



EMPLOYEE HANDBOOK



Effective January 2024

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INTRODUCTION AND WELCOME

Welcome to the staff of the Parkpoint Clubs. We hope your employment will be satisfying and educational for you, and that you will make a significant contribution to maintaining Parkpoint's reputation as the cleanest and friendliest full service private health and fitness club in Sonoma County. Parkpoint has been independently owned and operated by the Buchanan family since the Santa Rosa Club was first established in 1983. Not only is Parkpoint known as the premier health and fitness club in the county, it is the only one with three locations to serve its members.

Our mission at the Parkpoint Clubs is:

More than fitness – a way of life

At the Parkpoint Clubs we are committed to the health and well-being of mind, body and spirit. Through innovative fitness and lifestyle programs, our friendly, professional staff will inspire and support you in your commitment to enhancing the quality of your life.

This Employee Handbook is provided to answer common questions posed by employees. It is a summary of Parkpoint Clubs' personnel policies, benefits, work rules and how they will affect you. Please read it carefully and learn its contents. If you have questions about our policies and practices that are not answered by this Handbook, please feel free to ask your Club Manager or the Human Resources Manager. Please understand that the policies and procedures set out in the Handbook are general in nature and are not intended to provide a complete description of your employment relationship with Parkpoint. Parkpoint is an at-will employer, as defined later in this Handbook. The policies and procedures set forth in this Handbook are not a contract and are not intended to imply a contractual relationship.

This Handbook expressly supersedes all prior handbooks, company rules or policy statements on the subjects covered herein, or any other subject relating to terms and conditions of employment. In addition, circumstances will obviously require that policies and benefits described in this Handbook change from time to time. Employees will be advised in writing of changes that do occur. None of these policies or procedures can be amended or changed in any way by oral statements but can be changed only in writing by Bill Buchanan.

You have been provided with one complete copy of the Handbook, including an Acknowledgment page. Your signature on the Acknowledgment page is required as it affirms that you have received your Employee Handbook, and that you understand it is your obligation to read and understand the Handbook and to follow its policies. The Acknowledgment page must be returned to your Club Manager or the Human Resources Manager for placement in your personnel file.

Best wishes for your success at Parkpoint.

THE PARKPOINT CLUBS
William E. Buchanan, Owner

YOUR EMPLOYMENT AT THE PARKPOINT CLUBS

Employment Policies

We recognize that most employees are concerned about their potential and future with the Parkpoint Clubs. In recognition of these concerns, the Handbook explains our basic policies that will influence your employment.

We believe in the recognition of your contributions. For that reason, we consider your individual job performance as the single most important factor affecting our decision whether to make salary adjustments, promotions and job retention. We believe that, whenever possible, open positions should be filled from existing Parkpoint Clubs' staff.

We believe in a program of fair compensation and benefits. We make periodic comparisons of these programs with practices in our community and our industry to assess how competitive we are in our compensation and benefits practices.

At-Will Employment

Parkpoint Clubs is an at-will employer. This means either you or Parkpoint Clubs are free to terminate your employment at any time, with or without notice, with or without "cause", for any reason, or no reason at all. All employment at the Parkpoint Clubs is at-will.

No one other than Bill Buchanan, the owner of Parkpoint Clubs, can deviate from Parkpoint Clubs' standard policy of "at-will" employment, by entering into an agreement for employment for a specified period of time, or by making any agreement or representation contrary to Parkpoint's at-will policy. Further, any such agreement or representation must be in writing and signed by the employee and Bill Buchanan. Parkpoint Clubs' policy of at-will employment may be changed only in writing, and only when signed by the employee and Bill Buchanan.

There are no oral or implied contracts of employment at Parkpoint Clubs, and this Handbook is not an employment contract. In addition, circumstances will obviously require that policies and benefits described in the Handbook change from time to time. Employees will generally be advised in writing of changes that occur. Parkpoint Clubs reserves the right to change, modify or delete any part of this Handbook at any time.

Equal Opportunity Employer

Parkpoint Clubs is committed to equal opportunity employment. We make decisions based on employee qualifications and performance, not personal characteristics or association with any category protected by law.

Policy Prohibiting Unlawful Harassment and Discrimination

We are committed to make every reasonable effort to provide a work environment free of unlawful harassment, discrimination, retaliation, bullying or other disrespectful or otherwise unprofessional conduct. Parkpoint Clubs' policy discourages conduct that is disrespectful and/or unprofessional, and prohibits harassment and discrimination based on sex (including pregnancy, childbirth, breastfeeding or related medical conditions), race (including traits historically associated with race, such as hair texture and hairstyles), religion (all aspects of religious beliefs, observance or practice, including religious dress or grooming practices), color, gender, gender identity, gender expression, transgender (including whether or not you are transitioning or have transitioned), national origin (including language use and possession of a driver's license issued to persons unable to prove their presence in the United States as authorized under federal law), ancestry, physical or mental disability (including HIV and AIDS), legally protected medical condition (such as cancer and genetic characteristics), genetic information, marital status, registered domestic partner status, age (40 and over), sexual orientation, denial pregnancy disability leave, military or veteran status, protesting conduct relating to these categories, or any other basis protected by federal, state or local law or ordinance or regulation. Harassment and discrimination based on the perception that a person possesses any of these characteristics, or is associated with a person who possesses, or is perceived as possessing, any of these characteristics is also prohibited. All such conduct violates Company policy.

All persons involved in the operation of the Company, including supervisors and managers, as well as vendors, customers, independent contractors and any other parties with whom you come into contact while working must comply with this policy. Parkpoint specifically prohibits such persons from engaging in conduct violating the California Fair Employment and Housing Act or this policy. Applicants, employees, unpaid interns, volunteers and independent contractors are all protected from unlawful harassment and discrimination.

Unlawful Harassment is Prohibited

Unlawful harassment and other disrespectful/unprofessional conduct may include, but are not limited to, the following behavior:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- Visual conduct such as leering, sexual gestures, derogatory and/or sexually oriented posters, photography, cartoons, emails, internet sites, drawings or gestures;
- Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work;
- Threats and/or demands to submit to sexual requests in order for an employee to keep their job, or to avoid some other loss, and offers of employment benefits in return for sexual favors;
- Using electronic communication of any type (e.g., emails, social network posts, texts and blogs), to harass or frighten someone;
- Retaliation for having reported or threatened to report harassment.

- Abusive conduct including repeated infliction of insults, and epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the gratuitous sabotage or undermining of a person's work performance.

Sexual harassment does not need to be motivated by sexual desire to be unlawful or to violate this policy. For example, hostile acts toward an employee because of his/her gender can amount to sexual harassment, regardless of whether the treatment is motivated by sexual desire.

Unlawful Discrimination is Prohibited

Parkpoint prohibits unlawful discrimination against any job applicant, employee, person performing services for the Company, or unpaid intern by any employee of Parkpoint, including supervisors and coworkers.

This policy applies to all terms of employment, including hiring, training, promotions, discipline, compensation, benefits, and termination.

Pay discrimination as defined by the California Fair Pay Act and applicable federal law is prohibited. Pay differentials may be valid in certain situations where not prohibited by law. Employees will not be retaliated against for inquiring about or discussing wages. However, Parkpoint Clubs respects the privacy of its employees and is not obligated to disclose the wages of other employees.

Reasonable Accommodation

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

Parkpoint will make reasonable accommodations for the known physical or mental disabilities, legally protected medical conditions, or religious creed and practices of an otherwise qualified individual who is an applicant or an employee unless undue hardship would result. Any job applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact the Club Manager or the Human Resources Manager and discuss the need for an accommodation. The Company will engage in a timely, good faith, interactive process with the employee or applicant to determine the need for a reasonable accommodation. If a reasonable accommodation exists and will not impose an undue hardship to the Company, an accommodation will be made.

Violations will not be Tolerated

Violations of this policy will not be tolerated. Anyone engaging in such activity is acting beyond the scope of their employment or any authority they may have from the Company. Any supervisor who is made aware of a complaint of harassment, discrimination, retaliation, or other disrespectful/unprofessional conduct and fails to take action can be subject to corrective action, up to and including termination.

Reporting Procedure

1. If you feel that you have experienced or witnessed harassment, discrimination, retaliation or other prohibited conduct, you are permitted and encouraged to discuss it directly with the person(s) involved. You may tell the person that his/her conduct is unwelcome and that you want it to stop. If you are uncomfortable taking this action or the conduct does not cease after you have asked the person to stop, you should immediately report this to your supervisor or your Club Manager or the Human Resources Manager. You are never required to report such conduct to your direct supervisor if you wish not to do so.
2. When reporting potential violations of this policy, please provide a written or oral complaint to your Club Manager or the Human Resources Manager as soon as possible after the incident. Your complaint should include a description of the nature and frequency of the conduct at issue, the names of the offending person(s) involved, the names of all witnesses to the conduct, your response to the conduct, and/or any actions demonstrating to the offending person(s) that the conduct is unwelcome.
3. Any manager or supervisory employee who becomes aware of possible sexual or other unlawful harassment, discrimination, retaliation, or other prohibited conduct is required to report it immediately or as soon as practicable to the Human Resources Manager and/or General Manager.

No employee should feel they must tolerate an inappropriate or uncomfortable situation. The Company will take your concerns seriously. The Company encourages all employees to report any incidents of harassment, discrimination, retaliation or other prohibited conduct immediately so that complaints can be thoroughly investigated and promptly resolved.

Because of the seriousness of a complaint of prohibited harassment, discrimination, retaliation or other prohibited conduct, any employee who makes or knowingly participates in a false complaint shall be subject to discipline up to and including termination.

Investigating Complaints

Every complaint of harassment, discrimination, retaliation or other unlawful prohibited conduct that is reported will be investigated impartially on a fair, timely and thorough basis by qualified personnel in as confidential and prompt a manner as possible. However, the Company cannot promise complete confidentiality as the duty to investigate and take corrective action may require the disclosure of information. Investigations will be documented and tracked for reasonable progress and closed in a timely manner. Parkpoint Clubs will reach a reasonable conclusion based on evidence collected during the investigation. If an investigation determines that inappropriate and/or unlawful harassment, discrimination, retaliation or other prohibited conduct has occurred, Parkpoint will take appropriate action commensurate with the severity of the offense. Any employee determined by the Company to be responsible for harassment, discrimination, retaliation, or other prohibited conduct will be subject to corrective action, up to and including termination of employment. In addition, appropriate action will be taken to prevent any future harassment or other prohibited conduct.

Once the investigation has started all involved employees must completely and honestly

assist in the investigation. This includes, but is not limited to, providing honest and accurate statements, being available for interviews, and assisting in the successful completion of the investigation. Failure to do so on any involved employee's part may be cause for disciplinary action, up to and including termination.

No Retaliation

Parkpoint prohibits retaliation against any employee for filing a complaint or participating in any workplace investigation and will not knowingly tolerate or permit retaliation by any other employee of the Company. Any report of retaliation will be promptly and thoroughly investigated in accordance with the Company's investigation procedures outlined above. If a complaint of retaliation is substantiated, appropriate disciplinary action, up to and including termination of employment, may be taken.

Outside Resources for Employees

In addition to the internal process described above, persons subjected to discrimination or harassment, including sexual harassment, have the right to contact and file a complaint with the California Department of Fair Employment and Housing (DFEH) or the federal Equal Employment Opportunity Commission (EEOC). These agencies investigate claims of discrimination and harassment, act as neutral fact finders, and attempt to help the parties resolve disputes. For more information, employees may contact the DFEH online at www.dfeh.ca.gov or call 800-884-1684, or the EEOC online at www.eeoc.gov or call 800-669-4000, or go to the nearest agency office.

