

Efficient Home

EMPLOYEE HANDBOOK

Updated 9/30/11

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SECTION 1

INTRODUCTION

This Handbook is designed to acquaint you with Efficient Home and provide you with information about policies, procedures, benefits and working conditions affecting your employment.

The information contained in this Handbook applies to all employees of Efficient Home. Following the policies and procedures described in this Handbook is considered a condition of continued employment. However, nothing in this Handbook alters an employee's status. The contents of this Handbook shall not constitute nor be construed as a promise of employment or as a contract between the Company and any of its employees. The Handbook is a summary of our policies and procedures, which are presented here only as a matter of information.

You are responsible for reading, understanding, and complying with the provisions of this Handbook. Our objective is to provide you with a work environment that is constructive to both personal and professional growth.

1.1 CHANGES IN POLICY

This Handbook supersedes all previous employee manuals and memos that may have been issued from time to time on subjects covered in this Handbook. This handbook represents the most recent and comprehensive consolidation of all Company policies, procedures, practices and benefits for your convenience.

However, since our business and our organization are subject to change, we reserve the right to interpret, change, suspend, cancel, or dispute with or without notice all or any part of our policies, procedures, and benefits at any time. We will notify all employees of these changes. Changes will be effective on the dates determined by the Company, and after those dates all superseded policies will be null.

If you are uncertain about any policy or procedure, speak with your direct supervisor or Human Resources.

1.2 BUSINESS CODE OF ETHICS

Efficient Home is committed to maintaining the highest standards of integrity and quality of service to our customers and our employees. The Company conducts its business in strict compliance with applicable laws and regulations as well as upholding the highest ethical and professional standards.

We expect all employees to conduct themselves in a manner that is honest, fair, ethical, and with a sense of responsibility to our customers, suppliers and fellow employees. We are committed to creating an environment where employees are treated fairly and treat each other with respect, to

provide a safe and healthy work condition, and where employees are given the opportunity to grow and enhance their skills

In all transactions undertaken on behalf of the Company and in all personal activities that may affect the Company, all employees are required to obey all applicable laws and regulations, avoid conflicts of interest, honor the property rights and interests of the Company, customers and fellow employees, and always be aware of our moral and ethical responsibility.

If you encounter circumstances that call for an interpretation of this policy or any policy or issue discussed in this Handbook, consult with your manager or Human Resources.

1.3 EMPLOYMENT APPLICATIONS

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

1.4 PRE-EMPLOYMENT SCREENING

Efficient Home requires background checks, including driving records, reference checks and drug screens for all new hires. These checks/screenings may be required for continued employment based on business contract requirements.

1.5 JOB REQUIREMENTS

All positions at Efficient Home require the ability to communicate effectively and utilize computer technology and a hand-held communication device to carry out the job requirements of the Company. In addition, all field employees must be able to perform the physical requirements of their specific job, which includes the ability to carry customary energy auditing related equipment.

1.6 EMPLOYMENT RELATIONSHIP

Employment at Efficient Home is “at will” and for no definite period of time. Either Efficient Home or its’ employees may terminate employment at any time, with or without notice and for any reason or for no reason. The employment at will relationship remains in effect regardless of any statements made in these policies and practices or any other written or oral communications.

SECTION 2

DEFINITIONS OF EMPLOYEE STATUS

“EMPLOYEE” DEFINED

An “employee” of Efficient Home is a person who regularly works for Efficient Home on a wage or salary basis. An “employee” may include exempt, non-exempt, regular full-time, regular part-time, and temporary persons, and others employed with the Company who are subject to the control and direction of Efficient Home in the performance of their duties.

- An “exempt” employee is one whose position meets specific criteria established by the Fair Labor Standards Act (FLSA) and who is exempt from overtime pay requirements.
- A “non-exempt” employee is one whose position does not meet specific FLSA criteria and who is paid overtime pay for hours worked in excess of 40 hours per week.
- A regular “full-time” employee is one who is regularly scheduled to work 40 hours per week and who is eligible for all benefits.
- A regular “part-time” employee is one who is regularly scheduled to work less than 40 hours per week.
- A “benefit eligible part-time” employee is one who is regularly scheduled to work at least 20 hours per week.

SECTION 3

EMPLOYMENT POLICIES

All employment policies and practices at Efficient Home are guided by “the Golden Rule” and applicable laws. Each person is expected to conduct him or herself in a professional manner, working together to achieve a maximum level of value added services for our customers, and optimum success and profit for the firm.

3.1 NON-DISCRIMINATION

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Efficient Home will be based on merit, qualifications, and abilities. Efficient Home does not discriminate on the basis of race, color, religion, creed, sex, age, national origin, sexual orientation, disability, veteran status, ancestry or any other reason prohibited by law. This policy applies to all personnel actions and participation in company-administered activities.

Efficient Home will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their supervisor immediately. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in unlawful discrimination will be subject to disciplinary action, up to and including termination.

3.2 ANTI-HARASSMENT

Efficient Home is committed to treating all employees with dignity and respect. The company's support of Equal Employment Opportunities includes the recognition that harassment of employees for any reason will not be tolerated. All employees should expect that Efficient Home will be free from all forms of harassment, including racial and ethnic slurs, unwelcome sexual advances, or any other verbal, physical, or psychological conduct, which constitutes harassment. Employees have the right to be free from harassment by anyone including co-workers, managers, customers, visitors and vendors.

