuse of electronic media includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment, discrimination or showing disrespect for

others. Any such use of the computers, e-mail system, voice mail system or other electronic media will be considered a violation of the Company Policy against Harassment.

If any employee believes that he or she is the victim of any type of harassment, including sexual harassment, that employee should immediately report the incident to an immediate supervisor. If the immediate supervisor is involved in the reported conduct, or, if for some reason the employee feels uncomfortable about making a report to that level, the report should be made to the Human Resource Department, Supervisor or the CEO. Acapulco Taqueria, Inc. will promptly and clearly inform the employee of his or her rights to assistance and how to protect and preserve those rights.

Acapulco Taqueria, Inc. will fully and effectively investigate any such report and will take whatever corrective action is deemed necessary, including disciplining or discharging any individual who is believed to have violated this prohibition against harassment. The complaining employee will be informed of the action taken. Acapulco Taqueria, Inc. will also take action to protect the complaining employee and to prevent further harassment or retaliation. Finally, the complainant will be made whole, to the extent possible, for his or her losses.

Acapulco Taqueria, Inc. clearly does not tolerate harassment on the basis of any of the categories discussed in this policy and will take appropriate disciplinary action whenever such harassment is demonstrated. Any individuals including co-workers and supervisors engaging in such conduct contrary to Company policy may be personally liable in any legal action brought against them.

Acapulco Taqueria, Inc. does not consider conduct in violation of this policy to be within the course and scope of employment or the direct consequence of the discharge of one's duties. Accordingly, to the extent permitted by law, the Company reserves the right not to provide a defense or pay damages assessed against an employee for conduct in violation of this policy.

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

#### Z. **DATING**

In order to promote the efficient operation of the company's business, to facilitate the legitimate business concerns of the Acapulco Taqueria, Inc., and to avoid misunderstandings, complaints of favoritism, other problems of supervision, security, and morale, and possible claims of sexual harassment, all employees are forbidden to date or pursue romantic and/or sexual relationships with employees whom they supervise, either directly or indirectly. If an issue develops in this regard you need to notify your immediate supervisor immediately. Employees who violate this guideline will be subject to discipline, up to and including termination of employment.

#### AA. **MOONLIGHTING**

Acapulco Taqueria, Inc. discourages its employees from holding a second job. Acapulco Taqueria, Inc. asks that you think seriously about the effects that such extra work may have on the limits of your endurance, overall personal health and effectiveness with the Company. Acapulco Taqueria, Inc. 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 additional earnings are necessary, Acapulco Taqueria, Inc. will consider you for over-load work in other areas of the company if at all possible.

**BB. HIRING OF RELATIVES**

The Company will handle the hiring of relatives on a case to case basis, where actual or potential problems may arise regarding supervision, security, safety, or morale, or where potential conflicts of interest exist. "Relatives" are defined to include spouses, children, siblings, parents, in-laws and step-relatives.

Relatives of employees may be eligible for employment with the Company only if individuals involved do not work in a direct supervisory relationship, or in job positions in which a conflict of interest could arise. "Relatives" are defined to include spouses, children, siblings, parents, in-laws and step-relatives. Present employees who marry will be permitted to continue working in the job position held only if they do not work in direct supervisory relationship with one another or in job positions involving conflict of interest. If such a conflict does arise the Company will consider whether reasonable accommodations can be made to eliminate the actual or potential problems.

**CC. COMMUNICATIONS WITH YOUR SUPERVISOR**

Acapulco Taqueria, Inc. believes that the success and strength of any company and the progress and well-being of its individual employees depend in a large measure upon an open and responsive system of communication fostering an effective and mutually beneficial exchange of ideas.