New Employees

New employees are "Introductory Employees" for the first three months of employment. During this period, you will have an opportunity to learn your new position and see whether you enjoy your employment at Parkpoint Clubs. Parkpoint will use this period to see if you are able to meet Parkpoint's expectations. To make this determination your performance will be reviewed one or more times during the first three months of your employment.

Successful completion of your introductory period is not a guarantee of continued employment. Introductory periods may be extended for business reasons or because of permitted time off taken by the employee. As explained earlier, during your introductory period and during the entire course of your employment, you will be an at-will employee.

All offers of employment are contingent upon verification of your right to work in the United States. On your date of hire you will be asked to provide original documents verifying your right to work, and to sign a verification form required by federal law. If you at any time cannot verify to the satisfaction of Parkpoint Clubs your right to work in the United States, Parkpoint Clubs may be obligated to, or may elect to, terminate your employment.

Job Duties

During your introductory period, your supervisor will explain your job responsibilities and performance expectations. However, Parkpoint Clubs reserves the right to alter or change job responsibilities, reassign or transfer positions, and/or assign additional responsibilities. For example, you may be asked to work on special projects or to assist with other work. Your cooperation and assistance in performing such work is expected and appreciated.

Arbitration

Each employee may individually agree to arbitrate any controversy or claim arising out of or relating to his or her employment with, or termination from, Parkpoint Clubs which is not resolved informally. Any arbitration will be final and binding and conducted in accordance with the Employment Arbitration Rules of the American Arbitration Association (a copy of which is available from Human Resources at any time upon request). The specifics of Parkpoint's arbitration policy are spelled out in a separate arbitration agreement. All Parkpoint employees are provided their own copy of the arbitration agreement at the time they are asked to review and decide whether to sign it, and at any time thereafter they may request a copy from Parkpoint.

Binding arbitration is a form of alternative dispute resolution. It is a technique used to resolve disputes outside of the court system, in order to save the parties time and money. An impartial third party, called an arbitrator, reviews the evidence presented, decides the outcome, and makes a legally binding award. By signing an agreement to arbitrate all disputes, both parties – you and Parkpoint Clubs – give up their right to sue each other in court over any disputes that may arise between them.

Entering into an arbitration agreement with Parkpoint Clubs is entirely voluntary. An employee's employment with Parkpoint, any conditions of employment, and the receipt of any employment-related benefit will not be affected should an employee decide not to sign the arbitration agreement. Furthermore, it is Parkpoint's policy not to threaten, retaliate or discriminate against, or terminate any employee because the employee does not sign the arbitration agreement.

Claims for sexual harassment and sexual assault (or any other claims where mandatory arbitration is prohibited by law) are not covered by this Agreement and such claims may be presented by the employee to the appropriate court or government agency. This Agreement does not limit an employee from bringing a sexual harassment or sexual assault dispute before an arbitrator if the employee chooses to do so.

Employment Classification

There are five types of employees at Parkpoint Clubs. Your employment status is one of the following:

1. Introductory: employees who have not yet completed the introductory period (see New Employees section).
2. Regular full-time: employees who have completed their introductory period and work 40 hours or more per week on a regular basis.
3. Regular part-time: employees who have completed their introductory period and work at least 30 hours but less than 40 hours per week on a regular basis.
4. Part-time: employees who have completed their introductory period and work less than 30 hours per week on a regular basis.
5. Temporary: employees who are hired for a specific period or specific project and who are not considered regular, part-time or introductory employees.

Position Classifications

All Parkpoint Clubs' positions are classified as exempt or non-exempt, based on Federal and State regulations, as follows:

Exempt Employee: One who works in an executive, administrative, supervisory, or professional position of a type excluded or exempted from the overtime pay and other related provisions of the Federal Fair Labor Standards Act (FLSA) and/or California law. Exempt employees are paid a salary, regardless of actual hours worked.

Non-Exempt Employee: One who is eligible for overtime pay and other related provisions under the FLSA and/or state law. Non-exempt employees are paid for actual hours worked.

Work Schedules and Breaks

The Parkpoint Clubs are open seven days a week. Your supervisor will inform you monthly of your work schedule. You will be scheduled to work particular shifts for each calendar month. Changes in the work schedule due to personnel changes, facility and operational demands, and workload are normal and to be expected. If you are unable to cover your shift, you are expected to follow the Shift Coverage Procedures Policy. Trading shifts is not allowed except with the prior written or verbal approval of your supervisor as outlined in the Shift Coverage Procedures Policy.

The basic workday for full-time employees is eight hours, exclusive of the meal period.

Various factors, such as workloads, operational efficiency, and staffing needs may require, at Parkpoint's direction, variations in an employee's starting and quitting times and total hours worked each day or each week. All employees are required to work their full shift and may not leave early or stay late unless authorized by their supervisor.

Meal and rest periods are provided to non-exempt employees in accordance with the posted State laws. Non-exempt employees are legally entitled to a 10-minute paid break for each four hour work period (or major portion thereof). Two 10-minute rest periods, on Parkpoint Clubs' time, are provided during an eight-hour workday. These rest periods must not be combined or added to your meal period and may not be used to arrive late or leave early. During this time you would be expected to attend to any and all of your personal needs. This break should be taken approximately mid-point or later in your shift and work flexibly with the demands of the workload and other employees in need of their break.

All non-exempt employees must also be provided an uninterrupted meal break of at least 30 minutes during any shift over five hours. This meal period is unpaid and must begin no later than the beginning of the fifth hour of work. Employees must record the starting and ending time for each meal period. Due to operational requirements, employees in certain classifications may be asked to sign an on-duty meal agreement. If an employee works between five and six hours in one workday and has signed a Meal Break Waiver the employee may voluntarily elect to not take a meal break during that work shift.

If for any reason you are not provided a meal or rest period in accordance with our policy, or if you are in any way discouraged or impeded from taking your meal or rest period or from taking the full amount of time allotted to you, please immediately notify your Club Manager or the Human Resources Manager.

Any employee requests for rest or meal period deviations will be handled by management on a case-by-case basis, and per legal requirements (including the use of a waiver form).

Parkpoint Clubs strives to support a family-friendly workplace and will follow all legal requirements regarding the provision of break time for nursing mothers.

Parkpoint Clubs will follow all legal requirements regarding the employment of minors (under 18 years old). For example, if you are 16 or 17 years old and not a high school graduate, it is generally against the law for you to work past 10:00 p.m. on a day preceding a school day. You may work until 12:30 a.m. on a non-school day. You may not work more than four hours on a school day or eight hours on a non-school day, or more than 48 hours in one week. If you are 14 or 15 years old, you cannot work past 7:00 p.m. from Labor Day to May 31. From June 1 to Labor Day you can work until 9:00 p.m. While school is in session, you may not work more than three hours on a school day or eight hours on a non-school day, or more than 18 hours in one week. When school isn't in session, 14- and 15-year-olds can work up to 8 hours per day and 40 hours per week.

Overtime

As necessary, non-exempt employees may be required to work some overtime hours. Your supervisor must authorize all overtime work in advance. Parkpoint Clubs provides compensation for overtime hours worked by non-exempt employees in accordance with state and federal laws. Time and a half will be paid for hours worked beyond eight in a workday and/or 40 hours in a workweek, and for the first eight hours worked on the seventh consecutive day worked in a workweek. Double-time will be paid for hours worked beyond twelve in a workday, and beyond eight hours on the seventh consecutive day worked in a workweek.

For purposes of computing overtime, the workweek starts at 12:01 a.m. Sunday and ends at midnight the following Saturday. Only actual hours worked in a given workday or workweek will be counted toward overtime eligibility. Days or hours when you are paid but do not work, such as vacations, holidays or sick leave, do not count as time worked for computing overtime.

Overtime hours shall be determined based upon time clock records, verified by an employee's supervisor. Any dispute regarding eligibility for overtime pay must be raised by an employee upon receipt of their next paycheck after working the claimed overtime.

Exempt employees may have to work hours beyond their normal schedules as business demands require. No overtime compensation will be paid to exempt employees.

Working At More Than One Parkpoint Facility

Pre-approval from your manager is required prior to working at multiple clubs. It is the policy of Parkpoint Clubs, LLC that any employee that works at multiple clubs only works at one club on any given day. This includes Personal Trainers, Pilates Instructors, and Group Exercise Instructors that instruct classes or clients at more than one of our club locations. Any work scheduled at multiple clubs on the same day must be authorized in advance by the General Manager. It is Parkpoint Clubs, LLC policy that employees who work at more than one club are not assigned a "fixed work site" therefore will not be reimbursed for travel expenses (including but not limited to time, gas, and mileage) for commuting to any Club. Parkpoint Clubs, LLC reserves the right to decline authorization to work at multiple clubs as employment at one facility does not guarantee employment at others.

When working at more than one facility, your work schedules must not conflict. It is your responsibility to fully inform your managers of any schedule conflicts. Should you wish to make changes in your schedule to include more (or less) shifts at one or the other facility, you must make this request to both your manager as well as to the manager of the other club involved. The managers of both (or all three clubs if applicable) will review your request and make a joint decision as to whether to approve your request. You are not allowed to independently decide to drop shifts at one facility in order to add more shifts at another.

Personnel Records

Parkpoint Clubs maintains separate employment records for each employee in an employee personnel file. The contents of your personnel file and payroll records are open for inspection by you (or a designated representative) at Parkpoint Clubs, in the presence of your Club Manager or Human Resources Manager, with reasonable notice. Notify your Club Manager in writing if you would like to do so. All requests for file reviews and/or copies will be handled per legal requirements.

Should you have any personal changes such as address, phone number, marital status or changes in the number of your dependents, you must inform the Accounting Department in writing so our records and your benefits are kept up to date. If you have medical benefits through Parkpoint, it is your responsibility to contact your provider directly to inform them of any applicable changes.

Parkpoint Clubs will keep your personnel records private. However, there are certain times when information may be given by Parkpoint Clubs to persons outside Parkpoint. These are:

1. In response to a subpoena, court order or order of an administrative agency.
2. In a lawsuit, arbitration or other proceeding in which you and/or Parkpoint Clubs are parties.
3. To an administrator of employee benefits plans.
4. To a health care provider.
5. To a prospective employer or other person requesting a verification of your employment, but only (a) if you give us a written release allowing us to give out information, or (b) we are providing only the dates of your employment, your last or present job title, and the fact of your employment.

Open Communication

Communication and teamwork lead us to achieving our business goals. However, every work group can experience conflict. Our goal is to quickly resolve issues, while maximizing our work relationships. Open, honest communication is the key to achieving this goal. If you have a problem, suggestion or question regarding your job or working conditions, we encourage you to voice your concerns openly and directly to your immediate supervisor. Experience has shown that when employees deal directly with their supervisors, communication can be clear and overall morale can be positive.

However, if you feel it is not appropriate to contact your supervisor, or you feel that the situation has not been resolved, you may wish to bring the issue to your Club Manager. If you feel it is not appropriate to contact your Club Manager or if the situation has not been resolved, you may then wish to bring the issue to the Human Resources Manager. Finally, if you feel it is not

appropriate to contact the Human Resources Manager or you feel the situation still has not been resolved, you may wish to bring the issue to the General Manager.