If you believe you have been the victim of harassment, or know of another employee who has, report it immediately. Employees can raise concerns and make reports without fear of reprisal.

Any supervisor who becomes aware of possible harassment should promptly advise their supervisor, or Human Resources, who will handle the matter in a timely and confidential manner.

3.3 IMPLEMENTATION

All employees are responsible for ensuring that Efficient Home's Equal Employment Opportunity policy is implemented in all employment-related decisions.

Employees may raise inquiries or concerns about discrimination in the workplace and are encouraged to bring these issues to the attention of their supervisor immediately. Employees can raise concerns and make reports without fear of reprisal. All complaints will be immediately investigated and will be kept confidential.

Anyone found to be engaging in unlawful discrimination will be subject to disciplinary action, up to and including termination.

3.4 CONFIDENTIALITY/NON-DISCLOSURE

The protection of confidential business information and trade secrets is vital to the interests and success of Efficient Home.

All paper and electronic records and files maintained by Efficient Home are confidential and are the property of Efficient Home. Records and files are not to be disclosed to anyone outside the Company without the express written permission of Company management. Such confidential information includes, but is not limited to, the following examples:

- Trade secrets
- Pricing formulas

- Financial information,
- Acquisition and Marketing strategies,
- Pending projects and proposals,
- Proprietary IT systems/software,
- Personnel/Payroll records, and
- Conversations between any persons associated with the company.

All employees are required to sign a confidentiality/non-disclosure agreement as a condition of employment.

All employees are prohibited from using confidential information obtained during or through employment with the Company, for the purpose of furthering current or future outside employment, or for obtaining personal gain or profit. Upon termination from Efficient Home for any reason, employees must promptly return all Company documents and materials in the employee's possession.

Employees who improperly use or disclose trade secrets or confidential business/company information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

Included in the employee confidentiality/non-disclosure agreement is a one (1) year non-compete clause for the use of any information in the pursuit of utility contracts for other companies. Employees may seek other work in a related industry, but they are not allowed to use insider information attained during their course of employment with Efficient Home in order to procure utility contracts for other companies. Legal action will be sought against former employees who have been found to be in violation of this agreement.

3.5 PROPRIETARY INFORMATION

Efficient Home has developed certain proprietary technology, processes and knowledge that are unique to the Company. You are required to keep Company business information and technology confidential and secure by reading and signing the Confidentiality/Non-Disclosure document at the time of hire. This document confirms your agreement to protect all Company-sensitive and proprietary information. Failure to adhere to this policy may result in disciplinary action, up to and including termination and further legal action.

3.6 CONFLICTS OF INTEREST

Efficient Home is committed to the highest moral, ethical and professional standards. Employees must avoid situations where their loyalties are divided between the Company's interests and their own personal interests. It is important to avoid even the appearance of a conflict of interest. Potential conflicts of interest may create doubt with our employees, customers, subcontractors and/or suppliers. Conflicts of interest, both real and in appearance must be avoided at all costs.

3.7 OFFICE HOURS

Efficient Home's office is open for business from 8:00 a.m. to 5:00 p.m., Monday through Friday, except for designated Holidays. Fieldwork often requires flexible hours/days.

The standard workweek is 40 hours of work. In the computation of various employee benefits, the employee workweek is considered to begin on Saturday (starting at 12:00 a.m.) through Friday (ending at 11:59 p.m.), unless a supervisor makes prior other arrangement with the employee.

3.8 PERSONNEL FILES

Efficient Home maintains official personnel files for each employee that are directly related to the employee's employment and/or administration of benefits and programs.

Personnel files are the property of Efficient Home, and access to the information is restricted. Management personnel of Efficient Home who have a legitimate reason to review the file are allowed to do so.

Employees who wish to review their own file should contact their supervisor. With reasonable advance notice, the employee may review his/her personnel file in Company's office and in the presence of their supervisor.

3.9 PERSONNEL DATA CHANGES

An employee's personnel data should be accurate and current at all times. It is the responsibility of each employee to promptly notify Efficient Home's Human Resource Department of any changes in personnel data such as:

- Mailing address,
- Telephone numbers,
- Name and number of dependents, and
- Individuals to be contacted in the event of an emergency.

3.10 OUTSIDE EMPLOYMENT

Outside employment is prohibited by Efficient Home without prior written approval by Efficient Home management. Written approval will be granted by management's sole and absolute discretion. Employees granted written approval will be subject to the Company's scheduling demands, regardless of any existing outside work assignments.

Efficient Home's office space, equipment and materials are not to be used for any outside employment.

3.11 RESIGNATION/TERMINATION

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

- **Resignation** – voluntary employment termination initiated by an employee.
- **Termination** – involuntary employment termination initiated by Efficient Home.
- **Layoff** – involuntary employment termination initiated by Efficient Home for non-disciplinary reasons.

When an employee intends to terminate his/her employment with Efficient Home, he/she shall give Efficient Home at least two (2) weeks written notice to his/her supervisor and Human Resources.