In your supervisor's day-to-day contact with you, he/she will attempt to keep you informed on Acapulco Taqueria, Inc. matters relevant to your work and also bring to the attention of management those problems and areas of concern and interest which may affect, directly or indirectly, the relationship between you and Acapulco Taqueria, Inc.. Therefore, in order to maintain a meaningful dialogue, the communications between you, your supervisor, and Acapulco Taqueria, Inc. must be candid and free-flowing, responsive to mutual concerns and sensitive to both personal and Acapulco Taqueria, Inc. goals and objectives. Your cooperation in making this a success is crucial.

**DD. SOLICITATION/DISTRIBUTION**

The non-solicitation, non-distribution policy is intended to protect the interests of both Acapulco Taqueria, Inc. and its employees.

No employee shall solicit or promote support for any cause or organization during his or her working time or during the working time of the employee or employees at whom such activity is directed.

No employee shall distribute or circulate any written or printed material in work areas at any time, or during his or her working time or during the working time of the employee or employees at whom such activity is directed.

“Working time,” as used in this policy, excludes meals and break periods.

Acapulco Taqueria, Inc. will not discriminatorily enforce this rule. Specifically, this rule prohibits solicitation and distribution, at the times and places set forth above, for birthdays, retirements, private parties and/or other non-work related activities.

Violations of the non-solicitation/distribution policy should be reported at once to your supervisor.

#### EE. **POLICY REGARDING PROPERTY, PRIVACY AND SEARCHES**

Desks, storage areas, work areas, lockers, file cabinets, credenzas, computer systems, office telephones, modems, facsimile machines, duplicating machines and Acapulco Taqueria, Inc. vehicles are Acapulco Taqueria, Inc.’s property and must be maintained according to this policy. All such areas and items must be kept clean and are to be used only for work purposes, except as provided in this policy. Acapulco Taqueria, Inc. reserves the right, at all times, and without prior notice, to inspect and search any and all Acapulco Taqueria, Inc. property for the purpose of determining whether this policy or any other Acapulco Taqueria, Inc. policy has been violated, or whether such inspection and investigation is necessary for purposes of promoting safety in the workplace or compliance with state and federal laws. Such inspections may be conducted during or after business hours and in the presence or absence of the employee.

Acapulco Taqueria, Inc.’s computer systems and other technical resources, including any voice mail or E-mail systems, are provided for use in the pursuit of Acapulco Taqueria, Inc.’s business and are to be reviewed, monitored and used only in that pursuit, except as provided in this policy. As a result, computer data, voice mail and E-mail are readily available to numerous persons. If, during the course of your employment, you perform or transmit work on Acapulco Taqueria, Inc.’s computer systems or other technical resources, your work may be subject to the investigation, search and review of others in accordance with the Electronic Communications Usage policy.

Acapulco Taqueria, Inc. recognizes that employees may occasionally find it necessary to use Acapulco Taqueria, Inc.’s telephones for personal business. Such calls must be kept to a minimum and must be made only during break or meal periods. All personal, long distance telephone calls must be reported to Acapulco Taqueria, Inc. in a timely manner and charged to the employee who made the call.

Employees of Acapulco Taqueria, Inc. are otherwise permitted to use Acapulco Taqueria, Inc.’s equipment for occasional, non-Acapulco Taqueria, Inc. purposes with permission from their direct supervisors. Nevertheless, the employee has no right of privacy as to any information or file maintained in or on Acapulco Taqueria, Inc.’s property or transmitted or stored through Acapulco Taqueria, Inc.’s computer systems, voice mail, E-mail or other technical resources (see Electronic Communications Usage policy). All bills and other documentation related to the use of Acapulco Taqueria, Inc. equipment or property are the property of Acapulco

Taqueria, Inc. and may be reviewed and used for purposes that Acapulco Taqueria, Inc. considers appropriate.

The Company may install Global Positioning Systems (GPS) in the Company provided cell phones and in certain Acapulco Taqueria, Inc. vehicles. If a Company provided cell phone or vehicle has a GPS installed, the employee or employees using the cell phone or driving the vehicle will be notified of this fact. All employees using such cell phones or operating such vehicles will be required to sign an acknowledgement indicating they are aware the GPS system is in place in the Company cell phone or vehicle.