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

Termination

The Parkpoint Clubs will consider you to have voluntarily terminated your employment if you do any of the following:

1. Resign from the Company.
2. Do not return an approved leave of absence on the date specified by the Company (within legal restrictions).
3. Fail to report to work and fail to call in for three or more successive workdays or after two weeks, whichever is sooner (unless the absence is protected by law).

You may be terminated without prior notice for poor performance, misconduct, excessive absences, tardiness or other reasons. However, since your employment is at-will, both you and the Parkpoint Clubs have the right to terminate your employment at any time without cause and without prior notice.

The Parkpoint Clubs may choose to terminate your employment because of business reorganization, job elimination, economic turndowns or lack of work. Should the Parkpoint Clubs choose to make such a termination, Parkpoint will try to give reasonable advance notice.

Separation Procedures

When you leave Parkpoint Clubs, you must return all supplies, uniforms, keys and other Parkpoint Clubs property. You will meet with your Club Manager or the Human Resources Manager and be asked to sign an exit form which states that you have received your final paycheck and that you have returned all Parkpoint Clubs property.

Your Club Manager or the Human Resources Manager will provide you with information regarding any conversion or continuation rights you may have with respect to your insured benefits and/or Club Membership.

Rehires

Parkpoint Clubs will consider former employees for re-employment. Former employees are subject to the same hiring procedures as other applicants. To be considered, an applicant must

have been in good standing at the time of termination from their previous employment with Parkpoint Clubs.

YOUR PAY AT THE PARKPOINT CLUBS

Compensation and Pay Days

General pay ranges have been established for each position within the Parkpoint Clubs. These are the result of an analysis of the work you will be required to do, and emphasize skills and responsibilities required in the performance of each job.

Your compensation arrangement will be reviewed periodically. Your initiative, performance and attendance will be evaluated by your supervisor, and these factors, along with any other external factors such as company finances, determine whether you are eligible for a pay adjustment and, if so, how much it will be.

Employees of the Parkpoint Clubs are paid twice each month. Employees' payday are as designated on the annual payroll calendar. Your check will be distributed between 12:00 p.m. and 5:00 p.m. Your paycheck will include your pay for all time worked, including overtime, through the day that is specified on the annual payroll calendar.

You have the option of signing up for direct deposit of your pay. Please contact the Accounting Department if you would like to do so.

Your check will not be released to any other individual without your written authorization. This is for your protection.

Upon termination or resignation, employees will be promptly paid all amounts due in accordance with applicable law. If Parkpoint Clubs terminates an individual's employment, all wages and accrued vacation earned but unpaid will be paid on the termination date. An employee who resigns and provides at least 72 hours' notice to Parkpoint Clubs will be paid all wages and accrued vacation on the last date of employment. An employee who resigns with less than 72 hours' notice will receive their final and vacation pay no later than 72 hours after notice is given.

Garnishment

Employees are expected to meet their personal financial obligations without involving the Parkpoint Clubs. If Parkpoint Clubs receives a court order to garnish your wages, Parkpoint must comply with that order. A garnishment will reduce your take-home pay and may result in an administrative burden for Parkpoint. We will advise you if we receive such a notification regarding your pay.

Payroll Deductions

Federal and state laws require that Parkpoint Clubs withhold taxes from your wages. These are: (1) Federal income tax; (2) California income tax; (3) Federal Insurance Contributions Act

[FICA--Social Security and Medicare]; (4) California State Disability Insurance [SDI]; and (5) California Paid Family Leave.

If you need to make any changes to your W-4 or DE-4, please notify the Accounting Department.

If you are eligible and elect in writing to cover dependents at your cost under the Company's medical insurance plan, those premiums will be deducted directly from your wages.

As noted above, the Club will make certain deductions from your pay, as required by law. We comply with FLSA and other legal requirements regarding your pay and deductions. If you observe an error on your check (including any improper deductions), please report it immediately to your Club Manager.

Time Keeping

All non-exempt employees are required to record their time worked on a time record as specified by their supervisor (time clock or timesheet) on a daily basis. This includes documentation of the start and end of each workday, as well as meal periods and dates of classes taught and/or trainings held. Employees using timesheets are responsible for completing their time record by the due date and having it available for collection by their supervisor according to the payroll calendar.

Any errors in your time record, including forgetting to record an entry, must be reported immediately to your supervisor. Repeated errors, recording another employee's time, allowing another employee to record your time, altering a time record, or making a false entry on a time record will not be tolerated, and may lead to corrective action up to and including termination of employment.

Non-exempt employees will be paid at their normal hourly rate or assigned meeting rate for attending staff meetings. If you do not regularly punch the time clock, please submit your staff meeting hours in writing, noting "staff meeting" next to the day, date and time. The Parkpoint Clubs will follow all legal requirements for payment of employees that come in for staff meetings on days they are not otherwise scheduled to work.

All exempt and non-exempt employees receiving benefits must note holidays, vacation days, sick days and any other "leave" days in writing on their time records or absence reports.

Please note that employees are not allowed to work "off the clock." Any work performed before or after a regularly scheduled shift must be approved in advance by your supervisor. If you perform any off-the-clock work, please report the work to your Club Manager.

Split Shifts

Split shifts are defined as two distinct work periods separated by more than a one-hour meal period. Split shifts should not be scheduled without written permission in advance from your supervisor. Parkpoint Clubs will follow all legal requirements regarding pay for employees working split shifts.

Performance Bonus

Parkpoint Clubs' ownership may, on occasion, elect to award bonus pay to selected employees. The determination of whether to pay a bonus, the amount of any such bonus, what standards of performance are applicable, the timing of any bonus payment, and which employees (if any) shall receive them, shall be in the sole discretion of Parkpoint Clubs.

YOUR POTENTIAL BENEFITS AT THE PARKPOINT CLUBS

Eligibility for Benefits

The Parkpoint Clubs is pleased to offer certain benefits to our employees. Eligibility for these benefits varies, as described in the chart below. Please note that the Company reserves the right unilaterally to modify or discontinue any benefit if it, in its sole discretion, deems this appropriate and consistent with applicable law.

1. **Paid Vacation Days:** Available for regular full-time and regular part-time employees working 30 or more hours per week on a regular basis. Vacation days start accruing immediately upon hire and are available for use at 60 days from the employee's date of hire.
2. **Paid Sick Days:** Available for all employees in accordance with the State of California's paid sick leave law.
3. **Paid Holidays:** Available for regular full-time employees and regular part-time employees working 30 or more hours per week on a regular basis. Eligibility starts 60 days from date of hire.
4. **Health Insurance:** Available for regular full-time employees and regular part-time employees working 30 or more hours per week on a regular basis. Eligibility starts the first of the month after 60 days of employment.
5. **Use of Club Facilities:** Permitted beginning on date of hire and upon approval of the Club Manager.

Health Insurance

Parkpoint Clubs offers all regular full-time and regular part-time employees the opportunity to participate in one of its group medical plans upon eligibility. Temporary, introductory (for the first 59 days) and part-time employees working less than 30 hours per week are not eligible for these medical benefits. These benefits are described in detail in the Summary Plan Description furnished to eligible employees.

You should verify your eligibility for coverage before undergoing treatment in order to ensure that the treatment is covered. If you have questions about your eligibility for medical benefits, please contact the Human Resources Manager. If you have questions regarding what medical problems are covered by your insurance, or if you need claim forms, please contact your insurance provider directly.

If you leave the Company, or experience another "qualifying event", you and/or your dependents may have the right to continue your group medical benefits temporarily under the Federal statute commonly called COBRA. The Human Resources Manager will mail you information regarding these rights.

The Company reserves all rights to cancel, modify, change or terminate the medical benefits offered its employees and/or their dependents at any time, subject to any statutory notice requirements.

Club Membership

Employees will receive a complimentary individual Limited Employee Club Membership upon hire. This makes the employees eligible to use the Club facilities as outlined in the Limited Employee Agreement form. Management may restrict the hours of use or frequency of use in order to afford regular Club members first priority. Club Membership and/or use are privileges that may be rescinded at any time at the discretion of your Club Manager.

Club Account Privileges

Employees of the Parkpoint Clubs are extended the privilege of charging goods and services to their club accounts. In order to receive charging privileges on your account, you must have an EFT agreement that describes our terms and your obligations. Charging to your Club account is a privilege that may be rescinded at any time at the discretion of your Club Manager.

Employee Discounts

Parkpoint Clubs may offer its employees discounts on selected food, beverages, goods and services sold at the Club at its discretion. These discounts may be rescinded at any time.

Holidays

All regular full-time employees and regular part-time employees who have completed 60 days of employment and continue to work at least 30 hours per week thereafter, are eligible for four paid holidays.

The four paid holidays provided are:

1. New Year's Day
2. Thanksgiving Day
3. Christmas Day
4. Easter Sunday

The Parkpoint Clubs will be closed on the above holidays.

Paid Holidays falling on a non-workday: If one of the above holidays falls on a day that a qualified employee (see above) does not regularly work, they may take off another paid “in lieu” day during the week before or after the holiday. The requested day off must be scheduled and approved by their Club Manager or the General Manager. Requests will be approved based on the needs of the Club and on the seniority of the employees making the request.

- **Exempt:** An exempt employee will receive their regular salary.
- **Non-Exempt:** A non-exempt employee will receive pay at their usual rate for the hours they typically work.

Paid Holidays falling on a scheduled workday:

- **Exempt:** If an exempt employee’s regular schedule includes working on a day in which one of the above-mentioned holidays falls, exempt employees will be paid their regular salary. An additional paid “in lieu” day will not be added as the employee is already being paid for the holiday not worked.
- **Non-exempt:** If a non-exempt employee’s regular schedule includes working on a day in which one of the above-mentioned holidays fall, non-exempt employees will receive pay at their usual rate for the hours they typically work.

Labor Day, Memorial Day and Independence Day are *not* paid holidays.

If the Club is open:

- **Exempt employees** will be paid their regular compensation if required to work by the Club Manager and/or General Manager. If an exempt employee does not work, the General Manager will determine the status of the day taken.
- **Non-exempt employees** scheduled to work will receive overtime pay (equivalent to 1.5 times their normal hourly rate).
- **Staff compensated on a per service basis**, including but not limited to personal trainers, group exercise instructors and massage therapists, are paid their usual per service rates when providing services on these three days.

If the Club is closed on any of the three days noted above:

- **Exempt employees** will receive their regular compensation whether or not it is a regularly scheduled workday. No “in lieu” day will be granted. *Please see “Benefited Upper Management and Department Head Staff Guidelines” for more information.*

- **Non-exempt employees regularly scheduled to work 30 or more hours per week** will not be paid for the day, whether or not they would have otherwise been scheduled to work. If they would like to be paid for any of the three days noted above, they can use their accrued vacation hours.
- **Non-exempt employees regularly scheduled to work 30 or more hours per week** and who are *not normally scheduled* for that day will not receive compensation for these days. No “in lieu” day will be granted.
- **Non-exempt employees regularly scheduled to work less than 30 hours per week** will not be paid for the day, whether or not they would have otherwise been scheduled to work.

Paid Vacation

Employees benefit from reasonable time off from work, and Parkpoint Clubs offers paid vacation to eligible regular full-time employees and regular part-time employees regularly scheduled to work 30 or more hours per week. Other part-time, temporary and introductory employees are not entitled to paid vacation time, but may arrange for vacation leave without pay, consistent with Parkpoint Clubs staffing requirements.