Since employment with Efficient Home is based on mutual consent, both the employee and Efficient Home have the right to terminate employment at will, with or without cause.

Any employee who terminates employment with Efficient Home shall return all Company assets, including: files, records, equipment, tools, keys, credit cards, “EZ pass”, laptops, telephones and any other materials that are the property of Efficient Home. No final settlement of an employee’s pay will be made until all items are returned in appropriate condition. The cost of replacing non-returned items will be deducted from the employee’s final paycheck. Furthermore, any outstanding financial obligations owed to Efficient Home will also be deducted from the employee’s final check.

3.12 SAFETY

It is the Company’s policy to strive for the highest safety standards in the pursuit of all we do. Regard for the safety of our employees, our customers, the employees of our subcontractors and the general public is a responsibility at all levels of our organization. It is every employee’s responsibility to proactively prevent accidents. Each employee receives a copy of the Company’s Safety Manual when they are hired and is required to understand and abide by these procedures. The Company’s complete Safety Manual is located on the Efficient Home Q-Drive.

Efficient Home’s Safety Manual has been developed to ensure compliance with federal, state and local regulations with particular emphasis on the Occupational Safety and Health Act of 1970 (“OSHA”) and the OSHA requirements that apply specifically to our construction operations. It is the obligation of all employees to be knowledgeable of the standards established by these agencies and to implement the rules and regulations contained therein on projects under their direction.

It is of the utmost importance that all employees strictly adhere to all aspects of our safety program. Each employee is expected to obey safety rules and exercise caution and common

sense in all work activities, including driving for business reasons. All employees are strongly encouraged to take an active role to help improve our safety program through recommendations and past experiences. The Company's complete Safety Program is located on the Efficient Home Intranet.

Employees must immediately report any unsafe conditions to their supervisor. Employees who violate safety standards, cause hazardous or dangerous situations, or fail to report, or where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination.

In the case of an accident that may or may not result in injury, regardless of how insignificant the accident or injury may appear, employees should notify their supervisor immediately and complete an Accident Investigation Report (included in the Safety Manual).

3.13 HEALTH-RELATED ISSUES

Employees who become aware of any health-related issue should notify their supervisor and Human Resources of their health status immediately. This policy has been instituted strictly to protect the employee.

A written "permission to work" from the employee's doctor is required at the time or shortly after notice has been given. The doctor's note should specify whether the employee is able to perform regular duties as outlined in his/her job description.

3.14 BUILDING SECURITY

All employees who are issued office keys and building access cards to the office are responsible for their safekeeping. These employees will sign a Building Key/Access Card Disbursement form upon receiving the key/access card. The last employee, or a designated employee, who leaves the office at the end of the business day assumes the responsibility to ensure that all doors are securely locked. Any lost keys/cards should be reported to his/her supervisor immediately.

3.15 SUPPLIES; EXPENDITURES; OBLIGATING THE COMPANY

Only authorized persons may purchase supplies in the name of Efficient Home. No employee whose regular duties do not include purchasing shall incur any expense on behalf of Efficient Home or bind Efficient Home by any promise or representation without written approval.

When supplies are taken from the company storage unit, they should be recorded on the list provided in the storage area and any products that are running low should be reported to the appropriate party in Efficient Home's office so they can be re-stocked.

Those employees who order work supplies that are sent directly to their home, are required to keep a complete accounting of items ordered and used.

3.16 EXPENSE REIMBURSEMENT

Expenses incurred by an employee must have prior approval by a supervisor. Employees are fully accountable for the need and use of all company purchased supplies and tools.

Employees are required to retain receipts for any company related purchases and include these expenses with any other company reimbursements at the end of the month. Employees should choose reasonably priced materials and tools to complete their work.

Employees, who fraudulently seek recovery of expenses not legitimately incurred, will be subject to discipline, up to and including termination and possible further legal action.

3.17 SOLICITATIONS

Solicitation or a collection of monetary or other contributions or the distribution or notices, pamphlets, advertising, or other literature or materials by non-employee representatives of outside organizations, regardless of their character, is prohibited on Efficient Home premises.

No employee is permitted to solicit contributions or other support from another employee during the working time of either employee or to distribute notices, pamphlets, advertising or other literature or materials to another employee during working time or in areas where work is being performed. "Working time" is defined as all time for which the employee is paid and/or scheduled to be performing services for Efficient Home. It does not apply to meal times. All Efficient Home employees are responsible for adhering to and enforcing this policy.

3.18 IMMIGRATION LAW COMPLIANCE

Efficient Home employs only United States citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986.

Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with Efficient Home within the past three years or if their previous I-9 is no longer retained or valid.

SECTION 4

STANDARDS OF CONDUCT

The work rules and standards of conduct for Efficient Home are important, and the Company regards them seriously. All employees are urged to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their own jobs and conducting the Company's business. Please note that any employee who deviates from these rules and standards will be subject to corrective action, up to and including termination.

While not intended to list all the forms of behavior that are considered unacceptable in the workplace, the following are examples of rule infractions or misconduct that may result in disciplinary action, up to and including termination.