FF. **VIDEO SURVEILLANCE POLICY**

In response to possible workplace theft and other employee misconduct, the Company has installed video surveillance cameras in work areas, including but not limited to, storage areas, entrances, exits and other areas where employees work with cash or valuables.

If there is any reported incident of theft, trespass, workplace violence, employee misconduct or any type of safety violation (hereafter collectively referred to as “security incidents”), the Company will utilize its surveillance equipment as an investigatory tool. As well, the Company will make use of its surveillance equipment to deter any future security incidents.

The Company also reserves the right to actively monitor, through its surveillance cameras, any areas for safety reasons (to protect against failure, breakage, or accident) or confidentiality reasons (to protect documents or other proprietary information). Although the video surveillance policy is intended to monitor for security incidents and other safety reasons at the Company, it is possible that such surveillance may monitor activities not related to the Company’s business.

The Company respects the privacy of its employees. Accordingly, there will be no video cameras installed in the Company’s restrooms or in any changing areas.

The surveillance video cameras and any videotapes prepared from the surveillance are to be used solely for the purposes of this video surveillance policy. Any unauthorized use of these video cameras and/or videotapes is strictly forbidden and may result in discipline leading up to and including termination of employment.

EMPLOYEE RIGHTS AND RESPONSIBILITIES  
UNDER THE FAMILY AND MEDICAL LEAVE ACT

**Basic Leave Entitlement**

## EMPLOYEE RIGHTS AND RESPONSIBILITIES UNDER THE FAMILY AND MEDICAL LEAVE ACT

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- for incapacity due to pregnancy, prenatal medical care or child birth;
- to care for the employee's child after birth, or placement for adoption or foster care;
- to care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or
- for a serious health condition that makes the employee unable to perform the employee's job.

### **Military Family Leave Entitlements**

Eligible employees whose spouse, son, daughter, or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service-member during a single 12-month period. A covered service-member is (1) 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 in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness\*; or (2) a veteran, who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

**\*The FMLA definitions of "serious injury or illness" for current servicemembers and veterans are distinct from the FMLA definition of "serious health condition".**

### **Benefits and Protections**

During FMLA leave, the employer must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

### **Eligibility Requirements**

Employees are eligible if they have worked for a covered employer for at least 12 months, have 1,250 hours of service in the previous 12 months\*, and if at least 50 employees are employed by the employer within 75 miles.

**\*Special hours of service eligibility requirements apply to airline flight crew employees.**

### **Definition of Serious Health Condition**

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to

a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

### **Use of Leave**

An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

### **Substitution of Paid Leave for Unpaid Leave**

Employees may choose or employers may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer's normal paid leave policies.

### **Employee Responsibilities**

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

### **Employer Responsibilities**

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility.

Covered employers must inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA-protected, the employer must notify the employee.

### **Unlawful Acts by Employers**

FMLA makes it unlawful for any employer to:

- interfere with, restrain, or deny the exercise of any right provided under FMLA; and
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

### **Enforcement**

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

**FMLA section 109 (29 U.S.C. § 2619) requires FMLA covered employers to post the text of this notice. Regulation 29 C.F.R. § 825.300(a) may require additional disclosures.**

**For additional information:**  
1-866-4US-WAGE (1-866-487-9243) TTY: 1-877-889-5627  
[WWW.WAGEHOUR.DOL.GOV](http://WWW.WAGEHOUR.DOL.GOV)

U.S. Department of Labor | Wage and Hour Division

**AGREEMENT AND ACKNOWLEDGMENT  
OF RECEIPT OF EMPLOYEE HANDBOOK**

Employer and Employee agree that this Handbook exclusively sets forth the Company's employment policies and procedures and represents and expresses their complete agreement regarding the terms and conditions of employment. Employer and Employee further agree that none of these policies and procedures can be amended, modified or altered in any way by oral statements or in any other way, but can only be altered by written amendment signed by CEO of Acapulco Taqueria, Inc.