Eligible regular full-time and regular part-time employees accrue paid vacation days each pay period based on their anniversary date and the hours of their typical workday according to the following schedule:

| Length of Employment | Accrual |
|---|------------------|
| Beginning at the date of hire through the end of 2 nd year of continuous service | 10 days per year |
| Beginning at year 3 through the end of year 5 of continuous service: | 15 days per year |
| Beginning at year 6 through the end of year 10 of continuous service: | 20 days per year |
| Beginning at year 11 through the end of year 15 of continuous service: | 25 days per year |
| Beginning at year 16 and all following years of continuous service: | 30 days per year |

Paid vacation time starts accruing on the date of hire and may be used beginning on the 60th day of employment with supervisory approval. A "day" is defined as eight hours for regular full-time employees and the pro-rated amount for regular part-time employees working a minimum of 30 hours per week on a regular basis and is paid at the employee's normal hourly rate (excluding premiums and overtime compensation, if any).

You are strongly encouraged to use your vacation time each year for rest and relaxation. If you have unused vacation time remaining at the end of the calendar year, you can defer using it to the following year and continue accruing vacation time up to a maximum accrual of 1.5 times your annual allotment. For example, if you accrue 10 days per year, you can accrue up to 15 days before vacation stops accruing. If you reach this limit, your vacation accruals will stop, until you bring your total below the maximum. Retroactive credit will not be given for any period of time in which an employee does not accrue PTO because the employee reached the accrual cap.

You may not receive pay in lieu of using your vacation time, except when employment is terminated.

The schedule of your vacation is based on the Company's operational needs and the requests for vacation and leave of absence of other employees. *All vacation requests must be approved in advance by your supervisor.* You must give your supervisor at least 30 days' advance notice of the dates of requested vacation of three days or more. Vacations of one to two days must be requested at least ten days in advance. If there is a conflict in requests for time off, the person with the most seniority will be given preference.

You may not take vacation before you earn it unless you obtain written permission from your supervisor. If written permission is granted, the vacation will be considered an advance of your vacation accrual.

Vacation does not accrue while on a leave of absence, when an employee is suspended, or for overtime hours worked.

If you become ill during your vacation, please notify your supervisor. In those situations, your time off may be counted as sick days instead of vacation days, at management's discretion.

Paid Sick Leave for Employees working 30 hours or more per week:

All employees who have worked for 30 hours or more days within a year from the start of their employment are entitled to paid sick time in compliance with California's Paid Sick Leave law. Employees are eligible to take paid sick time with the Parkpoint Clubs on or after their 90th day of employment from their date of hire. Employees cannot be discriminated against or retaliated against for requesting or using accrued paid sick time. Eligible employees will receive sick leave as follows:

Regular full-time employees and regular part-time employees (who work an average of at least 30 hours per week) will accrue sick leave at the rate of one hour of paid sick time for every 30 hours worked. Employees need to meet the 90-day employment requirement before taking any leave. Exempt employees are presumed to work 40 hours per workweek for purposes of sick time accrual. If their normal workweek is less than 40 hours, the accrual will be based on their normal workweek.

Employees may earn a maximum of six sick days or 48 hours. After an employee has accrued the maximum amount of 6 days or 48 hours, no additional paid sick time will be earned until some or all of the employee's accrued paid sick time is used. The maximum amount of paid sick time an employee in this classification is allowed to use in each calendar year of employment is 6 days based on the employee's typical workday and workweek (not to exceed a total of 48 hours used), regardless of how much paid sick time the employee has earned. **Full-time employees can use up to 48 hours of sick leave.** Employees working at least 30 hours per week on regular basis, but less than 40 hours, are eligible for a pro-rated maximum usage amount based on their typical work schedule. **Any unused sick leave will carry over into the next year to a maximum of 80 hours.** *Parkpoint limits employees' actual use of accrued sick leave to 48 hours per year.*

Paid Sick Leave for Employees working under 30 hours per week:

Part-time hourly staff working under 30 hours including Instructors and per Service or Session Employees will accrue sick leave at the rate of one hour of paid sick time for every 30 hours worked. Employees need to meet the 90-day employment requirement before taking any leave. Employees may earn a maximum of six days or 48 hours. After an employee has accrued the maximum amount of 6 days or 48 hours, no additional paid sick time will be earned until some or all of the employee's accrued paid sick time is used. **The maximum amount of paid sick time that part-time employees in this classification are allowed to use in each calendar year of employment is 40 hours,** regardless of how much paid sick time the employee has earned. Any unused sick leave will carry over into the next year to a maximum of 80 hours. *Parkpoint limits employees' actual use of accrued sick leave to 40 hours per year.*

The Parkpoint Clubs does not pay employees for unused paid sick leave upon termination. Sick leave balances will be reinstated for employees who are rehired at Parkpoint Clubs within 12 months of separation from employment.

Paid sick time can be used for the following reasons:

- Diagnosis, care or treatment of an existing health condition for an employee or covered family member, as defined below.
- Preventive care for an employee or an employee's covered family member.
- For certain, specified purposes when the employee is a victim of domestic violence, sexual assault or stalking.

Employees have the sole discretion to designate sick leave as being taken for themselves or to take care of their family members.

For purposes of paid sick leave, a covered family member includes:

- A child defined as a biological, foster or adopted child; a stepchild; or a legal ward, regardless of the age or dependency status of the child. A "child" also may be someone for

whom you have accepted the duties and responsibilities of raising, even if he or she is not your legal child.

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

If the need for paid sick leave is foreseeable, employees shall provide advance oral or written notification to their Department Supervisor or Club Manager. If the need for paid sick leave is not foreseeable, employees shall provide notice to the Department Supervisor or Club Manager as soon as practicable.

An employee's use of paid sick time may run concurrently with other leaves under local, state or federal law. **The minimum amount of time that may be requested for paid sick leave is one hour.** Employees will receive paid sick leave for the actual hours for which they were scheduled on the particular day claimed.

Paid sick leave is a benefit that also covers absences for work-related illness or injury. Employees who have a work-related illness or injury are covered by workers' compensation insurance. However, workers' compensation benefits usually do not cover absences for medical treatment. When you report a work-related illness or injury, you will be sent for medical treatment, if treatment is necessary. You will be paid your regular wages for the time you spend seeking initial medical treatment.

Any further medical treatment will be under the direction of the health care provider. Any absences from work for follow-up treatment, physical therapy or other prescribed appointments will not be paid as time worked. If you have accrued and unused paid sick leave, the additional absences from work will be paid with the use of paid sick leave.

If you do not have accrued paid sick leave, or if you have used all of your sick leave, you may choose to substitute vacation leave for further absences from work, related to your illness or injury.

Parkpoint Clubs will not terminate or retaliate against you for requesting or using any accrued sick leave. You may file a complaint with the appropriate agency if you believe you have been subjected to retaliation.

Leaves of Absence

The Parkpoint Clubs may grant leaves of absence to employees in certain circumstances. All leaves will be approved at the General Manager's discretion and will be in accordance with applicable state and federal guidelines. Every effort will be made to accommodate reasonable requests. Leaves will be unpaid unless the employee uses accrued vacation or sick time (as appropriate). While on a leave of absence, sick and vacation benefits are not accrued. In addition, employees are not eligible for pay for any company-recognized holidays that occur during their leave. In some situations, the Parkpoint Clubs may need to fill a position vacated by an employee on an extended leave of absence (within legal restrictions). If that occurs, the Parkpoint Clubs will assess job availability when the employee is able to return to work.

It is important to request any leave in writing as far in advance as possible, to keep in touch with your supervisor during your leave, and to give prompt notice if there is any change in your return date. If your need for a leave is foreseeable due to a planned event (e.g., a planned medical treatment) you must make a reasonable effort to schedule the leave so as to avoid unnecessary disruption of the Parkpoint Clubs' operations.

In some situations, health insurance benefits coverage (if applicable) may continue during your leave, at the Parkpoint Clubs' discretion (i.e., considering length of employment and level of responsibility), and per legal requirements. This is the case for Family Medical Leave (FMLA/CFRA), which requires employers to continue the same payment contribution for up to twelve weeks; and for Pregnancy Disability Leave, which requires employers to continue the same contribution as prior to the leave for up to four months. For all other leaves of absence, the company will continue their same contribution toward health benefit premiums for the first 60 days of a leave. During this initial 60-day period part-time employees with health insurance benefits and full-time employees with health insurance benefits for dependents must continue making their contributory payment to keep insurance in place. After 60 days, health insurance continuation is the responsibility of the employee and may be continued provided the employee pays the premium monthly in advance of the covered month, consistent with federal COBRA regulations. In all situations, employees covering their spouse and/or dependents must continue making the appropriate payment to continue coverage. Since the employee will not be receiving a paycheck during their leave, it will be their responsibility to deliver payment to Parkpoint prior to the first of each month.

If your leave expires and you have not contacted the Company, it will be assumed that you do not plan to return and that you have terminated your employment. Upon return from leave of absence (as applicable), you will be credited with the employment status which existed prior to the start of the leave. The terms and conditions of any leave of absence, including the return date, will be in writing, and signed by you and the Human Resources Manager and/or the General Manager.

California Family Rights Act

Parkpoint Clubs recognizes that an employee may need to be absent from work for an extended period of time for family and/or medical reasons. Parkpoint Clubs complies with applicable law providing for family and/or medical leaves and will grant these leaves to employees

as required by applicable law in effect at the time the leave is granted.

The California Family Rights Act (CFRA) provides eligible employees a maximum of 12 workweeks of unpaid medical leave within a 12-month period.

Employees are eligible for CFRA leave when they have been employed at Parkpoint Clubs for at least 12 months prior to beginning their CFRA leave and have worked for Parkpoint Clubs for at least 1,250 hours during the 12-month period immediately before the leave begins.

CFRA leave may be taken for any of the following reasons:

- For your own serious medical condition which makes you unable to perform your job duties, except for disability on account of pregnancy, childbirth, or related medical conditions.
- To care for your child after birth, adoption or foster care placement of a child with you (baby bonding).
- To care for your child, spouse, registered domestic partner, parent, parent-in-law, grandparent, grandchild, sibling, child of your registered domestic partner or *designated person* (see below) who has a serious medical condition.
- A qualifying exigency related to your covered active duty or the active duty of your spouse, domestic partner, child, or parent in the Armed Forces.
 - “Parent” means a biological, foster, or adoptive parent, a stepparent, a legal guardian, or other person who stood in loco parentis to you when you were a child.
 - “Sibling” means a person related to another person by blood, adoption, or affinity through a common legal or biological parent.
 - “Designated person” means any individual “related by blood or whose association with the employee is the equivalent of a family relationship.” The designated person may be identified by the employee at the time the employee requests the leave.

“Serious medical condition” includes an injury or illness (including an on-the-job injury), impairment, or physical or mental condition that causes or requires inpatient care or continuing treatment, including treatment for substance abuse.

Requesting Leave and Leave Procedures

You must request any leave in writing as far in advance as possible and as soon as you realize the need for leave. If the leave is foreseeable, you must notify the Company at least 30 days before leave is to begin, or if that is not possible, the Company must be informed as soon as is practical. Failure to provide sufficient notice may result in the delay of your leave.