- Theft or inappropriate removal or possession of property;
- Falsification of timekeeping records;
- Working under the influence of alcohol or illegal drugs;
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace;

- Fighting or threatening violence in the workplace;
- Boisterous or disruptive activity in the workplace;
- Negligence or improper conduct leading to damage of company-owned or customer-owned property;
- Insubordination or other disrespectful conduct;
- Violation of safety or health rules;
- Smoking in the workplace;
- Sexual or other unlawful or unwelcome harassment;
- Excessive absenteeism or any absence without notice;
- Unauthorized use of telephones, or other company-owned equipment;
- Using company equipment for purposes other than business (i.e. playing games on computers or personal Internet usage);
- Unauthorized disclosure of business “secrets” or confidential information;
- Violation of personnel policies; and
- Unsatisfactory performance or conduct.

4.1 EMPLOYEE COMMUNICATIONS

Employees are responsible for monitoring their own schedules and are expected to be available by phone and/or e-mail during normal business hours. Employees are expected to check Company voicemail and e-mail throughout the day and proactively respond to messages in a prompt manner.

All employees are expected to communicate clearly and effectively and in a professional manner, both written and verbally to customers and employees.

4.2 WORK SCHEDULE

All field employees are responsible for managing their own schedules. If an appointment is cancelled for any reason, including inclement weather, illness of the customer or employee, etc., it is the employee’s responsibility to timely cancel and/or re-schedule the appointment in advance with the customer. If unable to schedule another appointment for that day, it is expected that the employee will call the office to seek additional work, which may or may not require them to perform office support. Any employee, who fails to proactively manage workload and accurately account for time worked, may be subject to disciplinary action, up to and including termination.

4.3 ATTENDANCE/PUNCTUALITY

Efficient Home expects that every employee, whether you work in the office or in the field, will be at work on time and ready to work a full day. Absenteeism and tardiness places a burden on other employees and on the Company.

If you will be absent from work for any reason, you must notify your supervisor before regular starting time. You are responsible for speaking directly with your supervisor about your absence. It is not acceptable to leave a message on a supervisor’s voice mail or with a fellow employee,

except in extreme emergencies. In the case of leaving a voice-mail message, a follow-up call must be made later that day. Repeated absenteeism and/or tardiness will be cause for disciplinary action, up to and including termination.

4.4 ABSENCE WITHOUT NOTICE

When you are unable to work because of illness or an accident, notify your supervisor immediately. This will allow the Company to arrange for temporary coverage of your duties, and helps other employees to continue work in your absence. If you do not report for work and the Company is not notified of your status, it will be assumed after two (2) consecutive days of absence that you have resigned, and you will be removed from the payroll, unless there exists extreme circumstances that preclude notification.

If you become ill while at work or must leave the office for some other reason before the end of the workday, you are expected to inform your supervisor of the situation.

4.5 PUBLIC IMAGE

A professional appearance is important anytime that you come in contact with customers or potential customers. Employees should be well groomed and dressed appropriately for our business and for their position in particular. Consult your supervisor if you have any questions about appropriate business attire.

All field auditors should wear collared Efficient Home logo shirts for each audit. Field installers should wear Efficient Home logo t-shirts or collared logo shirts.

All field employees are required to display required badges (Efficient Home and Utility) as required by our Utility contracts. Field employees are also required to display Efficient Home and/or Utility program car magnets on their vehicles when conducting fieldwork.

Efficient Home expects that all employees will exhibit a professional and courteous demeanor with customers, contractors and the public at all times. Employees are not to engage in any action that may tarnish the image of the Company. Management will review any conduct deemed detrimental to the company. Inappropriate conduct may require disciplinary action, up to and including termination.

4.6 SUBSTANCE ABUSE

The health and safety of employees is one of Efficient Home's greatest concerns. Efficient Home is committed to providing a safe, healthy, and productive work environment free from the effects of smoke, drugs and/or alcohol, or threats of violence.

In keeping with this commitment, Efficient Home maintains a zero tolerance policy on the use, possession, selling, manufacturing, distribution, concealment, trafficking, or being under the influence, of any drug or intoxicating substance while on Company or customer property, or when representing the Company. This includes the use of illegal drugs or the abuse of over-the-

counter or prescription drugs. Company property includes all Company owned or leased vehicles and properties.

Efficient Home prohibits the unlawful manufacture, distribution, concealment, dispensing, possession, use of, or being under the influence of a controlled substance in the workplace, while on work time or at any time outside work hours that may affect your job performance. This includes the use of illegal drugs or the abuse of over-the-counter or prescription drugs. All employees are required to notify Efficient Home in writing within five (5) days of any criminal drug statute arrest or conviction for a violation occurring while on work time that may otherwise affect your employment.

All employees are required to submit to a pre-employment drug screen. After hire, and whether upon reasonable suspicion, post-accident, or as required by utility program controls, any employee may be subject to a random drug screen. As part of our Company safety program, all employees involved in a safety violation where injury to a person or harm to equipment has occurred, may be subject to an immediate drug screen at the request and expense of the Company.

Consistent with the rules listed above, any of the following actions constitutes a violation of the Efficient Home's policy, and will subject an employee to disciplinary action, up to and including immediate termination.