I hereby acknowledge receipt of the Employee Handbook for Acapulco Taqueria, Inc. I have thoroughly read and understand the Company policy and rules set forth in the Employee Handbook of Acapulco Taqueria, Inc. and agree to abide by them.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

**ACKNOWLEDGEMENT OF AT-WILL EMPLOYMENT**

I understand and agree that my employment may be terminated by Acapulco Taqueria, Inc. at any time, with or without cause, and with or without notice, at the option of either the Company or myself. I also understand and agree that the Company retains the right to demote, transfer, change my job duties, and change my compensation at any time with or without notice and with or without cause in its sole discretion. Employer and Employee further agree that this at-will employment policy cannot be amended, modified or altered in any way by oral statements or in any other way, and can only be altered by written amendment signed by CEO of Acapulco Taqueria, Inc.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

**EMPLOYEE ACKNOWLEDGMENT OF VIDEO SURVEILLANCE POLICY**

**AND GLOBAL POSITIONING SYSTEMS**

I have taken notice and read the Video Surveillance Policy and acknowledge and accept as a condition of employment the existence of video surveillance at Acapulco Taqueria, Inc. to maintain a safe work environment and general security.

**AND**

I am also aware that when I use a Company cell phone or drive Company vehicles that there may be Global Positioning Systems (GPS) installed in some of the vehicles or the cell phone.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee's Name (please print)

**Acapulco Taqueria, Inc.**  
**California Meal Period and Rest Period**  
**Premium Request/Authorization Form**

**DIRECTIONS: Insert date or if applicable date(s) if more than one meal or rest period was missed in the pay period.**

- Required to work through some or all of my first, 30-minute meal period on \_\_\_\_\_
- Required to take my meal period after the fifth hour in the workday on \_\_\_\_\_
- Required to work through some or all of my second, 30-minute meal period on \_\_\_\_\_
- Not authorized and permitted to take first rest period on \_\_\_\_\_
- Not authorized and permitted to take second rest period on \_\_\_\_\_
- Not authorized and permitted to take third rest period on \_\_\_\_\_
- Not authorized and permitted to take fourth rest period on \_\_\_\_\_<sup>1</sup>

\_\_\_\_\_  
Employee (print first/last name)                      Date

Employee ID No. \_\_\_\_\_

- Approved meal period premium                       Approved rest period premium

\_\_\_\_\_  
Supervisor    Date

**Submit approved form to Payroll Department**

<sup>1</sup> Another box should be added for a fourth rest period if employees will work longer than 14 hours.

**ACKNOWLEDGMENT OF RECEIPT OF MEAL**

**AND REST PERIOD POLICY**

I acknowledge that I have been provided with and understand the Acapulco Taqueria, Inc.'s California Meal and Rest Period Policy, and understand that it is effective immediately. I agree to comply with this Policy.

I acknowledge, understand, and agree that I must notify my supervisor immediately if I am required to work through some or all of a 30-minute meal period or a 10 minute rest period and should complete a premium form and submit it to my manager to ensure that I am properly compensated as provided in the policy set forth in the Company employee handbook.

I understand that I may be subject to disciplinary action, up to and including termination of employment, if I violate this Policy.

\_\_\_\_\_  
Employee Name (print)

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date



An extra section break has been inserted above this paragraph. Do not delete this section break if you plan to add text after the Table of Contents/Authorities. Deleting this break will cause Table of Contents/Authorities headers and footers to appear on any pages following the Table of Contents/Authorities.