You must consult with your supervisor regarding scheduling of any planned medical treatment in order to minimize disruption to the operations of the Company. Any such scheduling is subject to the approval of your licensed health care provider or the health care provider of the family member.

You must provide sufficient information for us to determine if you qualify for CFRA leave protection. If the leave is to care for your own serious health condition, you must provide medical certification that includes:

- The date on which the serious health condition commenced.
- The probable duration of the condition.
- That due to your own serious health condition, you are unable to perform your job functions. We may also require a second or third medical opinion regarding your own serious health condition at our expense. You are required to cooperate with us in obtaining any additional medical opinions we may require.
- If additional leave is required, you must provide subsequent recertification of your own serious health condition.

If leave is for a covered family member's serious health condition, you must provide medical certification that includes:

- The date on which the serious health condition began.
- The probable duration of the condition.
- An estimate of the amount of time that the health care provider believes you are needed to care for the family member.
- A statement that the family member's serious health condition requires you to provide care during the period of treatment or supervision.

If your need for leave is for a qualifying exigency arising out of a qualifying family member's active-duty status or an impending call to active duty in the Armed Forces, you must provide notice of the need for leave as soon as is reasonable and practicable.

While on approved CFRA leave, you should not perform any work for the Company.

Leave Usage

CFRA leave will run concurrently with other federal/state laws where permitted by law.

When medically necessary, leave may be taken on an intermittent or a reduced work schedule. The smallest increment of time that can be used for such leave is one hour. For baby bonding time, you may take a minimum of two weeks.

When taking intermittent or reduced schedule leave for planned medical treatment you must make a reasonable effort to schedule the treatment to minimize disruption to Company business.

Substitution of Paid Leave

Parkpoint Clubs may require, or you may choose, to use any accrued paid leave that you are eligible to take during the otherwise unpaid CFRA leave. You are required to follow Parkpoint's paid leave policies with respect to use of that leave.

You may qualify for State Disability or Paid Family Leave Insurance benefits while on CFRA leave. Please see the Human Resources Manager for more details.

If a holiday falls within a full workweek taken as family and medical leave, the entire workweek is counted as family and medical leave and you will not receive holiday pay.

Calculating the 12-Month Period

Twelve workweeks of leave is the equivalent of 12 of your normally scheduled workweeks. The leave year the 12-month period measured forward from the day CFRA leave began.

Health Insurance Benefits

When taking CFRA leave, you will be allowed to continue participating in any group health benefits in which you were enrolled before the first day of the leave (for a maximum of 12 workweeks) at the same level and under the same conditions of coverage as if you had continued in employment for the duration of such leave. During your leave you must continue to make your premium payments for health care coverage for yourself and/or your dependents.

Reinstatement/Return to Work

If you are on leave for your own serious health condition you will be required to submit certification from your licensed health care provider that you are able to resume your work. Failure to timely provide a certification will result in denial of reinstatement.

When you satisfy all conditions of the Company's CFRA leave policy and return to work immediately following the expiration of your approved leave, you will be reinstated to your original job or to an equivalent job with equivalent pay, benefits, schedule and working conditions. However, you have no greater right to reinstatement than if you had been continuously employed rather than on leave. For example, if an employee on CFRA leave would have been laid off had they not gone on 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.

If you do not return to work from a leave allowed by this policy, you will be required to repay Parkpoint the premium amounts Parkpoint paid during your leave, unless you do not return to work because of circumstances beyond your control.

If you have not contacted your supervisor at the end of your scheduled leave, we will assume that you do not plan to return and you have terminated your employment. If you are unwilling or unable to return to work at the conclusion of the leave, your employment may be terminated.

Parkpoint Clubs will not retaliate against an employee who requests or takes leave in

accordance with this policy.

Family and Medical Leave Act

The federal Family and Medical Leave Act (FMLA) provides eligible employees up to 12 workweeks of unpaid family and medical leave within a 12-month period, under the following conditions:

- The employee has worked at least 12 months with the Company before the date the leave begins; and
- The employee has worked at least 1,250 hours during the previous 12-month period before the leave begins; and
- The employee works at a Company work site where there are 50 or more employees on payroll as of the date of the request for leave within a 75-mile radius.

When required to do so by law, the Company 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.

Leave may be taken for one or more of the following reasons:

- The birth of your child, or placement of a child with you for adoption or foster care (leave must be concluded within one year of the child's birth, adoption or foster care placement);
- For incapacity due to pregnancy, prenatal medical care or childbirth;
- To care for your spouse or domestic partner, child, parent, grandparent or sibling who has a serious health condition;
- To care for your spouse, child, parent or next of kin who is a covered service member with a serious injury or illness incurred in the line of duty on active duty in the Armed Forces (see Military Family Leave Entitlements, below);
- For a serious health condition that makes you unable to perform the functions of the job.

A "serious health condition" is an injury or illness (including an on-the-job injury), impairment, or physical or mental condition that causes or requires inpatient care or continuing treatment, including treatment for substance abuse. For Military Caregiver Leave, the term serious health condition has a more expansive definition. Employees should contact the Human Resources Manager for more information.

"Continuing treatment" means a period of incapacity of more than three 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 a chronic condition. Under the FMLA, incapacity due to pregnancy will also qualify as continuing treatment. In addition to these, other conditions or limitations may affect whether a treatment qualifies as continuing treatment. Employees should contact the Human Resources Manager for additional information.

Military Family Leave Entitlements

Eligible employees whose spouse, child or parent is on covered duty or called to covered active duty in the Armed Forces 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.

Eligible employees may also take a special leave entitlement of up to 26 weeks of leave to care for a seriously injured or ill covered service member during a single 12-month period.

A covered service member is either:

- 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
- 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 family and medical 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 service members and veterans are distinct from the FMLA definition of "serious health condition.")

Intermittent Leave

You may take family and medical leave for your own serious health condition, or for the serious health condition of your qualifying family member, or for a qualifying exigency, on an intermittent basis (e.g., leave taken in blocks of time due to a single illness or injury, rather than for one continuous period of time; or through a temporarily reduced schedule) when medically necessary and supported by the appropriate certification from the health care provider. The smallest increment of time that can be used for such leave is one hour.

When taking intermittent or reduced schedule leave for planned medical treatment you must make a reasonable effort to schedule the treatment to minimize disruption to Parkpoint Clubs business. In addition, Parkpoint may transfer you to an alternate position for which you are eligible and that better accommodates your recurring periods of leave than your regular position.

You may take family care leave for the birth, adoption or placement of a child through foster care on an intermittent basis but subject to a minimum duration of two weeks, except for two occasions during the leave eligibility period during which the employee may take leave of a shorter increment.

Calculating the 12-Month Period

Twelve workweeks of leave is the equivalent of 12 of your normally scheduled workweeks. Twenty-six workweeks of leave is the equivalent of your normally scheduled workweeks.

For purposes of calculating the 12-month period during which 12 weeks of FMLA or qualifying exigency leaves may be taken, Parkpoint Clubs uses the 12-month period measured forward from the date the employee first took leave. Note, the single 12-month period used for determining an employee's right to up to 26 work weeks of leave to care for a covered servicemember with a serious injury or illness begins on the first day the employee takes leave and ends 12 months later.

Under most circumstances, leave under federal and state law will run at the same time and the eligible employee will be entitled to a total of 12 weeks of family and medical leave in the designated 12-month period.

Pregnancy, Childbirth or Related Conditions and Baby Bonding

Leave because of a disability for pregnancy, childbirth, or related medical condition (PDL; see Pregnancy Disability Leave policy) is counted as time used for FMLA leave.

Leave Procedures

The following procedures apply when an employee requests family and medical leave:

1. Contact the Human Resources Manager as soon as you realize the need for family and medical leave. If the leave is based on the expected birth, placement for adoption or foster care, or planned medical treatment for a serious health condition of the employee or a family member, you must notify the Company at least 30 days before leave is to begin. You must consult with your supervisor regarding scheduling of any planned medical treatment in order to minimize disruption to the operations of the Company. Any such scheduling is subject to the approval of your health care provider or the health care provider of your family member.
2. If you cannot provide 30 days' notice, Parkpoint must be informed as soon as is practical. Failure to provide sufficient notice may result in the delay of your leave.
3. If your need for leave is for a qualifying exigency arising out of a qualifying family member's active-duty status or an impending call to active duty in the Armed Forces, you shall provide notice of the need for leave as soon as is reasonable and practicable.
4. If the FMLA request is made because of your own serious health condition, Parkpoint may require, at its expense, a second opinion from a health care provider that Parkpoint Clubs chooses.
5. If the second opinion differs from the first opinion, Parkpoint Clubs may require, at its expense, you to obtain the opinion of a third health care provider designated or approved jointly by you and the Company. The opinion of the third health care provider shall be considered final and binding on you and the Company.
6. While on approved family and medical leave, you should not perform any work for the Company.

Certification

When you request FMLA due to a serious health condition or serious injury or illness, you will be required to provide a Certification of Health Care Provider within 15 days of request for the leave, unless it is not practicable to do so. Parkpoint Clubs may require recertification from the health care provider if additional leave is required. If you do not provide medical certification in a timely manner to substantiate the need for family and medical leave, the Company may delay approval of the leave, or continuation thereof, until certification is received. If certification is never received, the leave may not be considered family and medical leave. The Certification form is available from Human Resources.

If the leave is needed to care for a sick child, spouse, or parent, you must provide a certification from the health care provider stating:

- Date of commencement of the serious health condition;
- Probable duration of the condition;
- Estimated amount of time for care by the health care provider; and
- Confirmation that the serious health condition warrants the participation of the employee.

For a leave taken due to a "qualifying exigency" related to a qualifying family member's active duty or call to active duty may be required to submit a Certification of Qualifying Exigency for Military Family Leave. The Certification form is available from Human Resources.

Parkpoint Clubs will require certification by your healthcare provider that you are fit to return to your job. Failure to provide certification by the health care provider of your fitness to return to work will result in denial of your reinstatement until the certificate is obtained.

You may not work for yourself or others during any leave of absence under this policy without prior written approval from the Company.

Health and Benefit Plans

When you take FMLA you will be allowed to continue participating in any group health benefits in which you were enrolled before the first day of the leave (for a maximum of 12 workweeks, or 26 workweeks if the leave is to care for a covered service member) at the same level and under the same conditions of coverage as if you had continued in employment for the duration of such leave. Parkpoint Clubs will continue to make the same monthly premium contribution as if you had continued working. You are responsible for payment of the employee portion of the monthly premium by the first day of the month for that month's coverage.

The continued participation in health benefits begins on the date leave first begins. In some instances, the Company may recover from you premiums paid to maintain health coverage if you fail to return to work following family and medical leave.

Substitution of Paid Leave

Leave under FMLA is unpaid. If you are on leave for your own serious health condition,

you must use any accrued sick leave and may elect to use any accrued vacation during any portion of the leave. If you are taking family and medical leave for other reasons you may elect to use any accrued sick and vacation time during any unpaid portion of the leave.

If you are taking family and medical leave you may qualify for State Disability or Paid Family Leave Insurance benefits. Please see the Human Resources Manager for more details.

If a holiday falls within a full workweek taken as family and medical leave, the entire workweek is counted as family and medical leave, and you will not receive holiday pay.

Time Off Accrual

When you are on a leave of absence you will cease accruing Company provided paid leave benefits such as vacation and sick leave.