4.7 TOBACCO PRODUCTS

Efficient Home expressly prohibits smoking within any Company facility or Company-owned vehicle. Employees are also prohibited from smoking in customer houses and/or on customer premises. Employees must follow all rules posted in designated smoking areas.

4.8 DISRUPTIVE ACTIVITY

It is Efficient Home's policy not to tolerate verbal or physical conduct by any employee that harasses, disrupts, or interferes with another's work performance or which creates an intimidating, offensive, or hostile environment. Efficient Home expects everyone to take precautions to promote a safe workplace and to protect employees and visitors while on company premises. It is against company policy to bring weapons onto company property. Any occurrence of such conduct will result in disciplinary action, up to and including immediate termination.

Non-employees will only be allowed to enter work areas while on business-related visits and while escorted by an Efficient Home employee. Employees are responsible for preventing and/or reporting unauthorized access to Efficient Home work areas, reporting all actual incidents or suspicious acts, and observing security-related work rules. Any employee who feels he or she may be a victim of any type of threat or harassment should report it to his or her manager or to Human Resources.

4.9 INTERNET/INTRANET USE

Employees of Efficient Home are allowed use of the Internet, the Company Intranet and E-mail when necessary to serve our customers and conduct the Company's business. Access to the Internet through the Company is a privilege.

Use of the Internet must not disrupt operation of the Company computer network. Use of the Internet must not interfere with an employee's productivity. Employees are responsible for using the Internet in a manner that is ethical and lawful.

Unacceptable usage of the Company's Intranet, Internet and E-mail include, but are not limited to: the transmission of violent, threatening, racist, defrauding, pornographic or obscene materials, unauthorized mass e-mail mailings, online gaming or gambling, stock trading, commerce for personal gain, creation or distribution of computer viruses, violations of copyright law, leaking sensitive or confidential information, software piracy, or attempting to hack into another system.

Internet messages are public and not private. Efficient Home reserves the right to access and monitor all files and messages on its systems. Use of the Company's e-mail should be guided by this principle: "anything you write in a Company e-mail should be assumed that it will appear on the front page of the Washington Post."

Efficient Home reserves the right to inspect anyone's computer at any time to ensure that it is being used properly and that no illicit, contraband or "bootlegged" files or software are being stored, forwarded or worked upon. The Company also reserves the right to monitor e-mail and examine e-mail records if there is reasonable suspicion that Company property is being used improperly.

SECTION 5

WAGE AND SALARY POLICIES

5.1 TIMEKEEPING

In accordance with federal and state law, attendance records will be maintained on all non-exempt and part-time employees. Accurately recording time worked is the responsibility of every non-exempt and part-time employee. Actual hours worked will be submitted by the employee and approved by the employee's supervisor. Time worked is the time actually spent on a job(s) performing assigned duties. Time worked does not include normal commute time from home to the first job in a workday. Exempt employees will submit timesheets on an exception basis.

Efficient Home does not pay for extended breaks or time spent on personal matters.

5.2 SPECIAL WORK SCHEDULE ARRANGEMENTS

Where business needs require, Efficient Home may consider special work schedule arrangements. These may include weekend work, compressed workweeks or flexible work hours.

5.3 OVERTIME

Overtime compensation is paid to all non-exempt employees and hourly part-time employees in accordance with federal and state wage and hour restrictions. Overtime is payable for all hours worked over 40 hours per week at a rate of one and one-half times the non-exempt employee's regular hourly rate. For purposes of overtime calculations, hours worked include company-designation holidays, vacation, and approved sick/personal time off.

All overtime work performed by an hourly employee must receive the supervisor's prior authorization. Overtime worked without prior authorization from may result in the employee not being paid. The supervisor's signature on a timesheet authorizes pay for overtime hours worked.

Exempt employees are not covered by the FLSA. Exempt employees do not receive additional pay for overtime hours worked.

5.4 INCENTIVE PAY/ALTERNATIVE PAY

Some employees may be eligible for incentive pay based on their job requirements. In addition, some employees of Efficient Home may be eligible for alternative pay based on their specific job requirements.

Employees eligible for incentive and/or alternative pay are required to accurately account for jobs performed.

5.5 PAYDAYS

All employees are paid bi-weekly. An exception to this policy will be any employee who performs work subject to Davis-Bacon reporting requirements. These employees will be paid on a weekly payroll cycle, if required for Davis-Bacon reporting requirements.

In the event that a regularly scheduled payday falls on a weekend or holiday, employees will receive pay on the next day of operation.

If a regular payday falls during an employee's vacation, the employee's paycheck will be available upon his/her return from vacation.

Paychecks will not, under any circumstances, be given to any person other than the employee without written authorization. Paychecks may also be mailed to the employee's address or deposited directly into an employee's bank account upon request.

SECTION 6

BENEFITS AND SERVICES

Efficient Home offers several benefits and services programs for its' employees. However, the existence of these programs does not signify that an employee will necessarily be employed for the required time necessary to qualify for the benefits included in and administered through these programs.

6.1 RETIREMENT PLAN

Efficient Home has a 401(k) defined contribution retirement plan for all eligible employees. This retirement plan offers employees a unique opportunity for savings and financial growth.