## TABLE OF CONTENTS

PAGE

A.....INTRODUCTION .....	2
B.....EMPLOYMENT POLICY - AT WILL EMPLOYMENT .....	2
C.....EQUAL EMPLOYMENT OPPORTUNITY AND DISCRIMINATION POLICY 2	
D.....PERSONNEL AND MEDICAL RECORDS .....	4
E.....REQUIREMENTS FOR EMPLOYMENT .....	5
F.....DRUG AND ALCOHOL POLICY .....	6
G.....DRESS CODE .....	6
H.....HOURS OF WORK .....	7
1.....Normal .....	7
2.....Overtime .....	7
3.....California Meal and Rest Period Policy .....	7
4.....Off The Clock Work Policy .....	10
5.....Timekeeping Requirements .....	10
6.....Personal Calls .....	11
7.....Use Of Company Cell Phone While Driving.....	11
I.....PUNCTUALITY AND ATTENDANCE .....	11
J.....LEAVES OF ABSENCE .....	12
1.....General Provisions.....	12
2.....Personal Leave.....	12
3.....Family and Medical Leaves.....	13
4.....Pregnancy And Pregnancy Related Disabilities .....	18
5.....Workers' Compensation Disability Leave .....	21
6.....Domestic Violence Leave And Victims Of Sexual Assault And Stalking 22	
7.....Medical Leave Of Absence.....	23
8.....Leave For Victims Of Crime .....	24
9.....Family Military Leave .....	25
10.....Military Service .....	26
11.....School Activities.....	26
12.....Time Off For Bone Marrow Donation.....	27
13.....Time Off For Organ Donation .....	27
K.....TIME OFF FOR VOLUNTEER FIREFIGHTERS, RESERVE PEACE OFFICERS OR EMERGENCY RESCUE PERSONNEL.....	28
L.....PAID FAMILY LEAVE BENEFITS.....	28
M.....BENEFIT ELIGIBILITY.....	29
N.....EMPLOYEE BENEFITS .....	30
1.....Insurance.....	30
2.....Holidays - (Regular full-time employees only).....	30
3.....Paid Sick Leave .....	30

**TABLE OF CONTENTS**  
(CONTINUED)

**PAGE**

4.....Bereavement Leave .....	32
5.....Jury Duty .....	32
6.....Uniforms .....	32
7.....Other Benefits.....	32
O.....TERMINATIONS, LAYOFFS AND RECALLS .....	34
P.....SAFETY .....	34
Q.....HOUSEKEEPING.....	35
R.....STANDARDS OF CONDUCT .....	35
1.....Unlawful Actions:.....	36
2.....Improper Behavior:.....	36
3.....Work Standards:.....	37
S. ....ELECTRONIC COMMUNICATIONS USAGE .....	38
T. ....SOCIAL MEDIA POLICY.....	40
U.....WORKPLACE VIOLENCE .....	44
V.....DEDICATION OF SERVICES .....	44
W. ....CONFLICT OF INTEREST.....	44
X.....CONFIDENTIAL FILES AND INFORMATION .....	45
Y.....POLICY AGAINST HARASSMENT.....	46
Z. ....NO DATING.....	48
AA. ....MOONLIGHTING.....	48
BB. ....HIRING OF RELATIVES.....	49
CC. ....COMMUNICATIONS WITH YOUR SUPERVISOR.....	49
DD.....SOLICITATION/DISTRIBUTION .....	49
EE.....POLICY REGARDING PROPERTY, PRIVACY AND SEARCHES....	50
FF. ....VIDEO SURVEILLANCE POLICY.....	51

**FORMS**

**AGREEMENT AND ACKNOWLEDGEMENT**

**OF RECEIPT OF EMPLOYEE HANDBOOK**

**ACKNOWLEDGEMENT OF AT-WILL EMPLOYMENT**

**EMPLOYEE ACKNOWLEDGMENT OF VIDEO SURVEILLANCE POLICY**

**MEAL, REST & RECOVERY PERIOD PREMIUM AUTHORIZATION FORM**

**ACKNOWLEDGEMENT OF RECEIPT OF MEAL AND REST PERIOD POLICY**

Firmwide:136530331.1 042694.1002