Reinstatement/Return from Leave

When you satisfy all conditions of the Company's family and medical leave policy and you return to work immediately following the expiration of an approved leave you will be reinstated to your original job or to an equivalent job with equivalent pay, benefits, schedules, and working conditions. However, you have no greater right to reinstatement than if you had been continuously employed rather than on leave. For example, if an employee on FMLA would have been laid off had they not gone on 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. In addition, an employee's use of family and medical leave will not result in the loss of any employment benefit that the employee earned before using family/medical leave.

Parkpoint Clubs will require that your licensed health care provider certify that you are fit to return to your job. Failure to provide this certification of your fitness to return to work will result in denial of your reinstatement until the certificate is obtained.

Pregnancy Disability Leave

California pregnancy disability law governs leaves taken because of pregnancy, childbirth and related medical conditions. Any employee anticipating or needing a pregnancy disability leave of absence should contact the Human Resources Manager for additional information about their rights under this law. All requests for pregnancy disability leave must be accompanied by a physician's statement indicating the last day you can work, and the expected duration of your leave. In addition, a written physician's release is required before you can return to work. Duration of the leave will be determined by the advice of the employee's physician, up to a maximum of four months. An employee on pregnancy disability leave may use any available sick leave or vacation time, at the employee's option. The remaining leave time will be unpaid.

Per legal requirements, employees on pregnancy disability leave will be allowed to continue to participate in group health insurance coverage for up to a maximum of four months of disability leave (if such insurance was provided before the leave was taken) at the level and under

the conditions that coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. In some instances, employers can recover premiums paid (from the employee) if the employee fails to return following pregnancy disability leave.

Under most circumstances, upon submission of a medical certification that an employee is able to return to work from a pregnancy disability leave, the employee will be reinstated to the same position held at the time the leave began, or to an equivalent position, if available. An employee returning from a pregnancy disability leave has no greater right to reinstatement than if they had been continuously employed rather than on leave. If the employee on pregnancy disability leave would have been laid off had the employee not gone on leave, or if the employee's position has been eliminated or filled in order to avoid undermining the Company's ability to operate safely and efficiently during the leave, and there are no equivalent or comparable positions available, then the employee would not be entitled to reinstatement.

In some situations, an employee requesting pregnancy disability leave may also ask for a transfer to a less strenuous or less hazardous position. The request must be in writing and must state the reason for the transfer and be accompanied by a doctor's note. These requests will be handled per legal requirements, on a case-by-case basis.

In some situations, employees may be eligible for leaves of absence under both family and medical leave and pregnancy disability leave provisions. The interaction between these laws is complex. These situations will be handled on a case-by-case basis, and per legal requirements.

Lactation Accommodation

Parkpoint Clubs will provide reasonable lactation accommodation to employees by providing a reasonable amount of break time and the use of a private space (other than a restroom). Employees are required to use the paid rest break time already provided, whenever possible. Parkpoint Clubs will provide a reasonable amount of additional time beyond the normal paid rest break for expressing milk, however, the additional time beyond the normal paid rest break will be unpaid. Please discuss your needs with your supervisor or Human Resources.

Employees who are granted lactation accommodation will be provided with a private space in close proximity to their work area in which to express breast milk. The space will be safe, clean, and free of toxic materials; contain a place to sit, a surface in which to place personal items, and access to electricity. Access to a sink with running water and a refrigerator in proximity to the work area will also be provided.

Parkpoint Clubs will not retaliate against lactating employees for exercising their rights. Parkpoint Clubs will maintain a record of all requests for lactation accommodation, including documentation for any denial of the accommodation, for three years from the date of request.

Personal Leaves

Personal leaves of absence may also be granted, at management's discretion, on a case-by-case basis. Decisions about approval of personal leaves will be based, in part, on business/operational necessities.

Military Leaves

Employees who wish to serve in the military and take military leave should contact the Club Manager for information about their rights before and after such leave. In order to be eligible for a military leave of absence, you must submit a written verification (such as a copy of your military orders) to your supervisor as soon as possible. You are entitled to reinstatement upon completion of military service, provided you return or apply for reinstatement within the time allowed by law.

Victims of Crime, Domestic Violence, Sexual Assault and Stalking Leave

Employees who are victims of a crime or public offense that caused: (1) physical injury, (2) mental injury and the threat of physical injury, or (3) the death of an immediate family member will be given time off as necessary in accordance with the law. Employees who are victims of domestic violence, sexual assault, or stalking will also be given time off as necessary in accordance with the law.

Although the leave is generally unpaid, employees can use their accrued paid sick leave and vacation time for the purposes described below. You may request leave to appear in court to comply with a subpoena or other court order; obtain relief from the crime or abuse, such as a restraining order to help ensure the health and safety of your or your child; seek medical attention for injuries caused by the crime or abuse; obtain services from a domestic violence shelter, program, rape crisis center, or victim services organization or agency as a result of the crime or abuse; obtain psychological counseling related to an experience of crime or abuse; or participate in safety planning and take other actions to increase safety from future crime or abuse, including temporary or permanent relocation.

The length of unpaid leave an employee may take is limited to 12 weeks. Please provide reasonable advance notice of the need for leave unless advance notice is not feasible. If advance notice is not feasible, you will be required to provide, within reasonable time, documentation establishing the right to such time off.

The Company will make reasonable accommodations for an employee who is the victim of domestic violence, sexual assault, or stalking. The Company reserves the right to ask for a signed statement certifying that your request is for a proper purpose and to request proof of your need for an accommodation.

The Company will, to the extent allowed by law, maintain the confidentiality of an employee requesting leave or reasonable accommodation under this provision.

Employees will not be retaliated or discriminated against for exercising any rights provided under this provision. The Company will also not retaliate against you for disclosing your status as a victim of domestic violence, sexual assault, or stalking. If you think you have been discriminated against or that you have been retaliated against for exercising any rights under this provision, you may file a complaint to the Labor Commissioner's Office.

Jury/Witness Duty

Leave of absence will be granted if employees are required by law for jury duty or to appear as a witness in court or other legal proceedings. Employees are required to provide the Club Manager with a copy of any summons requiring an appearance as a juror or witness immediately upon receiving it.

Regular full-time employees and regular part-time employees who have completed 60 days of employment receive their regular wages when serving on a jury or as a witness in a legal proceeding, up to a maximum of five working days per year, minus witness or other fees tendered to employees in connection with their appearance. To receive pay as described, employees must furnish a statement indicating fees received from the court or agency requiring their attendance. If more than five days per year are required, employees will receive additional necessary time off without pay. All other employees will be granted time off without pay. Employees also have the option of using vacation time in lieu of time off without pay.

Per legal requirements, exempt employees will receive their full weekly pay for any partial weeks worked while on jury duty.

Voting

If it is impossible for you to vote in a national or state election due to time constraints, you will be allowed as much as two hours of paid time off to vote. This must be arranged at least three days in advance with the Company and the time taken must be at the beginning or end of your scheduled work shift.

Bereavement Leave

In the event of a death of an immediate family member(spouse, child, parent, sibling, grandparent, grandchild, domestic partner, or parent-in-law), Parkpoint employees who have completed 30 days of employment will be eligible for up to five(5) days off with pay to attend the funeral and to attend to related family obligations. Time off in excess of five days may be available, consistent

with Parkpoint Club's staffing requirements, upon the prior written approval of the Club Manager and shall be taken without pay or benefits. Employees also have the option of using available sick and/or vacation time in lieu of unpaid bereavement leave.

The days of bereavement leave do not need to be consecutive. The leave must be completed within three months of the date of death of the family member. Employers can require documentation to support the leave, which may include a death certificate; a published obituary; or a verification of death, burial or memorial services from a mortuary, funeral home, burial site, crematorium, religious institution, or government agency. Employers must request the documentation within 30 days of the first day of leave.

Reproductive Loss Leave

Parkpoint Clubs complies with the state mandated reproductive loss leave as follows:
Leave Amount and Eligibility:

- The employee must be employed by the employer for at least 30 days prior to starting the leave.
- Eligible employees may take leave for up to five days when they suffer a reproductive loss event, which is the day, or final day of a multiple day event, of one of the following, failed adoption, failed surrogacy, miscarriage, stillbirth, or unsuccessful assisted reproduction.

Employees must generally complete their leave within three months of the qualifying event; however, if prior to or immediately following a reproductive loss event, an employee is on or chooses to go on leave under California's pregnancy disability law, the California Family Rights Act, or any other leave provided by state or federal law, then the employee may complete their reproductive loss leave within three months of the end of the other leave. By California law, Parkpoint Clubs may cap reproductive loss leave at 20 days within a 12-month period.

Other Legally Mandated Time Off

Parkpoint Clubs will comply with all other state and federal laws requiring employee time away from work. This includes time off as appropriate for donation of organ and bone marrow; attending certain school activities; serving as a volunteer firefighter, reserve peace officer, or emergency rescue personnel; attending fire, law enforcement or emergency rescue training; joining a military spouse on leave; and civil air patrol. Please contact the Human Resources Manager if you wish to take a leave of absence not addressed in this Handbook.

State Disability Insurance and Paid Family Leave Insurance

As an additional benefit for employees of the Parkpoint Clubs, you are covered under the State Disability Insurance Program (SDI), which provides partial wage reimbursement for a period of time to employees who become unable to work because of illness or injury not caused by the job. To apply for this benefit, employees are to file for SDI benefits directly using the claim forms available through the EDD website. You must file a claim to receive benefits. You may contact the Human Resources Manager for any questions.

Employees taking certain leaves defined by law may be eligible for Paid Family Leave Insurance benefits. This program provides partial wage reimbursement for a period of time for workers who take time off to care for a child, spouse, registered domestic partner, parent, parent-in-law, sibling, grandparent, or grandchild who is seriously ill and unable to care for themselves, or to bond with a new child. Paid Family Leave Insurance benefits is also available due to a family member's qualifying exigency relating to active duty in the military.

Please note that these programs do not require employers to provide leaves of absence; they simply reimburse a portion of lost wages if the time off is granted. Payments for both programs are made by the State and are made in accordance with the current State policy. Employees receive copies of informational brochures for each program at the time of hire.

Workers' Compensation Insurance

The Company, in accordance with state law, provides insurance coverage for employees in case of work-related injury or illness. This coverage is provided by Parkpoint Clubs at no cost to you, and is effective immediately upon employment. Each and every occupational injury or illness, no matter how minor, must be reported immediately to the Club Manager, who will notify the Human Resources Manager. Pursuant to applicable state law, the Company will provide a claim form and Notice of Potential Eligibility for benefits to employees within one working day of receiving knowledge of a work-related injury.

YOUR JOB PERFORMANCE AT THE PARKPOINT CLUBS

Performance Evaluations

Your supervisor will review your job performance with you on a regular basis, and always before any pay raise is given. The purposes of these evaluations are:

1. To clarify expectations and evaluate the strengths and development areas of your work.
2. To communicate these to you.
3. To set future performance goals.

Your supervisor may prepare a written assessment of your job performance, which may be reviewed by the next higher level of management. After that, you will meet with your supervisor to discuss the evaluation. When you meet with your supervisor, you are encouraged to ask specific questions and to comment about your evaluation. You will be allowed to write your own comments on the evaluation form, and to sign it to show that you have read it and discussed it. You may request a copy of the complete form for your own records. A good performance evaluation does not guarantee a pay raise, nor is it a promise of continued employment. Pay raises are entirely discretionary with Parkpoint Club, and employment is strictly at-will.