This retirement plan helps contributors save in several ways:

- Gross taxable income is reduced.
- Efficient Home currently makes a matching contribution of the employee's contribution. Employees are always 100% vested in the Company match.
- Convenience of payroll deduction (amount you choose).

All employees are eligible for this plan after 6 months of continued employment.

6.2 HEALTH INSURANCE REIMBURSEMENT

Efficient Home has a uniform health insurance reimbursement policy for all benefit-eligible employees. Efficient Home will provide 100% direct reimbursement up to a fixed amount for employees to be covered under his/her own individual health insurance plan. This health insurance reimbursement is subject to a uniform monthly cap adjustable at the discretion of Company management.

Employees are required to submit a copy of their paid monthly insurance premium within thirty (30) days to Efficient Home management in order to be reimbursed.

6.3 MILEAGE REIMBURSEMENT/COMPANY CAR

Field employees of Efficient Home may be eligible for a mileage reimbursement on a "per mile" basis. The "per mile" reimbursement is for business use only and is to be recorded daily and reported in the employee's monthly expense report. The mileage reimbursement is conditioned on those employees' automobiles having "Efficient Home" magnets displayed on their vehicle while on working hours. Employees must confirm that magnets were used on their monthly report.

Some employees of Efficient Home may be eligible for a company vehicle for company use, which would be in lieu of the mileage reimbursement. Company vehicles are to be used solely for business use.

6.4 PROTECTION OF COMPANY ASSETS AND INFORMATION

Efficient Home believes in supplying employees with all of the tools they need to be productive on the job. To help accomplish this mission, employees have the use of company assets to use both in the office and out in the field at their discretion for business purposes. Each employee is required to protect Efficient Home's assets.

These assets/information include, but are not limited to: computer software and hardware, tools, electronics, reports, records, plans, RFP's, contracts and pricing lists, and passwords to access information/computer systems.

In addition, some employees of Efficient Home may have use of a company credit card to purchase gas for their vehicle for business use. Gas is to be purchased solely for business use. Some employees may also have use of a company paid "EZ Pass" to be used solely for business use.

Efficient Home retains the exclusive right of ownership of all Company assets and information in any form or state.

Any employee found to be using Company assets or information for personal use will be subject to disciplinary action, up to and including termination, and possible legal action.

6.5 PHONE ALLOWANCE

Efficient Home expects its field employees to utilize "smart phones" with e-mail capability while on the job. The Company will grant new employees a one-time allowance towards the purchase of a business phone. Eligible employees will receive a monthly phone allowance to cover a fixed amount of their service per month.

All employees must have a business phone number where they can be reached during normal business hours. This number should be given to Human Resources to be distributed to employees and customers. It is expected that employees will monitor voicemail on a regular basis throughout the day and promptly return all messages.

6.6 VACATION

Efficient Home offers paid vacation to regular full-time and benefit eligible part-time employees after six (6) months employment with the Company.

Vacation will accrue daily and will be calculated on a calendar year, running from October through September.

During the first full or partial year of employment, an employee begins earning vacation as of his/her date of hire and will be calculated on a fractional basis. Vacation up to the estimated amount earned their first year, may be advanced to an employee during the first calendar year of employment at management's discretion.

Full-time employees earn vacation in accordance with completed years of service, outlined as follows:

- 1 through 4 years of employment 10 Vacation Days
 - 5 + years of employment* 15 Vacation Days
- *(Including prior Company service for merged staff)

Benefit eligible part-time employees are eligible for vacation on the same basis as full-time employees; however, they shall receive vacation proportionate to their part-time workweek schedule.

Employees are encouraged to use their vacation during the year in which it is earned. However, because circumstances do not always permit everyone to take vacation time when it is requested, Efficient Home allows employees to carry over a maximum of forty (40) hours of accrued, unused vacation for a limited period of time. In no event will rollover of accrued vacation go beyond six (6) months into the subsequent benefit year. Accrued vacation cannot exceed your regular annual accrual rate plus forty (40) hours. If your vacation balance reaches the maximum amount allowed, accrual stops until accrued vacation is used. At that time, vacation begins to accrue again until the total accrued vacation balance reaches the maximum limit.

Advanced written management approval is required for the carry over of vacation.

No more than one (1) week of vacation may be taken at a time, except under extraordinary circumstances. Requests for more than one (1) week of vacation should be in writing at least ninety [90] days prior to the beginning of the requested vacation period.

Vacation time may be requested at any time during the year as long as enough leave has been accrued and has been scheduled with managers' written approval. Employees may be advanced up to a maximum of forty (40) hours of vacation with their managers' sole discretion and written approval. Any negative vacation balance at time of termination from the Company will be charged back in the employee's final paycheck.

Business demands require that requests for vacation should be made at least one (1) month in advance.

Vacation may be used in whole or half days. All vacation requests must be made in writing.

Employees will not be granted pay in lieu of vacation. Exceptions to this policy will be reviewed on a case-by-case situation and at the sole discretion of management.

Upon termination of employment, unused earned vacation will be paid to eligible employees in accordance with state and federal regulations, as appropriate.