Your Appearance

A professional appearance is essential to your job. You are a representative of Parkpoint Clubs, so you must present a clean and professional image to Club members, co-workers and management. You must practice good grooming and personal hygiene. Your hands and nails must always be clean. You must wash your hands after using the bathroom. You must dress in uniform if required, or, if not, in a professional and appropriate manner. Safe footwear must be worn at all times while you are on Company property.

As a courtesy to your coworkers and our members, please wear fragrances in moderation only. In addition, please note that in some circumstances the use of fragrances may be further restricted at the discretion of management.

Parkpoint Clubs supports our employees in expressing their personal styles where appropriate. Tattoos are generally acceptable, with the exception of visible tattoos that are unprofessional and/or offensive (e.g., offensive language or imagery). Facial piercings are generally not acceptable on-the-job. However, very small facial piercings may be allowed, at management's discretion. Ear gauges are also generally not acceptable, unless they are very small. Decisions about ear gauges will be made on a case-by-case basis, at management's discretion. Extreme body art and piercings (including multiple piercings) that are visible while in uniform are not allowed.

Uniforms and Equipment

Parkpoint shirts and name badges will be issued by Parkpoint and must be worn to help Club members identify the employees. Employees are not to wear buttons, pins or other adornments, particularly of a political nature. The Company may issue nonpolitical pins or buttons of a promotional nature, which employees will be required to wear. Employees are required to follow Parkpoint Clubs' Dress Code policy.

Attendance and Absences

Regular attendance at work should be as important to you as it is to Parkpoint Clubs. Being at work on time will assure you of a full paycheck each payday and will affect your performance evaluations. Each employee is expected to perform his or her share of the work. Absences place an unfair burden on other employees and affect our overall performance. You are expected to be at work on time each day unless you are excused by your supervisor. Regular attendance is an essential duty of all positions at Parkpoint Clubs.

An absence is a failure to report to work as scheduled when not due to vacation, sick leave, bereavement leave, jury duty, witness duty or approved leaves of absence, as provided in this Handbook. If you are sick or injured and cannot come to work, Parkpoint Clubs needs your cooperation to properly cover your job. Therefore, you are expected to call your supervisor and tell him or her you will be absent and when you expect to return to work. If you do not know your return date, you must call your supervisor each day as early as possible, but no less than three hours before the beginning of your regularly scheduled shift whenever possible. For shifts that begin on or before 6 a.m., you must call your supervisor before 8 p.m. the night before whenever possible.

If you know in advance that you are going to be absent, you must schedule the absence with your supervisor at least one week in advance. If you are absent for three or more successive work days or two weeks (whichever is sooner) without contacting your supervisor, Parkpoint Clubs will treat your absence as a voluntary termination (unless the absence is protected by law).

Excessive or abusive absences (including late notifications of absences) will not be tolerated, and may result in corrective action up to and including termination of employment (within legal restrictions).

Tardiness

Parkpoint Clubs considers punctuality an essential requirement for all positions at our Company and a key aspect of overall job performance. As a Parkpoint employee, you are expected to be punctual and regular in your attendance. You must arrive at your job location dressed in full uniform and ready to start work when you clock in or at the beginning of your assigned shift. You

are also expected to be ready to resume work on time after authorized rest and meal periods. Returning late from a rest period or meal break is not allowed unless previously authorized by your supervisor.

When employees are late for work, this creates a burden on your co-workers and supervisors, and can also have an impact on our clients. If you are unable to report for work at your scheduled starting time, it is required that you notify your supervisor, Club Manager or Manager on Duty as soon as you become aware you will be late.

Excessive tardiness will not be tolerated and may result in corrective action up to and including termination of employment (within legal restrictions). If you fail to report for work without notification for a period of three days, we will consider you to have resigned (unless the absence is protected by law).

Employee Conduct

The Parkpoint Clubs expects you as an employee to observe certain standards of job performance, and expects you to conduct yourself in a businesslike manner. The standards set forth below are intended to inform employees of what is expected of them. Such standards cannot identify every type of unacceptable conduct and performance. Therefore, employees should be aware that the items set forth below represent only examples of the types of conduct prohibited, and that conduct not specifically listed below but which adversely affects or is otherwise detrimental to the interest of the Company or Club members may also be unacceptable. As previously stated, both you and Parkpoint Clubs may terminate your employment at any time, on notice to the other, without cause. These standards are set forth solely to inform employees of general areas of conduct that Parkpoint Clubs considers unacceptable.

Unacceptable Conduct

1. Malicious or willful destruction or damage to property or supplies, or to the property of another employee, a customer or a visitor.
2. Stealing, possessing or removing without permission Company property or property of another employee, a customer or a visitor.
3. Obtaining your job by lying or giving false or misleading information; falsifying any employment documents or records, including your or a co-worker's time records; and other acts of dishonesty.
4. Bringing or possessing firearms, weapons or other hazardous or dangerous devices or substances onto Company property without proper authorization or engaging in or provoking any act of violence or damaging Company property or property of another.
5. Possession, use or sale of alcoholic beverages or illegal drugs on Company property, or reporting for duty under the influence of alcohol or illegal drugs.
6. Insubordination, including improper conduct toward a supervisor or refusal to perform tasks assigned by a supervisor (within legal guidelines).
7. Fighting on Company property.

8. Violating the Company's Policy Prohibiting Unlawful Harassment and Discrimination.
9. Giving the Company's products away free of charge or at a discount to any person or in violation of the Company's policies.
10. Failure to follow Company procedures for maintaining the confidentiality of the Company's proprietary information.
11. Not following an established safety rule.
12. Putting other employees or members at risk.
13. Tardiness or excessive absence from work (unless the absence is protected by law) or your work area, including taking too long for lunch and break periods.
14. Smoking on Club property.
15. Working unauthorized overtime.
16. Use of abusive or vulgar language.
17. Failure to comply with the law and/or with Company policies, rules and procedures.
18. Unsatisfactory job performance and/or continued failure to properly carry out assigned tasks.

OTHER PARKPOINT CLUBS POLICIES

Safety

Every employee should understand the importance of safety in the workplace. By remaining safety conscious, employees can protect their own interests as well as those of their co-workers. Accordingly, Parkpoint Clubs emphasizes "safety first" and expects all employees to take steps to promote safety in the workplace. As part of this effort, Parkpoint Clubs has developed an Injury and Illness Prevention Program (IIPP) which is available to all employees. See your Club Manager for the location of the IIPP at your facility.

Employees must understand that compliance with safety requirements is a condition of employment and will be evaluated, together with other aspects of an employee's performance, as part of the performance appraisal process. Employees who are particularly effective in following safe and healthful work practices may receive recognition for their effectiveness. Due to the importance of safety considerations to the Company, employees who violate safety standards, who cause hazardous or dangerous situations, or who allow such conditions to remain when they could be effectively remedied, may be subject to disciplinary action, up to and possibly including termination.

Whenever an employee identifies an unsafe condition or an occupational safety and health risk, the matter should be reported immediately to the employee's supervisor, even if the employee is able to remedy the situation himself. If the supervisor is not readily available, the employee should immediately inform the Club Manager or Manager on Duty so that any dangerous condition can be corrected. Employees should report any situations of this nature and need not fear any form of reprisal as the result of their compliance with this policy.

Every effort will be made to correct unsafe or unhealthy conditions, work practices or procedures in a timely manner. Employees may occasionally be asked to assist or participate in inspections, the correction of unsafe or unhealthful conditions, or training programs and activities. It is therefore essential that all employees cooperate in achieving these objectives and assist the Company to provide a safe workplace for everyone.

Workplace Security

The security of our facilities as well as the welfare of our employees requires that every individual be constantly aware of potential security risks. Please immediately notify your Club Manager or the Manager on Duty of any threats or threatening behavior; suspicious persons, or persons acting in a suspicious manner, in or around the facility; or when keys, materials, Company documents, or other items are lost or stolen.

Crime

Your safety is the Company's biggest concern during any crime that may take place at your workplace. For your safety, you must follow these procedures if a crime occurs while you are on duty:

1. Cooperate fully with the person committing the crime.
2. Try to keep your fellow employees as safe as possible.
3. As quickly as possible after the crime is committed, call for any medical help that might be needed.
4. As quickly as possible after the crime has been committed and medical help has been called for, contact the local police department and your supervisor.
5. In your own words, write down all details of the crime as you remember them, including the date, the time, a description of the person(s) and/or what they were wearing, and what happened.
6. List the names of all employees at the scene when the crime took place, and get written statements from them with as many details as they can remember about the crime and the persons involved.
7. If customers are present, ask them to stay until the police come so that they can give statements to the police. If they do not want to stay, do not force them. Instead, ask for their names and telephone numbers so they can be contacted later by the police.

Remember: Do not try to be a "hero" or stop the crime from being committed. Your safety and the safety of others are much more important to the Company than the fate of the criminal or the Company's property.

Confidentiality

Each employee is responsible for safeguarding confidential information obtained in the course of his or her employment. In the course of your work, you may have access to confidential information about Parkpoint Clubs, our members, suppliers, and/or fellow employees. The protection of confidential, sensitive, and proprietary information is of critical importance to the Company, its work force and its members. Employees must not use any confidential, sensitive, or proprietary information of the Company in any manner that is unauthorized or detrimental to the best interests of Parkpoint Clubs.

Conflict of Interest

A conflict of interest in the workplace occurs when an employee has competing interests or loyalties that either are, or potentially can be, at odds with each other. Some examples of workplace conflicts of interest are listed below.

- An employee has a company that provides similar services to Parkpoint Clubs' services.

- A Parkpoint manager provides paid consulting services on the weekend to a customer or supplier.
- A regular part-time or regular full-time Parkpoint employee works for another competing company that provides the same or similar services.
- A Parkpoint manager dates an employee who reports to him/her.
- A Parkpoint manager hires and/or supervises a direct family member.

Situations of potential or actual conflict of interest are to be avoided by all employees. Employees must be free from conflicts of interest that could adversely influence their judgment, objectivity, or loyalty to the Company in conducting Company business activities and assignments. It is also important that any outside employment does not cause a conflict of interest or otherwise interfere with your ability to do your job effectively. It is sometimes difficult to determine whether an actual conflict of interest exists. If you have a question, consult the Human Resources Manager.

Customer Relations

Customer service is of the utmost importance at Parkpoint Clubs. We are a service business, and all must remember that the customer comes first. Employees are expected to attend ongoing customer service training and are required to meet all of Parkpoint's customer service standards. Employees are expected to be friendly, welcoming, polite, courteous, prompt and attentive to every customer. If a situation arises where you do not feel comfortable or capable of handling a situation with a customer, your supervisor should be contacted immediately.

Use of Electronic Media

The Company's computers, phones (including company cell phones), fax machines, and electronic and voice mail systems are Company property, and are generally to be used for conducting Company business only. The use of this equipment for private purposes should be limited, as described below.

Employees may not access a computer file, or retrieve or store communication, other than where authorized, unless there has been prior clearance by an authorized Company representative. In order to protect the integrity of the system, employees wishing to download programs or files, and/or to load personal or other external software onto Company equipment should first check with the Club Manager.

Use of Company Phones

Our phone system should generally be used for job-related purposes only. To maintain the efficiency of our operation, please limit personal calls to as few occasions and as short a conversation as possible. This means that personal telephone calls should be kept to a minimum and confined to meal and rest break periods only, and you should discourage friends and relatives

from calling you during business hours unless there is an emergency. Personal long-distance telephone calls are prohibited, except in an emergency. Any necessary long-distance calls should be made on your cellular phone or charged to your home phone or credit card. You are expected to reimburse the Company for any personal calls that may be inadvertently charged to the Company. Please report any such calls to the Club Manager.

Use of Personal Cell Phones

Cell phones not used for Parkpoint company business must be turned off while on duty and stored out of sight. Cell phone calls may be used in the common areas or private offices during your break or meal period. In addition, whenever possible, please make any other personal calls during your meal and rest periods.

Electronic Mail and Internet

Non-office personnel do not have access to the internet and email unless they have received approval from the Club Manager or General Manager. In all cases, personal use of electronic mail and other computer systems should be limited and should generally occur only during rest breaks and meal periods. Excessive personal use will not be tolerated. The use of the internet, whether for business or personal use, should not include the accessing of offensive or otherwise inappropriate sites (see below).

Electronic media (including the internet) may not be used in any manner that would be discriminatory, harassing or obscene, or for any other purpose which is illegal, against Company policy or not in the best interest of the Company. Voice or email messages may not contain content that may reasonably be considered offensive or disruptive to any employee. Offensive content would include, but would not be limited to, sexual comments or images, racial slurs, gender-specific comments or any comment that would offend someone on the basis of their age, sexual orientation, religious or political beliefs, national origin, disability, or any other basis protected by law.

The Company reserves and will exercise the right to review, audit, intercept, access and disclose all matters on the Company's email system at any time, with or without employee notice. This access may occur during or after working hours. The use of a Company-provided password or code does not restrict the Company's right to access electronic communications.

Violations of this policy may lead to corrective action, up to and including termination. Employees needing additional information regarding this policy should contact the Club Manager.

Social Media

Parkpoint Sites -- Social Networking Policy

Social media sites are used by Parkpoint Clubs in support of our Company mission and

goals. Only the Marketing Director is authorized to represent Parkpoint Clubs using our social media tools. If you are interested in having something posted on any of our sites, please contact the Marketing Director.

If you need clarification on this policy, contact the Marketing Director. Inappropriate use of the Club's social media sites can result in disciplinary actions up to and including termination.

Personal Social Networking Policy

The Parkpoint Clubs recognizes that employees may engage in social networking utilizing their own personal platforms (Facebook page, Twitter page, etc.). "Social networking," for purposes of this policy, includes all types of postings on the Internet, including, but not limited to, social networking sites, (such as Facebook© or LinkedIn©); blogs and other on-line journals and diaries; bulletin boards and chat rooms; micro blogging, such as Twitter©; and the posting of video on YouTube© and similar media. Social networking also includes permitting or not removing postings by others where an employee can control the content of postings, such as on a personal profile or blog.

Employees can use their own personal devices to engage in social media during non-working times, such as breaks and meal periods. However, all other Parkpoint policies against inappropriate usage, including the Company's no tolerance for discrimination, harassment or retaliation in the workplace, and protection of confidential and trade secret information apply.

Employees who engage in social networking should be mindful that their postings, even if done off premises and while off duty, could have an adverse effect on the Club's legitimate business interests. In addition, some readers may view you as a de facto spokesperson for Parkpoint. To reduce the likelihood that your personal social networking will have an adverse effect on the Parkpoint Club, we ask that you observe the following guidelines when social networking:

If your personal social networking includes any information related to the Parkpoint Club:

- Make it clear to your readers that the views, recommendations or endorsements expressed are yours alone and do not reflect those of the Parkpoint Club, by stating, for example, "The views expressed in this post are my own. They have not been reviewed or approved by Parkpoint."
- You are strongly discouraged from defaming or otherwise discrediting the Parkpoint Club or the services of our Club. In addition, we strongly encourage you to represent yourself professionally and in alignment with our Core Values. However, as noted below, nothing in this policy (or any other Parkpoint Club policy) is designed or intended to interfere with, restrain, limit or prevent employee communications regarding wages, hours, or other terms and conditions of employment.)
- Your relationship with the Club must be disclosed whenever you endorse a Club product or service. Similarly, if you have a family member, friend or client endorse your Club services, such as massage or personal training, the relationship between you must be disclosed.

- You may not post member information, photographs, or member names without their prior written permission.
- Do not use the Club's logo, trademark or proprietary graphics as your personal image.
- Do not disclose personal or contact information, of members, coworkers or supervisors without their prior written permission.

The Parkpoint Club may request, in its sole and absolute discretion, that you temporarily confine your personal social networking to matters unrelated to the Club if the Club determines this is necessary or advisable to ensure compliance with securities regulations or other laws. If you are uncertain if what you are posting is appropriate, or potentially damaging to the Parkpoint Club, you should consult the Marketing Director before posting.

Compliance with our Social Media Policy is a requirement of your employment, as it is with all other Parkpoint policies. Transgressions are subject to disciplinary action and/or termination as determined by management.

Please note that nothing in this policy (or any other Parkpoint Club policy) is designed or intended to interfere with, restrain, limit or prevent employee communications regarding wages, hours, or other terms and conditions of employment.

On-the-Job Injuries

If an employee is seriously injured on the job, he or she must get medical treatment immediately. If necessary, an ambulance should be called. If the injury is less serious, the supervisor must make arrangements to have the employee taken to the doctor.

Each and every occupational injury or illness, no matter how minor, must be reported immediately to the Club Manager, who will notify the Human Resources Manager. (Also see the Workers' Compensation policy in the Benefits Section).

Drug and Alcohol Policy

Parkpoint Clubs recognizes the importance of maintaining a safe, efficient and helpful work environment for its employees. Being under the influence of any drug and/or alcoholic beverage on the job poses serious risks to employee health and safety. Therefore, it is the intent of the Company to establish a policy to secure a safe, efficient and healthy work environment for all individuals.

Parkpoint Clubs absolutely prohibits any use, sale, purchase, transfer or possession of any illegal or non-prescribed drug by its employees at any time. In addition, it strictly prohibits employees from being under the influence of alcohol and/or any drug while on duty or performing Company business, including driving Company-owned or leased vehicles. Legally prescribed medications are only excluded from this rule and permitted to the extent that the use of such

medications does not adversely affect the employee's work ability, job performance or the safety of that individual or others. Please note that it is also critical that employees not drink to excess at Parkpoint social functions.

In order to promote a safe, productive and efficient workplace, the Company shall have the right to inspect employees, as well as any articles and property in their possession, upon reasonable justification to suspect the presence of inappropriate materials. The Company shall also have the right to inspect, upon reasonable justification, lockers, desks, toolboxes, Company vehicles, personal vehicles on Company property, packages, lunch boxes, containers, articles in such areas, and other objects brought on Company property which might conceal alcohol, illegal drugs or other inappropriate materials.

An employee may be asked or required at any time to submit to testing procedures designed to detect the presence of drugs and/or alcohol if he or she is acting in a manner that leads to a suspicion that he or she either possesses, controls or is under the influence of a drug and/or alcohol, or has been involved in the use, possession and/or sale of drugs or alcohol in Company controlled areas, on Company-owned property, or while on duty. Any employee who does not consent to and fully cooperate with any search and/or medical testing procedure may be summarily terminated by the Company.

Use of Company Property

You are expected to use Parkpoint Clubs property only for Company purposes. Personal use of Company supplies is prohibited. When you leave the Company's employment, you must return all keys, documents, uniforms, manuals, correspondence, and any other Company property belonging to Parkpoint Club.

No Smoking

For the better health of our employees and members, and per legal requirements, we have established a smoke-free work environment. Smoking is not allowed inside or outside our facilities. If you wish to smoke during your breaks or meal periods, please do so away from Company property. In addition, please take steps to minimize residual odors.

Pet Policy

Parkpoint Clubs is responsible for assuring the health and safety of all employees. In keeping with this objective Parkpoint Clubs generally does not permit employees to bring their household pets to work. Animals may pose a threat of infection and may cause allergic reactions in other employees. Some employees may feel threatened or be distracted by the presence of animals, particularly dogs. Parkpoint Clubs will adhere to the Department of Fair Employment and Housing regulation and accommodate service or support animals, provided that:

- The animal must display appropriate behavior in the workplace (i.e., it cannot be aggressive and must be house-trained)
- The animal must not be a distraction
- The animal must not pose a health or safety threat to others (e.g., it should be up to date on vaccinations, be free from fleas and other parasites, and be friendly and non-aggressive)
- The animal must not place an undue burden on the employee

Parkpoint Clubs reserves the right to require an employee to provide documentation from the employee's health care provider of the need for the animal as well as confirmation that the animal will behave appropriately and meet the minimum standards for assistive animals.

Solicitation and Distribution of Literature

Please do not solicit or promote support for any cause, organization or your personal business during your working hours, or during the working time of other employees. In addition, do not distribute or circulate any written or printed material in work areas at any time, or during your working time or during the working time of other employees. Under no circumstances will non-employees be permitted to solicit or to distribute written material for any purpose on Company property.

Please note that this policy is not intended to limit the ability of employees to discuss the terms and conditions of their employment with other employees, including such topics as wages, job performance, workload, supervision, or staffing.

Employees Who are Required to Drive

Employees who are required to drive on Company business must have a valid driver's license and adequate insurance coverage. The Company also reserves the right to obtain DMV driving records on an ongoing basis.

For the safety of our employees and others on the road, while you are driving on Company business you are encouraged to refrain from making or receiving calls on your cell phone. If it is necessary for you to use your phone while driving, you are required by law and Parkpoint Clubs policy to use a hands-free device. Text messaging, surfing the Internet, receiving, or responding to email are prohibited while driving.

EMPLOYEE HANDBOOK RECEIPT AND ACKNOWLEDGMENT

I hereby acknowledge that I have received a copy of or online access to the Parkpoint Clubs' Employee Handbook dated January 2024 (the "Handbook"). I understand it is my obligation to read the Handbook and understand its contents, and that I can ask the Club Manager, Human Resources Manager or General Manager any questions I may have regarding it. I acknowledge that I am expected to follow Parkpoint Clubs' personnel policies, benefits, work rules and procedures as they are outlined in the Handbook.

I have also carefully reviewed the section entitled "Policy Prohibiting Unlawful Harassment and Discrimination" addressing unlawful harassment and discrimination as well as the procedures used for reporting and investigation of such issues. I will ensure that I understand this policy and, if I have any questions, will contact the Human Resources Manager for further information or clarification.

I acknowledge that the Handbook provides only general information about the basic policies and procedures concerning employment at Parkpoint Clubs and does not attempt to provide a complete statement of the conditions of my employment. The Handbook expressly supersedes all prior handbooks, Company rules or policy statements on subjects covered therein, or any other subject relating to terms and conditions of my employment.

I understand and agree that my employment at Parkpoint Clubs is at-will, and that either Parkpoint Clubs or I are free to terminate my employment at any time, with or without notice, with or without "cause," for any reason, or no reason at all. The at-will nature of my employment at Parkpoint Clubs can be modified only in writing, and any such written modification must be signed by Bill Buchanan and by me. I acknowledge that I have no oral agreements regarding my employment.

I acknowledge that Parkpoint Clubs has the right to change, modify or delete any part of the Handbook at any time. Parkpoint Clubs also has the right to deviate from the written policies set forth in the Handbook if, in its sole discretion, it deems this appropriate.

Date: _____

Employee Signature

Print Name