6.7 PERSONAL/SICK LEAVE

Efficient Home expects that all employees will be at work every regularly scheduled workday. However, the Company recognizes that, from time to time, personal situations may arise that requires an employee's occasional absence from work for a full or partial day.

Full-time employees are allowed three (3) excused paid personal/sick days per calendar year. Any additional personal time needed may be requested as vacation time off or as an unpaid leave of absence. All requests must be made to his/her manager in writing.

Benefit eligible part-time employees are eligible for personal/sick leave on the same basis as full-time employees; however, they shall receive this leave proportionate to their part-time workweek schedule.

An absence may be considered excused when the employee's manager has been properly notified in writing and the reason for the absence is considered appropriate. An absence is unexcused when the employee fails to notify his or her manager in writing, or if the manager feels the reason is not satisfactory or a pattern of such absence has developed. Excused absences may or may not be paid depending on the circumstances, while an unexcused absence is never paid.

Some typical examples of reasons that may be considered appropriate for a personal absence are: employee illness/injury; family emergencies; personal business; medical or dental appointments; court appearance or other legal proceeding; and observance of religious holy days.

Hours paid under this practice for time not worked are to be included when determining an employee's overtime eligibility.

Absenteeism may subject an employee to disciplinary action up to and including termination, where the time off is chronic, excessive, recurring, and results in an overall unsatisfactory attendance record.

An employee who is absent for two (2) consecutive days without notifying the Company shall be considered to have voluntarily terminated, unless there exist extreme circumstances that preclude notification.

6.8 RECORD KEEPING

Employees are responsible for requesting vacation and sick/personal leave of absence as far in advance of the intended absence as possible. Only those requests submitted in writing to his/her manager will be subject for approval. If circumstances prevent the request from being made prior to the absence, then the manager should be notified of the absence and the reason at the earliest opportunity, but not later than the scheduled starting time whenever possible.

Managers must approve all vacation/time off requests in writing.

6.9 HOLIDAYS

Efficient Home observes the following paid holidays per year for all full-time and benefit eligible part-time employees:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Day
- Plus one (1) additional floating holiday chosen by each employee
(either Martin Luther King Day or President's Day)

6.10 WORKERS' COMPENSATION

All Efficient Home employees are covered by Workers' Compensation Insurance. If you are injured on the job, you may be entitled to receive Workers' Compensation benefits, which may include medical coverage and/or compensation for lost wages due to time missed. You are required to report any injury incurred on the job to your supervisor and Human Resources within 24 hours of the accident.

6.11 JURY DUTY/COURT APPEARANCE LEAVE

Efficient Home will grant jury duty leave with pay for the first five (5) days of jury duty, or any part thereof, to full-time employees who are called to serve on a jury. This leave is also granted without pay to benefit eligible part-time employees. Employees are required to submit a copy of the jury summons to his/her supervisor.

Efficient Home will continue to pay an employee while on jury duty, but will adjust the employee's paycheck after completion of the jury duty to deduct any payment given to the employee by the jurisdiction. The deduction will not include monies intended to cover expenses. To ensure proper payment, the employee should give his/her supervisor a copy of the check and any other documents.

The same benefits apply to employees who must appear as a witness or a defendant in a court case.

6.12 ELECTION LEAVE

Efficient Home encourages all employees to vote in local and national elections. Employees are encouraged to take advantage of voting booths open before and after working hours. If this is not

possible, employees may be granted reasonable time off as needed with prior written approval from his/her manager to ensure coverage of his/her job responsibilities.

6.13 MILITARY LEAVE

In accordance with the Federal Uniformed Services Employment and Reemployment Rights Act (“USERRA”), it is Efficient Home’s practice to accommodate reasonable requests for leave of absence to perform military Reserve/National Guard training (two weeks per year). For the purposes of pay calculation, an employee will be paid the difference between reservist pay (excluding allowances) and regular straight-time pay for this two-week period.

To initiate a request for leave of absence for military Reserve/National Guard training or active duty, an employee must notify his/her supervisor of the date and duration of the military obligation, and provide supporting documentation for the request at the earliest possible time.

Efficient Home will also grant a leave of absence for purposes of military enlistment, induction or call-up to the extent required by applicable law. Requests for reinstatement upon completion of military service as a result of enlistment, induction or call-up should be directed to Human Resources.

6.14 FUNERAL LEAVE

In the event of a death in your immediate family, the Company will grant up to three (3) days paid funeral leave to handle family affairs and to attend the funeral. “Immediate Family” is defined as parents, grandparents, siblings, spouse, child (ren), step-child (ren), mother-in-law, father-in-law and legal guardians. If additional time off is required, the employee may request to use vacation, personal time off, or a personal leave of absence without pay.

6.15 UNPAID PERSONAL LEAVE

An unpaid personal leave of absence may be granted on a case-by-case basis to employees. The employee must submit a written request for leave stating the reasons and the anticipated duration of the leave. Approval of this type of leave will take into consideration the employee’s reasons, performance, and the ability of the Company to operate in the employee’s absence.

6.16 FAMILY/MEDICAL LEAVE

Efficient Home’s family/medical leave practice is designed to comply with the provisions of the Federal Family and Medical Leave Act of 1993 (FMLA). Efficient Home’s practice applies unless superseded by applicable federal, state or local law. This practice will take effect when Efficient Home employs 50+ employees at a worksite or if the total number of workers within 75 miles of that worksite is greater than 50 employees.

Employees are eligible for family/medical leave if they: (1) have worked for the Company for at least 12 months; (2) have worked for the Company at least 1250 hours in the previous 12 months; and (3) work at or report to a worksite which meets the FMLA requirements.

Efficient Home will provide eligible employees with an unpaid leave of absence of up to 12 weeks within a 12-month period as follows:

- To care for a newborn, adopted or foster child;
- To care for a spouse, child or parent with a serious health condition;
- Due to the employee's own serious health condition.

Or

Up to 26 workweeks of leave during a single 12-month period to care for a covered service member with a serious injury or illness who is the spouse, son, daughter, parent or next of kin to the employee (military caregiver leave).

Employees who are eligible to take family/medical leave must provide the Company at least 30 days notice of the need for leave, if the need for leave is foreseeable. The employee must submit a written request to his/her supervisor.

In accordance with current policies, an employee may substitute vacation pay for unpaid family/medical leave. Such paid leave will count toward the employee's annual family/medical leave entitlement.

Upon return from a family/medical leave of absence, the employee will be reinstated to the same or equivalent position with no break in service provided the employee returns to work no later than the first work day following the expiration of the approved family/medical leave. If the employee is on family/medical leave in excess of 12 weeks, reinstatement will not be guaranteed unless specified by other applicable law.

6.17 AMERICANS WITH DISABILITIES ACT (ADA)

Efficient Home complies with the Americans with Disabilities Act (ADA) and applicable state and local laws providing for nondiscrimination in employment against qualified individuals with disabilities. Efficient Home also provides reasonable accommodation for such individuals in accordance with these laws.

It is Efficient Home's policy to ensure that qualified individuals with disabilities are treated in a nondiscriminatory manner in the pre-employment process and that staffs with disabilities are treated in a nondiscriminatory manner in all terms, conditions, and privileges of employment. Efficient Home will provide applicants and staff with disabilities with reasonable accommodation except where such an accommodation would create an undue hardship on Efficient Home.

All medical-related information will be kept confidential in accordance with ADA requirements.

6.18 TRAINING AND PROFESSIONAL DEVELOPMENT

Efficient Home supports continuing personal and professional development for all of its employees. Efficient Home will strive to give each employee the opportunity to participate in training programs covering a wide range of topics that are designed to develop core competencies and skills required to support the personal and professional growth of the employee and the overall objectives of the company.

Employees will receive frequent, on-going performance feedback to insure their understanding of job expectations and performance. Employees must assume the primary role in his/her development.

SECTION 7

EMPLOYEE COMMUNICATIONS

7.1 OPEN DOOR POLICY

Efficient Home has an open-door policy to encourage communication between you and all levels of management. This policy allows your concerns and suggestions to be addressed at any level of management with no fear of reprisal.

7.2 SUGGESTIONS

Efficient Home encourages all employees to submit suggestions and ideas that they believe will benefit the Company. “E-mail” is the preferred means of sharing suggestions with supervisors or Human Resources. If an employee wishes to remain anonymous, they are free to leave suggestions anonymously in the Company mailbox.

7.3 BULLETIN BOARDS

Bulletin boards placed in the break room area provide employee’s access to important required postings, employee notices and other Efficient Home information and announcements. Items in violation of the Solicitations policy should not be posted. Employees are responsible for reading necessary information posted on the bulletin boards.

7.4 PROCEDURE FOR HANDLING COMPLAINTS

Under normal working conditions, employees who have a job-related problem, question or complaint should first discuss it with their immediate supervisor. At this level, employees usually reach the simplest, quickest, and most satisfactory solution. If the employee and supervisor do not solve the problem, or if the employee feels uncomfortable, Efficient Home encourages employees to contact Human Resources or another member of management to resolve the problem.

HANDBOOK RECEIPT AND ACKNOWLEDGMENT

Please read the Efficient Home Employee Handbook carefully. Upon completion of your review of this handbook, sign the statement below and return this acknowledgment to Human Resources.

I, _____ acknowledge that I have received and read a copy of the Efficient Home Employee Handbook which outlines the company's policies, practices, benefits and expectations of Efficient Home, as well as my responsibilities as an employee.

I have familiarized myself with the contents of this handbook. By my signature below, I acknowledge, understand, accept and agree to comply with the information contained in the Efficient Home Employee Handbook. I understand this handbook is not intended to cover every situation, which may arise during my employment, but is simply a general guide to the policies, practices, benefits and expectations of Efficient Home.

I understand that the Efficient Home Employee Handbook and any other written or oral communications regarding the relationship between Efficient Home and its' employees are presented for information and reference only and do not create a term of employment or an employment contract.

I fully understand that either Efficient Home or its' employees may terminate employment at any time, with or without cause, with or without notice, and for any reason or for no reason.

I also understand that Efficient Home may change this handbook at any time, with or without prior notice to me.

I have read and agree to abide by this Employee Handbook:

Employee Signature

Date

Witness

Date